

WHAKATĀNE DISTRICT COUNCIL

Annual Report

Rīpoata - ā - Tau

2013/14



Message from the Mayor

Nau mai, tomo mai. whakatau tau mai ra ki tēnei Te Ripoata-a-Tau 2013-2014. He mihi maioha, he mihi kōkōtangiwai ki ngā mahi nui, ki ngā mahi whāiti, kua tatū rawa i roto i te tau kua pahure ake nei. Ara, kua hāngai pū te otinga o ngā mahi whānui, tērā, kua rangona ngā painga o ngā ratonga.

Welcome to this Annual Report 2013-14, which summarises the Council's performance and achievements for the past financial year. A warm greeting to all and a special acknowledgement to those involved in the projects and work that have been achieved over the year. The past year has been a successful one in terms of achieving objectives and outcomes and delivering quality services. It marks a period of solid progress against our strategic goals and a continuation of the momentum of success achieved over the previous two financial years.

Continued financial management discipline has seen the Council end the 2013/14 financial year with a surplus for the third consecutive year. The rating surplus of \$622,000 represents just over one percent of the Council's overall operating budget for the year and is an indication that the organisation is closely managing its budgets and work programmes. This result is particularly positive given a number of unexpected costs during the year related to the drinking water salinity risk posed by the summer drought and the impacts of the Easter weekend storm. Of note, the 2013/14 year also saw a very conservative rates increase of only 2.49%, the lowest increase in the past decade.

Good progress has been made on capital projects in the past year. Major projects completed included the Whakatāne to Ōhope Walkway and Cycleway; upgrades to the Matatā and Rūātoki water supplies and Edgecumbe wastewater system; improvements to the Whakatāne and Ōhope stormwater systems and many more. Other ongoing projects are continuing to make good progress. Most of our capital expenditure is committed to maintaining or improving the Council's core services.

We have again had a solid performance against our levels of service targets. The past year saw 83% of targets achieved. These targets define aspects of service delivery, such as the quality, speed, volume or reliability of a service that the community can expect. Our service delivery and projects for the past year have been very much in line with our strategic direction and priorities, as set out in our Long Term Plan. In particular, we are continuing to grow our capacity and capability to focus on economic development and have made good progress towards residential development in Ōhope and at Bunyan Road. Given the size and scope of our organisation, our achievements are many and I encourage you to look at the "Our Work in Detail" chapter of this Annual Report for information about these.

This year, we are particularly proud of our people-focused achievements, both internally as we work towards a high performance-oriented workplace, and externally in terms of what we have been able to deliver through partnerships with our community and stakeholders.

We are determined to continue building on our successes and look forward to another year of achievement.

Nāku noa nā.

Tony Bonne

MAYOR



CONTENTS

About the Council	003
About the year	011
Our work in detail	023
INTRODUCTION TO THE 'OUR WORK IN DETAIL' CHAPTER	023
LEADERSHIP	030
ROADS & FOOTPATHS	036
WATER SUPPLY	042
SEWAGE TREATMENT & DISPOSAL	048
STORMWATER DRAINAGE	054
WASTE	058
ENVIRONMENTAL SUSTAINABILITY	064
COMMUNITY SAFETY	068
ARTS & CULTURE	080
COMMUNITY PROPERTY	086
RECREATION & COMMUNITY FACILITIES	092
CORPORATE & DISTRICT ACTIVITIES	104
COUNCIL CONTROLLED ORGANISATIONS	112
Our costs in detail	119
FINANCIAL BENCHMARKS	119
FINANCIAL STATEMENTS	125
NOTES TO THE FINANCIAL STATEMENTS	129
Appendices	178
COUNCIL GOVERNANCE STRUCTURE	178
YOUR COUNCIL	179
MEMBERSHIP ON THE COMMUNITY BOARDS	180
MEMBERSHIP OF STANDING COMMITTEES	181
MEMBERSHIP ON THE YOUTH COUNCIL	182
COUNCIL ORGANISATIONAL STRUCTURE	183
EMPLOYMENT POLICIES & INFORMATION	184
'COMMUNITRAK' SURVEY RESULTS	185
STATEMENT OF COMPLIANCE	186
AUDIT REPORT	187

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 the performance targets we set through the Long Term Plan and Annual Plan. It is our opportunity to report back to the community about whether or not 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?

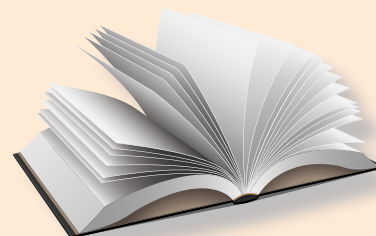
The Long Term Plan (LTP) sets out the strategic direction, work plan and budgets for the 10 years that follow. It outlines the services we will provide, the projects we will undertake and the cost of doing this work. It includes how our work will be paid for, and how we will measure the quality and effectiveness 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 LTP's. The LTP is still our guiding document and first port of call. Some variations from the LTP are allowed, but any significant changes require a formal 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



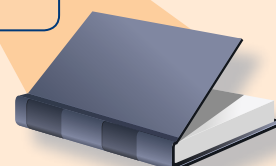
Annual Report
2014/15



Annual Plan 2014/15



Annual Report 2013/14
(This Document)



Annual Plan 2013/14



Annual Report 2012/13



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 and much more.

On behalf of the community we managed over \$670 million worth of community assets and completed or made progress on 191 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 2013/14 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 2013/14 year and are set out on the next 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



About the year

Te Arotake o te Tau

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

The six community outcomes which guided our decision making, planning and priorities in the 2013/14 year are set out on the next 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

GOALS

Striving for our future well-being

- 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

GOALS

Excellent value for money

- 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

GOALS

Working in partnership

- 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

GOALS

A caring community

- 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

GOALS

Sustaining for future generations

- 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

GOALS

Meeting current and future needs

- 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 are: 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 180 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 2014 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 2014 is available in the appendices at the end of this Annual Report.

Youth Council

The Whakatāne District Youth Council currently consists of eight 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 2014. A list of Youth Council members for the 2013 and 2014 years 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 Governance 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:

- The Proposed District Plan was adopted for consultation and publicly notified; submissions were received; a summary of submissions was notified and further submissions received. Hearings are currently ongoing.
- The decision to remove two Council owned properties on The Strand and create a Pedestrian Plaza, in line with the Town Vision Plan, better linking the CBD and the River.
- A Joint Local Alcohol Policy was adopted in collaboration with the Ōpōtiki and Kawerau District Councils, providing a consistent approach to alcohol management in the Eastern Bay. This also established a joint District Licencing Committee to regulate the alcohol industry in the Eastern Bay.
- The decision to sell land at Port Ōhope was made. This not only encouraged growth and development in the area but also allowed the Council to access funds and so reduce borrowing.
- Establishing the Grow Whakatāne Advisory Board which will focus on Council assets with commercial imperatives, including the airport, port and harbour, harbour endowment properties, the divestment and development of strategic landholdings, and the implementation of the Town Vision Strategy.

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 and recognise the high Māori population. Our committee structure and processes for decision-making include specific provisions for Māori to participate.

Māori engagement toolkit

To help Council engage with Māori, we have begun work on a Māori engagement toolkit. This is intended to provide Councillors and staff with a user friendly information guide and tools to support meaningful engagement with Māori at all levels.

Iwi Chairs Forum

Following the 2013 triennial elections, the Council made the decision not to re-establish the Iwi Liaison Committee (ILC) and a review was undertaken of existing governance arrangements, in consultation with Iwi. The review aimed to continue to improve the effectiveness of the Council's communication and relationship with Iwi. The Mayor met with the Chairs and Chief Executives of Runanga, and the members of the last ILC to discuss their views on how best to engage with Iwi and hapu. While not all Iwi were represented at the meetings, there was a consensus that the approach this triennium should be:

- The establishment of an Iwi Chairs Forum that would allow Iwi and Council to have high level discussions to inform and help advance common outcomes. The Forum would be an informal structure so as not to be local government driven. The Forum will meet three times per year. The Mayor will attend on behalf of the Council.
- The Council will consult directly with hapū on specific projects or proposals affecting the hapū.
- Operational matters (that have traditionally been raised and monitored through the ILC) will be recorded through the Customer Services Centre and attended to accordingly.
- The establishment of a separate Kaumautua forum is being considered.

The Iwi Chairs Forum was formed and the first formal meeting of the Forum was held on 21 May 2014.

Increased cultural awareness

Council staff have undertaken a number of cultural activities to raise their awareness and understanding of Māori protocol, Te Reo Māori and Māori world view. Through increased knowledge and understanding, staff will gain the confidence to engage more effectively with Māori, encouraging improved relationships and a greater level of contribution to decision making.

Mayor's Hikoi

In March, the Mayor, several Councillors and the Chief Executive travelled to the heart of Te Urewera, to the village at the foot of Tūhoe's sacred mountain, Maungapōhata.

The hikoi aimed to strengthen relations between Council and iwi and helped raise the profile of some of the more remote corners of our district. It also provided Council a better understanding of the needs of this remote and beautiful part of the District.

This is one of a number of hikoi the Mayor has carried out in recent years, visiting different areas of our District to connect first hand with our many communities and strengthen relationships with iwi.

Projects and Proposals

The Council consulted widely with Māori over several projects over the year including the Proposed Whakatāne District Plan, the Matatā Wastewater Project, the draft Annual Plan, and iwi involvement in the Road Naming Policy. The Council understands the importance of consultation at different levels, recognising that Iwi, Hapū and whānau each have their own autonomy, and keep this in mind when identifying who should be consulted with over different projects. It is important to Council that effective engagements occur with Māori to better understand the issues and therefore make informed decisions that benefit the community as a whole.

Discretionary funds

The ILC accessed a discretionary fund to provide financial assistance to support, promote, encourage and celebrate Māori culture and language in the Whakatāne District. Following the decision not to re-establish the ILC, following the elections, Council continued to provide access to these funds to community groups, individuals and voluntary organisations based in the Whakatāne District that met the same criteria. \$15,500 was distributed in the past year.

WORKING IN PARTNERSHIP HAS HELPED US TO ACHIEVE MORE FOR LESS

Over the past year we have delivered a number of projects and services in partnership with other organisations, agencies and the community. This is in line with the undertaking in our current Long Term Plan 2012-22, that we would look for smarter and more efficient ways of operating. For example, we are working with our neighbouring Councils on common policies and strategies; accessing funding from the Ministry of Health to complete water and wastewater projects; entering into partnerships with neighbouring Councils and central government for road maintenance contracts; working with the business community on a process to assess and strengthen earthquake-prone buildings; and delivering shared services like road safety and civil defence across the Eastern Bay of Plenty.

We have also partnered with numerous groups, agencies and the community to deliver or support projects like the Ōhope Walkway and Cycleway; a Marae recycling programme; improvements to Sullivan Lake; planning for a new Murupara Community Hall; the first stage of a substantial Tāneatua playground upgrade, and completion of the Whakatāne Rotary Bike Park.

The Council is also participating in a number of new partnerships and forums, including the Iwi Chairs Forum, Social Sector Advisory Group, Waikato Bay of Plenty Waste Liaison Group, stakeholder groups for the Whakatāne Airport and Whakatāne Harbour, and the Sullivan Lake Care Group, to name but a few. Alongside these working partnerships, we have continued to provide grant funding for community groups and volunteer organisations to acknowledge and support the contributions they make to our District. We are immensely appreciative of these relationships and the contributions that others have made towards our District over the past year.

Throughout the 'Our Work in Detail' chapter of this Annual Report you will find many stories from the year, providing examples of our partnerships and what these are delivering.

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.



Overview of the year

The following pages provide a high level overview of the Council's performance for the 2013/14 financial year. This summarises whether we met our budgets for the year and whether we delivered what we set out to deliver in terms of projects and services. More information is available in the 'Our work in detail' and 'Our costs in detail' chapters of this Annual Report.

We finished the year with a rating surplus of \$622,272

Whakatane District Council finished the 2013/14 financial year with a rating surplus of \$622,272. This represents just over one percent of the Council's overall operating budget for the year and is an indication that the organisation is managing its budgets and work programmes prudently. A rating surplus or deficit is an indication of whether the right amount of rates income was raised to pay for budgeted expenditure during the financial year. It is impacted by the funding that is able to be generated from sources other than rates, such as leases, subsidies and grants, and fees and charges. It is also impacted by the way we manage our expenditure. A rating surplus or deficit does not include non-cash or accounting expenditure, such as depreciation, asset revaluations and gains or losses on the disposal of assets.

The rating surplus for the 2013/14 year is largely related to savings in overhead activities amounting to \$771,500. This is expenditure savings that were able to be achieved through a combination favourable procurement opportunities, reprioritisation of work and completing work with in-house, rather than external resources. At an activity level, there were a number of smaller (positive and negative) variances to budgets which contributed to the rating surplus. Detailed activity budgets and commentary on variances can be found in the 'Our Work in Detail' chapter of this Annual Report.

The rating surplus is a particularly positive result given a number of unexpected costs during the year related to the summer drought and risk of drinking water salinity, and the impacts of the Easter weekend storm. With careful financial management and efforts made to source available emergency and insurance funding, these costs were able to be accommodated within existing budgets.

The rating surplus will help our Airport get back in the black

Ideally we plan to achieve a 'balanced budget' with neither a surplus nor deficit. However, with a surplus available we are able to dedicate this funding to offset costs that would otherwise eventually need to be funded through future rates. The Council has considered this situation and decided to apply \$400,000 of this surplus towards reducing the reserve deficit for the Whakatāne Airport. This deficit has been increasing over recent years because the Whakatāne Airport is not yet in a position to be fully self-funding. The aspiration of becoming a self-funding operation continues to be a long term goal for the Whakatāne Airport.

Why is there an overall operating deficit for the 2013/14 year?

The final operating result for the year was a net deficit of \$507,000. This compares to a budgeted surplus of \$5.89 million. An operating deficit is generated by incurring more operating expenditure than revenue. A number of factors contributed to the variance compared to budget the majority of which are related to accounting entries that do not have an impact on rates. For information about the rating surplus achieved for the year, refer to page 11.

A key contributing factor to the deficit position was revenue being lower than budgeted. This principally related to the Matatā wastewater project which was delayed as a result of an appeal against the resource consent. Because of this delay we were not able to access subsidies from the Ministry of Health or the Bay of Plenty Regional Council during the year. These subsidies components, totalling approximately \$5 million, are now expected to be received in the 2015/16 year when construction commences. Similarly a delay in the project to improve route security along Wainui Road resulted in subsidies of \$960,000 not being accessed during the year. Another key contributing factor were the losses of \$2.49 million on the valuation of investment property and operational land not budgeted for in the Annual Plan.

These reductions in revenue were partly offset by additional income from sales of assets and gains related to the revaluation of interest rate swaps. A number of smaller variances, both positive and negative, also contributed to the overall operating surplus for the year. These can be found in note 34 of the 'Our Costs in Detail' chapter of this Annual Report.

Our end of year financial position at an activity level

While the Council finished the year with an overall operating deficit, the results varied at the 'group of activity' level. The table below provides the operating expenditure and income at a group of activity level to show how these contributed to the end of year financial position. Information at an activity by activity level about the major budget variances is available in the 'Our Work in Detail' chapter of this Annual Report.

Figure 1: Financial performance by activity group 2013/14

SUMMARY COST OF SERVICE	ACTUAL EXPENDITURE* \$000	ACTUAL REVENUE* \$000	ACTUAL NET COST SURPLUS/ (DEFICIT)	BUDGET NET COST SURPLUS/ (DEFICIT)
Leadership	\$2,522	\$2,769	\$247	\$6
Roads & Footpaths	\$14,753	\$14,744	(\$9)	\$578
Water Supply	\$6,054	\$6,267	\$213	(\$667)
Sewage Treatment & Disposal	\$3,105	\$2,920	(\$185)	\$4,717
Stormwater Drainage	\$2,945	\$3,023	\$78	\$172
Waste	\$5,721	\$5,887	\$166	\$272
Environmental Sustainability	\$1,877	\$1,388	(\$489)	(\$511)
Community Safety	\$3,450	\$3,480	\$30	\$132
Arts & Culture	\$3,299	\$3,273	(\$26)	(\$185)
Community Property	\$2,847	\$2,168	(\$679)	(\$383)
Recreation & Community Facilities	\$8,751	\$9,780	\$1,029	\$346
Corporate & District Activities**	\$4,684	\$3,811	(\$873)	(\$458)
Council Controlled Organisations	\$251	\$242	(\$9)	(\$143)
Operational Cost of Service Delivery Surplus/(Deficit)	\$60,259	\$59,752	(\$507)	\$3,875
Internal Interest	(\$1,539)	(\$1,539)	\$0	\$1,873
Rates remissions	(\$362)	(\$362)	\$0	\$373
Repayments to reserves	\$0	\$0	\$0	(\$230)
Total Council Surplus /(Deficit) Before Tax	\$58,358	\$57,851	(\$507)	\$5,891

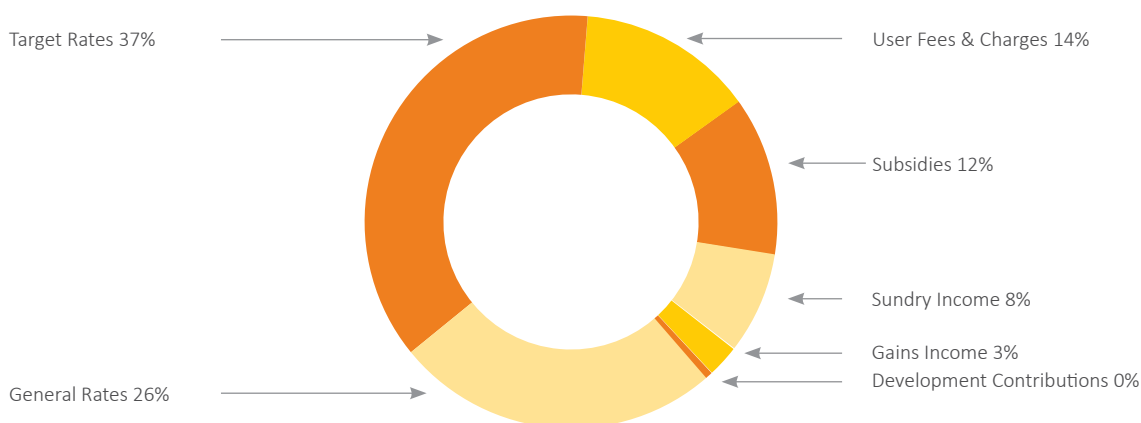
* Expenditure and Income in the table includes different reclassification from interdepartmental transfers compared to the Statement of Comprehensive Income

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

Over 37% of our income came from sources other than rates

In the 2013/14 year 63% of our income came from rates with 37% coming from other sources. We endeavour to secure funding from sources other than rates because this helps to make Council services and facilities more affordable. Examples of other major funding sources include user fees and charges, subsidies from the New Zealand Transport Agency, the Ministry of Health, the Ministry of Business, Innovation and Employment, Lotteries Commission, and local sponsorship. Through additional external funding, for every \$10 that came from rates in 2013/14, we were able to deliver almost \$16 worth of services.

Figure 3: Sources of operating revenue 2013/14



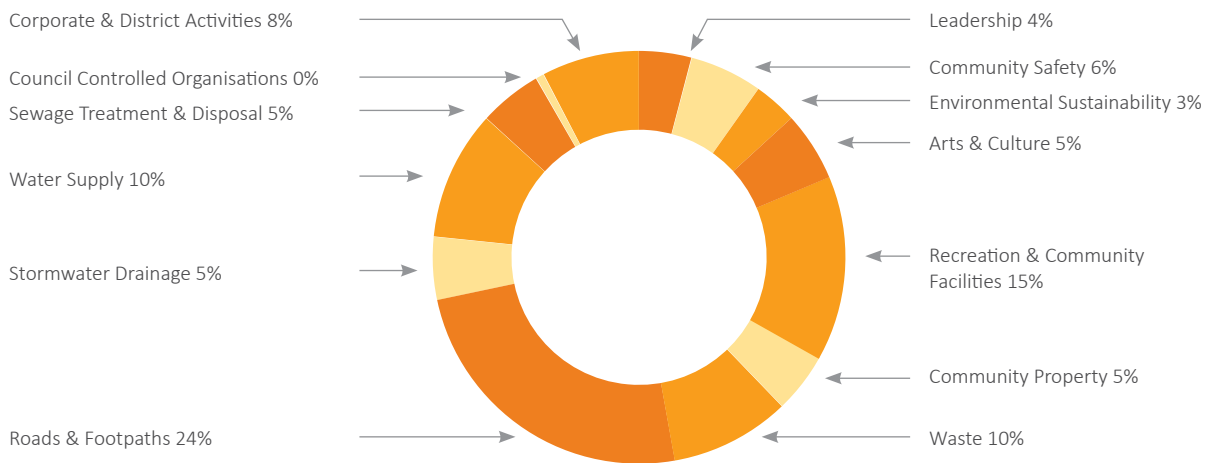
In the 2013/14 year, the average household paid \$46.35 per week towards Council services and facilities including:

roads, footpaths, street-lighting, water supplies, sewage treatment and disposal, stormwater systems, parks, reserves, sports-fields, boat-ramps, wharfs, playgrounds, waste collection, transfer stations, libraries, gallery, museum, planning and policy development, swimming pools, Council representation, Youth Council, CCTV, Community grants, regulatory services, parking enforcement, community halls, emergency management, animal control, Whakatāne Airport, economic development, cemeteries, crematorium, public toilets, visitor information

The majority of our operating expenditure was on core services

Operating expenditure pays for the day-to-day costs of delivering services, maintaining existing assets, or other expenditure that does not buy or build a new asset. Over the past year, the Council's total operating expenditure was \$57.84 million. The majority of this expenditure continued to be on core infrastructure services, including 'Roads and Footpaths', 'Waste', 'Water Supply', 'Sewage Treatment and Disposal' and 'Stormwater Drainage'. These activities combined made up just over 55% of our total operating expenditure for the year.

Figure 2: Where operating expenditure was spent 2013/14



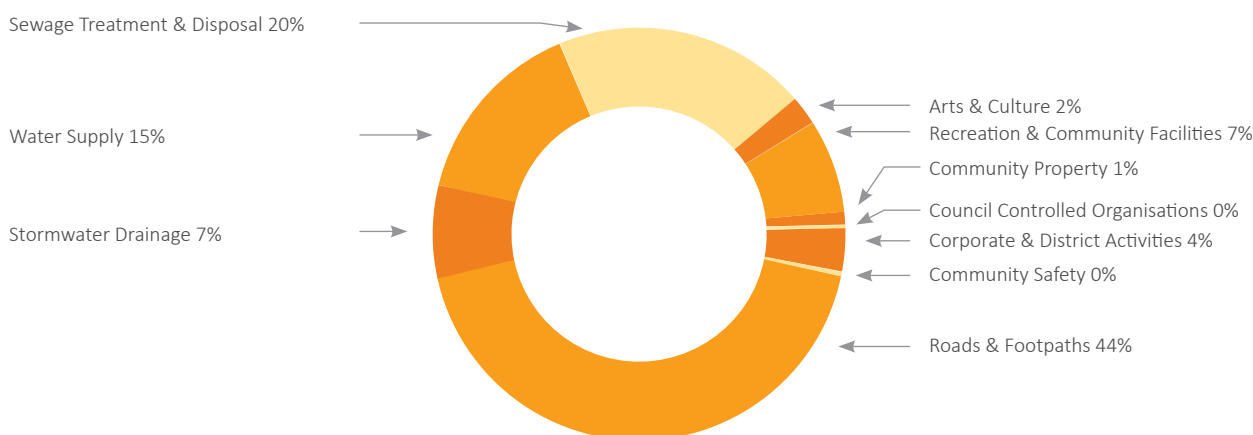
\$14.48 million spent on capital projects

Capital expenditure is the cost of buying or building new assets, renewing an existing asset, or improving an asset to deliver a better service. Over the 2013/14 financial year, \$14.48 million was spent on capital projects. This is lower than the Annual Plan budget of \$21 million and substantially lower than the revised budget of \$25.59 million – revisions to the Annual Plan budget are a result of projects carried forward from the previous year as well as decisions made during the year to progress new projects.

Most of our capital expenditure is committed towards maintaining or improving the Council's core services. The largest four of these, including 'Roads and Footpaths', 'Sewage Treatment and Disposal', 'Water Supply' and 'Stormwater Drainage' accounted for more than 85% of our capital expenditure in the 2013/14 year. Major projects completed included the Whakatāne to Ōhope Walkway and Cycleway; upgrades to the Matatā and Rūātoki water supplies, Edgecumbe wastewater system upgrades; improvements to the Whakatāne and Ōhope stormwater systems and many more. Other ongoing projects are continuing to make good progress.

Although the majority of projects scheduled for the year progressed as planned, some did not. In particular we had budgeted a substantial sum towards the development of a new wastewater system in Matatā. An appeal has been lodged in the Environment Court against the resource consents for this project, further delaying construction. Work to improve the route security of Wainui Road at Cheddar Valley is also on hold as we await resource consents. Finally, a major project to upgrade the Council's enterprise management system was replaced by smaller projects which provide a better and far more cost-effective solution. These three projects account for approximately \$6.25 million of our unspent capital budget.

Figure 4: Where capital expenditure occurred in 2013/14



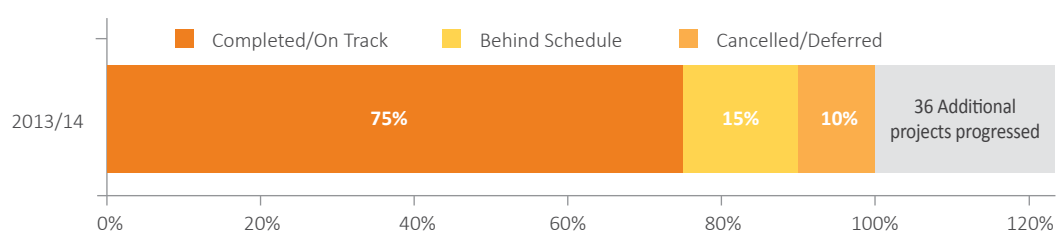
75% of projects completed or on track

The Annual Plan for 2013/14 set out 155 capital projects, ranging in scale from small items like installing a new swing through to a multi-million dollar water supply project. By the end of the financial year, 117 or 75% of those projects, were either completed, or where they span two years, were tracking according to schedule. This compares to a 78% completion rate for the previous 2012/13 year. During the year, some projects were reprioritised, allowing the budget to be used for very similar, but more urgent purposes. For example stormwater reticulation improvements in the Douglas Street/Alexander Avenue area were brought forward from our 2014/15 programme and completed in 2013/14, with Apanui and Hinemoa projects rescheduled for 2014/15. Similarly, various road rehabilitation and reseal projects were reprioritised to meet more urgent roading needs.

During the 2013/14 year, we also made progress on a further 36 projects that were not signalled in our Annual Plan, a number of which were emergency projects in response to unforeseen situations. These included responding to the risk of salinity affecting the Whakatāne and Ōhope water supply schemes during the summer drought; and undertaking remediation work following the extreme storm event and flooding in April. Other projects under the water supply activity were undertaken as subsidy funding was confirmed.

A small number of projects were deferred or cancelled during the year, either because they were not required, or it was not appropriate to progress them. For example, condition assessments found that some assets did not require replacement in the timeframe envisaged, while in other situations, more efficient alternatives were found and are being progressed. More information about specific projects is available in the “Our work in detail” chapter of this Annual Report.

Figure 5: Progress made on capital projects during 2013/14



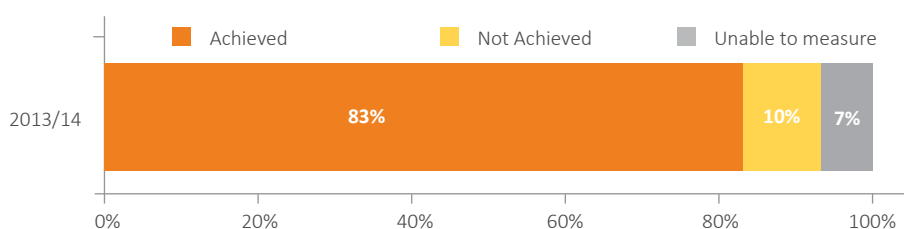
We achieved 83% of our level of service targets for the year

Our performance framework outlines the level of service that we aim to provide to the community. This includes a series of non-financial performance targets for each service that we deliver and includes both technical measures, like the number of days taken to process a building consent, and perception measures monitored through our community satisfaction survey.

For the 2013/14 year, we set out 59 level of service targets. Of these, four were no longer relevant or not able to be measured including three under the 'Waste' activities where targets had been set on incorrect estimations of waste volumes, and one under the 'Governance' activity where a result is not available following a change in survey methodology (see following pages for more information on the survey).

Of the remaining 55 targets we achieved 49 and did not achieve six. This represents 83% of the total 59 targets or 89% of those that were able to be measured. For each of the six measures that were not achieved, the result was close to the target we had set for the year. This provides confidence that these are on track although we will continue to monitor our performance measures on a quarterly basis to ensure this remains the case.

Figure 6: Performance against level-of-service targets 2013/14



In general, we are confident that our services and facilities are performing at, or very close to, the level we planned for the year, although we are continually looking for improvement. We are currently in the process of developing our Long Term Plan covering the period 2015-25, which will review the strategic direction, priorities and levels of service that we provide. Our current levels of performance, the results of our community satisfaction survey and consultation with the community will help us to set that direction.

From 2014, we are using a new community satisfaction survey called “Communitrak”

Every year, we undertake a community satisfaction survey on a wide range of Council services and facilities. The survey is a valuable tool, providing insights into the community’s views about the Council’s performance. The outcomes captured by the survey are used alongside other information to inform our planning and performance frameworks.

In the past year, we changed our survey provider - part of a process to ensure we continue to get the best value from our survey. The new survey provider is the National Research Bureau (NRB), a well-established research company which conducts surveys on behalf of many councils throughout the country. As part of its research product, NRB is able to provide comparative results to national and peer group averages.

Changes in our survey has implications for reporting against performance targets

The new “Communitrak” survey differs from the methodology we have used previously. This has implications for the 19 survey-based measures that are in our existing performance framework. The data collected under the new survey methodology is not directly comparable to the performance targets we set for the year, and can not be compared to results from previous years. From 2014 onwards, the survey results are presented as the percentage of survey respondents who are fairly or very satisfied with a service or facility.

In the past, we used an index system reflecting the ‘average score’ provided by respondents on a scale from zero (very dissatisfied) to ten (very satisfied). To enable comparison of the Communitrak results with the old reporting system, we have assumed that the previous survey responses ranging from 6-10 indicate fairly or very satisfied, while 0-5 indicate dissatisfaction. This result compares most readily to the “Communitrak” 2014 overall results with the “don’t knows” excluded. Exclusion of the “don’t know” responses is consistent with the method used to set our targets and avoids results being overly influenced by those that have not used the service or do not have an opinion on the service. A more detailed breakdown of the results including both by the full sample and excluding the “don’t knows” is available in the appendices to this report.

On this basis, the results indicate that we have achieved 14 of the 19 survey-based measures in our performance framework. One measure was unable to be compared, and four were not achieved - although they were very close. Those four are satisfaction with: parking in Whakatāne, public toilets, public swimming pools, and harbour facilities.

The existing performance framework will be replaced by a new framework under the 2015-25 Long Term Plan (from 1 July 2015). Where perception measures feature within that framework, the new “Communitrak” methodology will be applied.

You have told us that business promotion, stormwater services and attracting and retaining residents need more focus

A number of our services and facilities achieved a very high level of satisfaction by survey respondents who had used them within the last year. Over 90% of survey respondents were either fairly or very satisfied with parks and reserves; playgrounds; sportsfields; the Library and Exhibition Centre; Council roads; kerbside collection of waste; and the cemetery and crematorium. The services that received the lowest levels of satisfaction included business promotion; stormwater services; and town planning.

The 2014 community satisfaction survey also included a question focused on our spending emphasis. This asked respondents if they would like to see 'more', 'less' or 'about the same' spent on specific council services and facilities. This question found that 'business promotion', 'stormwater services' and 'attracting and retaining residents' were the community's top priorities. For most services or facilities, the majority of responses suggested that Council continue spending 'about the same'. The question ensured that respondents were aware that spending more could increase rates costs or user charges.

As well as informing us about our performance over the past financial year, the Communitrak survey results will help us set new priorities as we move forward. In particular, we are in the process of developing our Long Term Plan 2015-25, which will set out the strategic direction and priorities of the Council for the coming ten years.

Our targeted survey for building and resource consent services shows very positive results

Alongside the “Communitrak” community satisfaction survey conducted in 2014 we also undertook a targeted postal survey of users of our Development and Compliance services from the past year. The questionnaire measures satisfaction levels for a range of factors relevant to the resource and building consent processes as well as the various staff groups involved in the process.

The Council has conducted this survey annually for the past three years and continues to see some very positive results. In particular, 85% of respondents scored their overall satisfaction with the service provided by the Development and Compliance team between 7 – 10 (out of ten), indicating a high level of satisfaction. Only 4 out of a total of 74 survey respondents indicated that they were dissatisfied with the overall service received.

The survey suggested some areas that the Council could focus on to improve development and compliance services. Some particular themes included liaising with agents for processing resource consent applications, where appropriate, rather than applicants; and around the cost structure of the consenting process with a preference for actual cost rather than set fees. We have implemented a project to review these results and make improvements to our services where we can.



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

The services and facilities we deliver to you are set out as 39 activities organised into 12 'groups of activities'. This includes the internal (Corporate and District) activities.

We are also a shareholder or partner in three Council Controlled Organisations. These are required to produce their own Annual Reports for each financial year but summarised information is available in this chapter

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 Annual Plan for 2013/14.

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 for this group of activities that were achieved versus those that were not achieved or not measureable. The specific result against each target is set out under each activity section under the heading "what we delivered".

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 2013/14
 Delivering our services:

50%

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 2013/14 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 FOR THE YEAR ENDED 30 JUNE 2014 – Recreation & Community Facilities

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000		
Sources of operating funding						
5,729	General rates, uniform annual general charges, rates penalties	5,884	5,173	(711)		
331	Targeted rates (other than a targeted rate for water supply)	347	368	21		
6	Subsidies and grants for operating purposes	6	106	100		
2,811	Fees, charges, and targeted rates for water supply	2,927	3,451	524		
1,711	Internal charges and overheads recovered	1,718	936	(782)		
90	Local authorities fuel tax, fines, infringement fees, and other receipts	45	560	515		
10,678	Total operating funding (A)	10,927	10,594	(333)		
Applications of operating funding						
4,396	Payments to staff and suppliers	4,529	4,987	458		
466	Finance costs	491	469	(22)		
3,507	Internal charges & overheads applied	3,520	2,569	(951)		
-	Other operating funding applications	-	-	-		
8,369	Total applications of operating funding (B)	8,540	8,025	(515)		
2,309	Surplus (deficit) of operating funding (A-B)	2,387	2,569	182		
Sources of capital funding						
60	Subsidies and grants for capital expenditure	62	106	44		
23	Development and financial contributions	24	16	(8)		
(866)	Increase (decrease) in debt	38	(261)	(299)		
25	Gross proceeds from sale of assets	-	-	-		
-	Lump sum contributions	-	-	-		
-	Other dedicated capital funding	-	-	-		
(258)	Total sources of capital funding (C)	124	(139)	(263)		
Applications of capital funding						
Capital expenditure						
40	- to meet additional demand	-	177	177		
541	- to improve level of service	712	310	(402)		
867	- to replace existing assets	685	509	(176)		
603	Increase (decrease) in reserves	1,114	1,434	320		
-	Increase (decrease) of investments	-	-	-		
2,051	Total applications of capital funding (D)	2,511	2,430	(81)		
(2,309)	Surplus (deficit) of capital funding (C-D)	(2,387)	(2,569)	(182)		
-	Funding Balance (A-B) + (C-D)	-	-	-		
	INTERNAL BORROWING	OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
	Internal Borrowing	8,196,037	94,505	356,398	7,934,144	469,227

WHAKATĀNE DISTRICT COUNCIL / 093
 ANNUAL REPORT 2013/14


A YEAR IN REVIEW COMMUNITY OUTCOMES

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.

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.

COST OF SERVICE

The Annual Plan for the 2013/14 financial year set a budget for each activity that the Council undertakes. This table compares the expected cost of the activities, as set out in the Annual Plan, 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 later in this introduction.



Cemeteries & Crematorium

Community Outcomes

Quality Service | Community Needs | Affordable Infrastructure

A YEAR IN REVIEW

Hillcrest Cemetery extended

The first stage of an extension to the Hillcrest Cemetery was started in April 2014 to provide for current and future demand. This will see the construction of a paved roadway and turning head, providing access to an extended cemetery lawn section with new seating. Although the development of the Whakatāne Crematorium in 2009 substantially reduced the demand for burial plots, the existing Hillcrest Cemetery was approaching capacity. Future stages of the extension will include the construction of a pergola, ash plots, and further landscaping.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000	MAJOR VARIANCE EXPLANATION
Expenditure	450	456	(6)	\$ Variance within 10% or \$20,000
Revenue	494	489	(5)	\$ Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	44	33	(11)	\$
Capital Expenditure	201	154	47	\$ See update on major capital projects below

Key: \$ = Favourable - \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
\$000				
Whakatāne Cemetery Expansion	150	150	101	First stage of upgrade completed, next stage to be progressed in 2014/15

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 83-87 Converted target: 93-97% satisfied*

RESULT: **ACHIEVED** ✓ 97% of people satisfied with cemeteries and 97% satisfied with the crematorium (2012/13 result: Achieved).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information

RECREATION & COMMUNITY FACILITIES

096 / WHAKATĀNE DISTRICT COUNCIL ANNUAL REPORT 2013/14

UPDATE ON MAJOR CAPITAL PROJECTS

This table provides an update on the major capital projects that were planned for the year and any new major capital projects that were progressed during the year. It sets out how we performed against the budget and summarises the reasons for any major variances.

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 and subsequently the Annual Report for the 2013/14 year outlined the levels of service that the Council aimed to achieve.

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. Every 'Group of Activities' section within this chapter also has a FIS which gives you more detailed information on what that specific group cost. An explanation of categories in the FIS can be found on the next page.

FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL

YEAR ENDED 30 JUNE 2014

ANNUAL PLAN 2012/13 \$000	ACTUAL 2012/13 \$000		ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000
Sources of operating funding					
15,286	15,236	General rates, uniform annual general charges, rates penalties	16,049	16,125	76
18,934	19,206	Targeted rates (other than a targeted rate for water supply)	19,206	19,689	483
2,889	2,687	Subsidies and grants for operating purposes	2,666	3,242	576
10,344	10,139	Fees, charges, and targeted rates for water supply*	12,132	10,306	(1,826)
40	16	Interest and dividends from investments	8	263	255
2,137	2,488	Local authorities fuel tax, fines, infringement fees, and other receipts	1,908	3,744	1,836
49,630	49,772	Total operating funding (A)	51,969	53,369	1,400
Applications of operating funding					
34,978	35,303	Payments to staff and suppliers	36,607	35,524	(1,083)
2,517	2,160	Finance costs	2,340	2,853	513
430	721	Other operating funding applications	685	776	91
37,925	38,184	Total applications of operating funding (B)	39,632	39,153	(479)
11,705	11,588	Surplus (deficit) of operating funding (A-B)	12,337	14,216	1,879

* targeted rates for water supply include volumetric charges only

(table continued from previous page)

ANNUAL PLAN 2012/13 \$000	ACTUAL 2012/13 \$000		ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000
Sources of capital funding					
3,458	3,378	Subsidies and grants for capital expenditure	8,295	4,162	(4,133)
465	292	Development and financial contributions	465	221	(244)
(4,001)	1,788	Increase (decrease) in debt	(1,246)	(901)	345
609	481	Gross proceeds from sale of assets	226	3,937	3,711
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
531	5,940	Total sources of capital funding (C)	7,740	7,419	(321)
Applications of capital funding					
Capital expenditure					
165	480	- to meet additional demand	289	752	463
4,862	7,827	- to improve level of service	11,251	6,101	(5,150)
9,430	7,695	- to replace existing assets	9,457	7,626	(1,831)
(2,321)	1,426	Increase (decrease) in reserves	(920)	7,156	8,076
100	100	Increase (decrease) of investments	-	-	-
12,236	17,528	Total applications of capital funding (D)	20,077	21,635	1,558
(11,705)	(11,588)	Surplus (deficit) of capital funding (C-D)	(12,337)	(14,216)	(1,878)
-		Funding Balance ((A-B) + (C-D))	-	-	-

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 Annual Plan for the year:

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

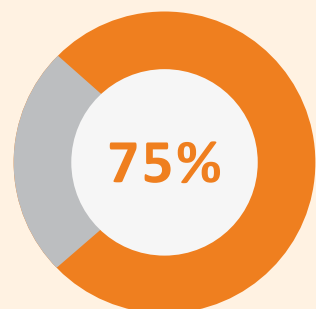
 Unfavourable Variance - This activity cost more than budgeted or received less revenue than budgeted

Where variances for an activity are greater than 10% and \$20,000 of the Annual Plan budgets, an explanation will be provided.



KEY RESULTS FOR 2013/14

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 FOR THE YEAR ENDED 30 JUNE 2014 – Leadership

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000		
Sources of operating funding						
2,271	General rates, uniform annual general charges, rates penalties	2,425	2,250	(175)		
263	Targeted rates (other than a targeted rate for water supply)	280	262	(18)		
-	- Subsidies and grants for operating purposes	-	-	-		
-	- Fees, charges, and targeted rates for water supply	-	-	-		
-	- Internal charges and overheads recovered	-	-	-		
3	Local authorities fuel tax, fines, infringement fees, and other receipts	65	257	192		
2,537	Total operating funding (A)	2,770	2,769	(1)		
Applications of operating funding						
1,580	Payments to staff and suppliers	1,772	1,606	(166)		
6	Finance costs	6	6	-		
913	Internal charges & overheads applied	947	848	(99)		
-	- Other operating funding applications	-	-	-		
2,499	Total applications of operating funding (B)	2,725	2,460	(265)		
38	Surplus (deficit) of operating funding (A-B)	45	309	264		
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	-	-	-		
-	- Other dedicated capital funding	-	-	-		
(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	-	-	-		
32	Increase (decrease) in reserves	39	303	264		
-	- Increase (decrease) of investments	-	-	-		
32	Total applications of capital funding (D)	39	303	264		
(38)	Surplus (deficit) of capital funding (C-D)	(45)	(309)	(264)		
-	Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
Internal Borrowing		104,787	-	5,515	99,272	5,965

Governance

Community Outcomes



A YEAR IN REVIEW

Local elections conducted

Triennial local elections were held in October 2013. This saw the re-election of Mayor Tony Bonne and the election of ten Councillors from the District's four wards. Community Board members were also elected, although both the Murupara and Ōhope Beach Community Boards required subsequent by-elections due to insufficient nominees standing for the available positions. Alongside the local body elections, a non-binding referendum was held to determine the community's views on the fluoridation of Council-operated water supplies. More information about the fluoridation referendum is available in the Water Supply chapter of this Annual Report.

Following the local body elections, new committee structures and delegations were established, replacing those of the previous triennium. Information about our committee structures can be found in the appendices to this Annual Report.

Improved technology supports Council decision making

Over the past year, a number of technology improvements have been implemented to support open and transparent decision-making. A new, fully-electronic agenda management system has been introduced and integrated with the Council's upgraded website. The system allows for more efficient production and distribution of meeting agendas and greater accessibility to Councillors and the public.

Community Board discretionary funds allocated

During 2013/14, the District's five Community Boards collectively distributed over \$123,000 in grants to support projects and events for the benefit of their local communities. Amongst the activities supported were: the Ōhope-Whakatāne walk and cycle way, Ōhope Beach New Year concert, a District-wide Christmas light competition and trail, the Tāneatua fire alarms in homes project, Ruatāhuna Radio station and more.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,809	1,678	130	\$	Council remuneration and legal costs less than anticipated.
Revenue	1,809	1,799	(9)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	121	121	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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. (2012/13 result: 100%)

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

TARGET: 56-60 **RESULT:** **NO RESULT AVAILABLE:** We are unable to report against this target due to changes to changes in survey methodology. A target based on the new survey methodology will be incorporated into the Council's performance framework under the 2015-25 Long Term Plan. More information about the survey is available on page 20 of this Annual Report. The last available score in 2012/13 provided a Customer Satisfaction Index Score of 59.8.

Community Support

Community Outcomes



A YEAR IN REVIEW

Grant funding supports community groups

The Council has distributed over \$176,000 in grants and subsidies in 2013/14 to support community groups and volunteer organisations contribute to the wellbeing of our community. Some of the major recipients were Bay of Plenty Surf Life Saving; Volunteer Coast Guard; Citizens Advice Bureau; SPCA; and Neighbourhood Support among many others.

The Council was pleased to be able to distribute a further \$41,700 of grant funding to the community on behalf of Creative Communities New Zealand and Sports New Zealand. These grants are provided to support local arts and increase access to sports by rural isolated communities.

Community celebrations and ceremonies

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, the annual Young Achievers Awards, citizenship ceremonies and Anzac Day commemorations.

In partnership with TrustPower, the Council also delivered the Community Awards event in August 2013, to celebrate the contributions our community groups have made to the District during the past year. The 2013/14 winner – the Onepū Community Recreation Park – narrowly missed out on the overall award at the TrustPower National Community Awards.

Inaugural event celebrates Council volunteers

In March 2014, an inaugural event was held to celebrate the contributions that volunteers make in supporting the delivery of Council services. Approximately 140 individuals attended the event representing groups such as Rural Fire Services, Community Libraries, environmental care groups and Museum volunteers. The Council greatly appreciates the ongoing efforts of volunteers and intends to hold this event on an annual basis.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	180	155	25	☐	Grant expenditure less than budgeted.
Revenue	185	185	-	☐	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	5	30	25	☐	

Key: ☐ = Favourable – ☐ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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 distributed in accordance with our Community Funding Policy (2012/13 result: Achieved)

Strategy & Policy

Community Outcomes



A YEAR IN REVIEW

Planning the Council's work programme

In February 2014, the Council began the development of its next Long Term Plan, which will set out the strategic direction, work plan and budgets for the 10 years from 2015-25. A number of sub-projects contribute towards the development of the Long Term Plan, including determining what the Council's strategic priorities are for that period, what level of service should be delivered to the community and how best to manage the costs of the services Council delivers. During the year, we also developed and consulted on the 2014/15 Annual Plan, and delivered the 2012/13 Annual Report.

Work progresses towards a future vision for the Eastern Bay

In the past year, a project was initiated to develop a spatial plan, which provides a long term (30-50 year) vision for the Eastern Bay of Plenty. The Spatial Plan is a collaborative project between the Bay of Plenty Regional Council and the Kawerau, Ōpotiki and Whakatāne District Councils. When finalised, it will provide a common set

of projections and goals to guide collaboration between local Councils and partnering agencies, and promote effective planning and investment decisions. An important role of the Plan will be to provide a collective voice and framework for the region to engage with central government on future investment/resourcing priorities in the Eastern Bay of Plenty. Consultation and finalisation of the plan is expected in 2014/15.

Development of Māori engagement Toolkit

During the year, work started on a Maori engagement toolkit. The intention is that the toolkit will provide Councillors and staff with user-friendly information and guidance to support meaningful engagement with Iwi, Hapū, Whānau and Uri. The development of the toolkit acknowledges that Māori make up more than 43 percent of our population and that a strong and positive relationship between Council and Māori will be of benefit to the whole District.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	787	688	98	\$	Reduced costs associated with projects savings and staff vacancy
Revenue	787	785	(1)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	97	97	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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.

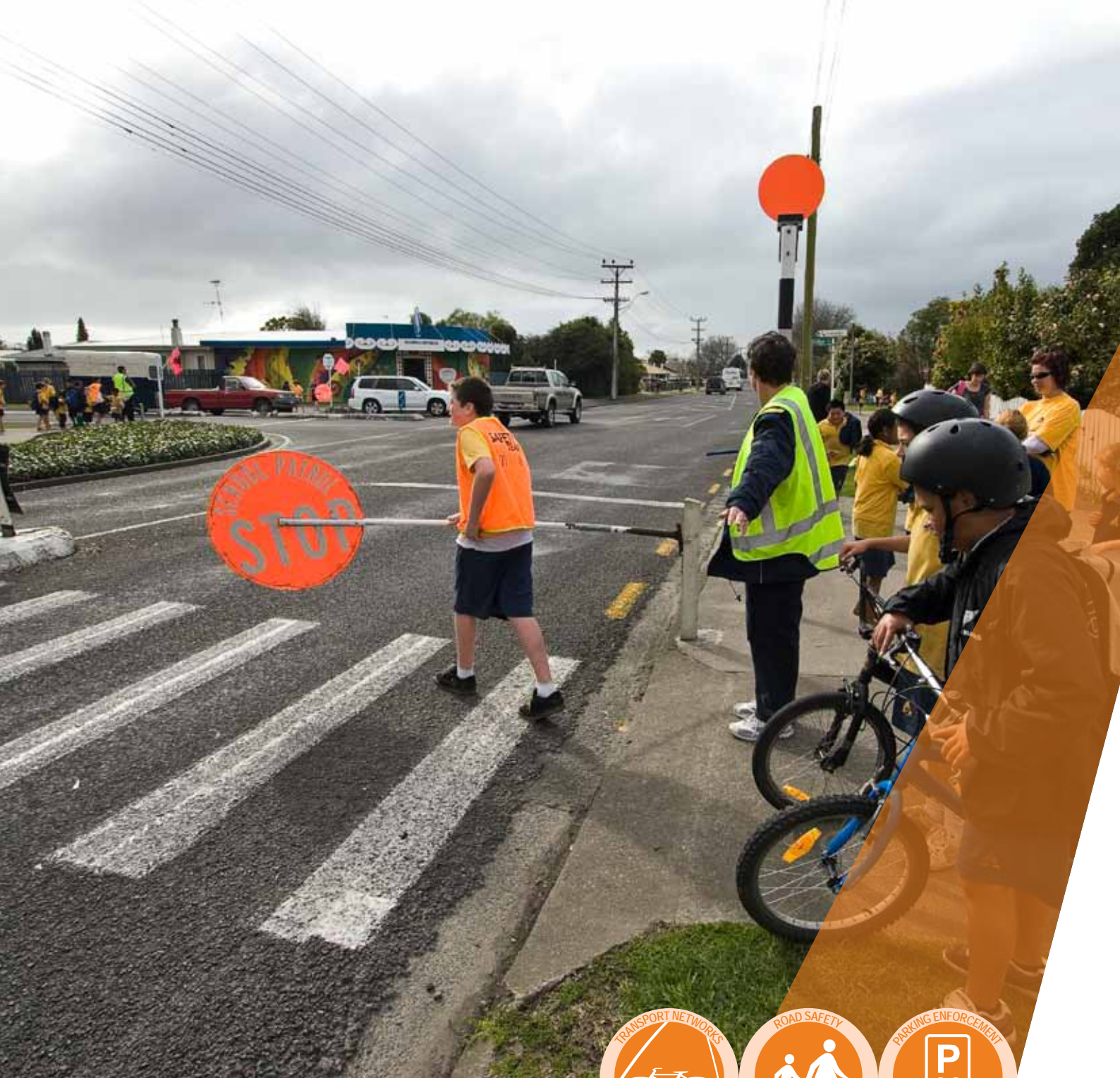
RESULT: **ACHIEVED** ✓ Unmodified audit opinion received for audited processes (2012/13 result: Achieved).



“Grants from the Whakatāne District Council allow our organisation to continue providing the Whakatāne community and visitors with a valuable and necessary voluntary lifeguard service throughout the Christmas and holiday season”

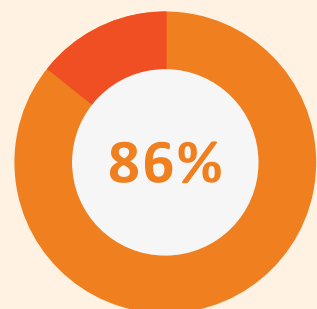
Steve O'Connor – Former President, Whakatāne Surf Lifesaving Club Inc





KEY RESULTS FOR 2013/14

Delivering our services:



Roads & Footpaths

Ngā Huarahi ara Rau

Connecting people, businesses & communities

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014 – Roads & Footpaths

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000	
Sources of operating funding					
-	General rates, uniform annual general charges, rates penalties	-	-	-	
7,897	Targeted rates (other than a targeted rate for water supply)	8,188	7,635	(553)	
2,693	Subsidies and grants for operating purposes	2,875	2,705	(170)	
45	Fees, charges, and targeted rates for water supply	46	459	413	
-	Internal charges and overheads recovered	-	-	-	
590	Local authorities fuel tax, fines, infringement fees, and other receipts	606	892	286	
11,225	Total operating funding (A)	11,715	11,691	(24)	
Applications of operating funding					
5,846	Payments to staff and suppliers	6,240	5,982	(258)	
613	Finance costs	638	613	(25)	
1,737	Internal charges & overheads applied	1,802	1,548	(254)	
-	Other operating funding applications	-	-	-	
8,196	Total applications of operating funding (B)	8,680	8,143	(537)	
3,029	Surplus (deficit) of operating funding (A-B)	3,035	3,548	513	
Sources of capital funding					
3,264	Subsidies and grants for capital expenditure	3,192	3,004	(188)	
68	Development and financial contributions	70	50	(20)	
(354)	Increase (decrease) in debt	(341)	(157)	184	
-	Gross proceeds from sale of assets	-	-	-	
-	Lump sum contributions	-	-	-	
-	Other dedicated capital funding	-	-	-	
2,978	Total sources of capital funding (C)	2,921	2,897	(24)	
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	-	-	
1,193	- to improve level of service	1,060	1,751	691	
4,553	- to replace existing assets	4,602	4,531	(71)	
261	Increase (decrease) in reserves	294	163	(131)	
-	Increase (decrease) of investments	-	-	-	
6,007	Total applications of capital funding (D)	5,956	6,445	489	
(3,029)	Surplus (deficit) of capital funding (C-D)	(3,035)	(3,548)	(513)	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
	OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
Internal Borrowing	10,466,652	611,857	768,864	10,309,644	595,793

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

Transport Networks



Community Outcomes



A YEAR IN REVIEW

Partnership approach for more efficient service delivery

Maintaining the District's transport networks is typically the most expensive activity the Council undertakes. Over the past year, the Council has taken action to make these services more efficient by entering into partnerships with our neighbouring Councils and the New Zealand Transport Agency, the national body responsible for State Highway maintenance. This has already delivered more efficient and cost-effective maintenance programmes for street lights, signage, road reseals and road verges (berms). A number of these contracts will now also be managed in-house, allowing a more responsive service to be provided.

Completion of the Ōhope to Whakatāne Walk and Cycleway

The final stage of the Whakatāne to Ōhope walk and cycleway was completed during the past year, with an opening "Up and Over" event held in December 2013. The 5km-long track features concrete on the steeper sections and compacted crusher dust elsewhere, providing a safe and comfortable surface for walking, running and cycling. The track promotes a more active, fitter and healthier community, allowing people to choose to commute between two of the district's major residential areas by foot or pedal power. The project was carried out with funding support from Grassroots Trust, the Whakatāne and Ōhope Beach Community Boards, Nova Energy and the New Zealand Transport Agency.

Abseiling workers clear Herepuru Road

Erosion of the cliff-face above the northern end of Herepuru Road resulted in a large rockfall, which blocked the road in early-2014. The slip also left areas of rock overhang above the road that were at risk of being destabilised by heavy traffic vibrations or bad weather. The road had to remain closed for several weeks while specialist abseil workers blasted away, or physically removed the unstable material.

Transportation audit successful

In 2014, our transport activity went through a procedural and technical audit conducted by the New Zealand Transport Agency. While we are currently awaiting a final formal opinion following this audit, the agency have indicated that they are generally satisfied with the financial and management processes for our transport networks.

Wainui Road improvements

During the year, the Council has continued work to improve route security on Wainui Road. Two projects were planned to raise the road surface above historic flood levels in the vicinity of Te Kooti Road and at Cheddar Valley. The first of these projects (at Te Kooti Road) has been completed. The other (at Cheddar Valley) is going through a resource consent process before work proceeds.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	14,016	14,460	(444)	\$	Costs associated with storm damage.
Revenue	14,535	14,326	(209)	\$	Subsidy funding delayed
Net Cost of Service Surplus/(Deficit)	519	(134)	(653)	\$	
Capital Expenditure	6,720	6,282	438	\$	See update on major capital projects below

Key: \$ = Favourable – \$ = Unfavourable



UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Sealed road resurfacing and rehabilitation	2,552	2,707*	2,775	Completed
Various renewals (drainage, kerbs, signage, culverts)	1,118	1,193*	906	90% of renewals projects completed
Unsealed road metalling	570	570	638	Completed
Wainui Road route security improvements	1,350	1,384*	425	Project awaiting resource consent

* Budget carried forward from 2012/13

WHAT WE DELIVERED

How we performed against our targets for the year

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: 90-94%

RESULT: ACHIEVED ✓ 93% (2012/13 result: 91%)

GOAL: Roads are maintained to an appropriate standard.

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

TARGET: Existing/LTP target: 61-65

Converted target: 62-66**

RESULT: ACHIEVED ✓ 82% of people satisfied. This result is significantly higher than the target and may relate to either changes in the survey methodology or an improved community experience of the service. Future monitoring will continue to assess this trend. (2012/13 result: Achieved).

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: 95-99

RESULT: ACHIEVED ✓ 97.1 (2012/13 result: 97)

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/vkt (2012/13 result: \$0.04/vkt)

* Indicates the ride quality experienced by motorists

**From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information.

Road Safety

Community Outcomes



A YEAR IN REVIEW

Partnerships for better road safety outcomes

Our road safety activities are governed by the Eastern Bay road safety committee. Through this committee we partner with our neighbouring Councils, NZTA, New Zealand Police, the Road Transport Association NZ and ACC. During the year a new 'terms of reference' was adopted by the committee that sets out the direction and responsibilities for partnering agencies to lead and support road safety in the Eastern Bay.

Campaigns target problem areas

Over the past year we have continued to deliver campaigns to target specific areas of road safety including young drivers and implementation of new car-seat restraint laws. Existing information networks have been strengthened and new networks established to deliver

campaigns to small rural communities such as through radio stations, visual media advertising and social media. Information campaigns are also increasingly using both English and Māori language to help convey messages.

Highlighting the dangers of fatigue

One of the many road safety promotions from the past year sought to highlight the risks of driving while fatigued. Events included a car wreck display held in the Z Whakatāne service station forecourt, highlighting the dangers of driving while fatigued as well as promoting other aspects of road safety. The promotions also included a fatigue stop in the Waioeka Gorge setup by Eastern Bay Police staff, and supported by road safety representatives and Ōpōtiki Lions volunteers. The fatigue stop was set up in the Maunganuku rest area with passing drivers being offered food and drink and the chance to take a break from the road.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	142	333	(191)	\$	Road safety activity reviewed
Revenue	142	357	216	\$	Additional subsidy funding able to be accessed from NZTA following activity review
Net Cost of Service Surplus/(Deficit)	-	25	25	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 65-69 Converted target: 71-75*

RESULT: **ACHIEVED** ✓ 84% of people satisfied (2012/13 result: Achieved).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information

Parking Enforcement



A YEAR IN REVIEW

New cameras improve staff security

Body-worn cameras used by Whakatāne’s parking wardens have now become a permanent part of the uniform, following their introduction during the year for training purposes. Parking wardens serve an important function by ensuring that there is enough turnover and availability of parking in our busiest areas. There is also a public safety component to their work by checking vehicle registrations and warrants of fitness. However, because of the nature of their work there have been instances of intimidation and abuse. The cameras have proven to be a great success with a marked change in attitude beginning to be registered from the public.

DID YOU KNOW?

Revenue that comes from parking fees and fines is channelled back into parking related projects. Our current reserves are earmarked for paving of the Pyne Street carpark in the Whakatāne CBD.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	360	293	67	\$	Savings in court costs and unspent (pending) contribution to Central Government for fines
Revenue	419	418	(1)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	59	125	66	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 73-77 Converted target: 81-85*

RESULT: **NOT ACHIEVED** ✗ 70% of people satisfied (2012/13 result: Not achieved).

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** ✓ Regular patrols conducted as per target (2012/13 result: Achieved)

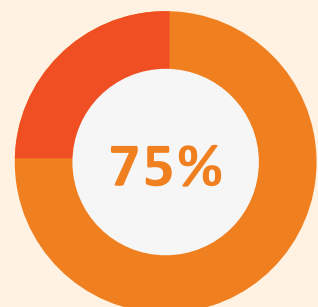
* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information

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 2013/14

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 FOR THE YEAR ENDED 30 JUNE 2014 – Water Supply

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000
Sources of operating funding				
-	General rates, uniform annual general charges, rates penalties	-	-	-
2,029	Targeted rates (other than a targeted rate for water supply)	2,169	2,443	274
-	Subsidies and grants for operating purposes	-	-	-
3,151	Fees, charges, and targeted rates for water supply*	3,364	2,740	(624)
172	Internal charges and overheads recovered	175	131	(44)
11	Local authorities fuel tax, fines, infringement fees, and other receipts	11	71	60
5,363	Total operating funding (A)	5,719	5,385	(334)
Applications of operating funding				
1,491	Payments to staff and suppliers	1,529	1,725	196
459	Finance costs	495	431	(64)
1,992	Internal charges & overheads applied	2,055	1,905	(150)
-	Other operating funding applications	-	-	-
3,942	Total applications of operating funding (B)	4,079	4,061	(18)
1,421	Surplus (deficit) of operating funding (A-B)	1,640	1,324	(316)
Sources of capital funding				
-	Subsidies and grants for capital expenditure	88	1,000	912
25	Development and financial contributions	26	18	(8)
(182)	Increase (decrease) in debt	(415)	(24)	391
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
(157)	Total sources of capital funding (C)	(301)	994	1,295
Applications of capital funding				
Capital expenditure				
41	- to meet additional demand	43	557	514
240	- to improve level of service	114	1,498	1,384
1,079	- to replace existing assets	635	70	(565)
(96)	Increase (decrease) in reserves	547	193	(354)
-	Increase (decrease) of investments	-	-	-
1,264	Total applications of capital funding (D)	1,339	2,318	979
(1,421)	Surplus (deficit) of capital funding (C-D)	(1,640)	(1,324)	316
-	Funding Balance ((A-B) + (C-D))	-	-	-

* targeted rates for water supply include volumetric charges only.

	OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
Internal Borrowing	7,380,418	373,296	396,766	7,356,948	430,717



Water

A YEAR IN REVIEW

Water use restrictions for the second year running

For the second year in a row, water use restrictions were implemented during the late summer for the Whakatāne and Ōhope water supply schemes. After a long dry summer, the low flow in the Whakatāne River meant saline water extended upstream well past the Whakatāne Water Treatment Station intake on every high tide. At its worst, salinity even extended beyond the emergency intake, 500m upriver. This limited the time that water could be extracted for treatment and supply to Whakatāne and Ōhope consumers. To address this situation, the emergency intake was extended a further 500m upriver (almost one kilometre above the treatment plant), ensuring that enough drinkable water could be produced to meet demand. The combination of the extended intake and imposing water restrictions helped to achieve continuous water supply during this time.

Update on Paul Road bore project

During the year, progress continued on the development of the Paul Road Bore. Access to this aquifer will initially improve the water supply service to Edgecumbe and Awakeri with the potential to provide a future back-up (secondary) supply for the Whakatāne and Ōhope Schemes. The purchase of land at the Paul Road site has been finalised and a resource consent granted for this project. The first stage of construction, including the installation of a bore and a water treatment system at the bore site and the pipe network connecting to Edgecumbe, has received 95 percent subsidy funding from the Ministry of Health Drinking Water Assistance Programme. To access this funding, the project has been brought forward to the 2014/15 year from 2015/16.

Rūātoki water supply upgrades

A series of projects were undertaken in 2013/14 to improve the water supply service to the Rūātoki community, with further projects planned. This has included the installation of a UV water treatment system and extensions to the pipe network, allowing more properties to be connected. Upcoming work includes an upgrade of the reservoir and water source. The total upgrade cost of \$1.2 million is being funded through grants from Housing New Zealand and the Ministry of Health.

Matatā water supply upgrades

The storage capacity of the Matatā water supply scheme has been significantly increased following the installation of an additional 180 cubic metre capacity reservoir. The slope beneath the existing 250 cubic metre reservoir has had stabilisation works completed to minimise the risk of slips. These two projects allow the Council to improve the level of service provided to the Matatā community by reducing the possibility of supply interruptions. The majority of this project was able to be completed with funding from the Ministry of Health Drinking Water Assistance Programme.

Water fluoridation decision on hold

A non-binding referendum was held alongside the 2013 local body elections with regard to the fluoridation of Whakatāne District public water supplies. The referendum indicated a majority in favour of fluoridation, but with differing results at a ward level. The Council had intended to make a decision about whether to continue, extend or stop fluoridating water supplies in February 2014, but that decision is on-hold until the outcome of a Court of Appeal hearing (initiated by anti-fluoride campaigners in the South Taranaki District) is known.

Whakatāne water treatment plant automation

The third and final stage of a project to upgrade the Whakatāne Water Treatment Plant, which supplies the water for both the Whakatāne and Ōhope schemes, was completed this year. This work has automated many of the plant's previously manual systems, which improves the plant's operating efficiency and minimises the possibility of water quality issues being caused by human error. The first two stages of this project included upgrading the filters and pipes within the treatment plant and adding a UV water treatment stage to the process.



COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	5,944	6,054	(110)	\$	Variance within 10% or \$20,000
Revenue	5,277	6,267	990	\$	Unbudgeted subsidy income received from Ministry of Health
Net Cost of Service Surplus/(Deficit)	(667)	213	880	\$	
Capital Expenditure	802	2,126	(1,324)	\$	See update on major capital projects below

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne Water Treatment Plant Automation and Programmable Logic Controller Replacement	450	450	523	Project completed with an increased scope to replace entire Programmable Logic Controller rather than specific components only
Whakatāne Connection and Meter Replacement	100	100	76	On Track
Whakatāne Chemical Tank Replacement	40	40	0	Tank ordered and awaiting arrival August 2014
Edgecumbe Water Supply - Supply main from Paul Road	100	100	23	Delays associated with finalising a preferred option
Matatā Water Supply - Ministry of Health Capital Assisted Projects	0	250*	381	Project completed with an increased scope as additional slope stabilisation works were required
Rūātoki Water Supply - Ministry of Health Capital Assisted Projects	0	1,100*	815	Project substantially completed, final stage now due in 2014/15

*Funding confirmed during the year from Ministry of Health

WHAT WE DELIVERED

How we performed against our targets for the year

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** ✓ 98% (2012/13 result: 99%)

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

TARGET: 90%

RESULT: **NOT ACHIEVED** ✗ Full result not able to be measured – Treatment plants at Whakatāne, Tāneatua, Matatā and Waimana met all of the relevant requirements, confirming that our water is safe to drink. However we have not been able to achieve the full standard because the number and frequency of test samples taken from the pipe network did not comply with the Drinking Water Standards regime. (2012/13 result: not achieved)

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

TARGET: Existing/LTP target: 63-67 Converted target: 62-66*

RESULT: **ACHIEVED** ✓ 68% of people satisfied (2012/13 result: Achieved).

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

TARGET: 99%

RESULT: **ACHIEVED** ✓ 100% (2012/13 result: 99.8%)

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information



Construction of a new water supply reservoir at Rūātoki

*Whakatāne River as
seen from the water
treatment plant*



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

Te Tukahanga o ngā Parapara

Protecting our people & environment by removing, treating & disposing of our sewage



KEY RESULTS FOR 2013/14

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2014 –
Sewage Treatment & Disposal

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000		
Sources of operating funding						
14	General rates, uniform annual general charges, rates penalties	14	17	3		
2,133	Targeted rates (other than a targeted rate for water supply)	2,675	2,557	(118)		
-	Subsidies and grants for operating purposes	-	-	-		
182	Fees, charges, and targeted rates for water supply	189	152	(37)		
146	Internal charges and overheads recovered	149	65	(84)		
175	Local authorities fuel tax, fines, infringement fees, and other receipts	182	140	(42)		
2,650	Total operating funding (A)	3,209	2,931	(278)		
Applications of operating funding						
918	Payments to staff and suppliers	1,109	764	(345)		
171	Finance costs	261	291	30		
887	Internal charges & overheads applied	916	779	(137)		
-	Other operating funding applications	-	-	-		
1,976	Total applications of operating funding (B)	2,286	1,834	(452)		
674	Surplus (deficit) of operating funding (A-B)	923	1,097	174		
Sources of capital funding						
134	Subsidies and grants for capital expenditure	1,044	-	(1,044)		
168	Development and financial contributions	175	59	(116)		
537	Increase (decrease) in debt	1,541	773	(768)		
-	Gross proceeds from sale of assets	-	-	-		
-	Lump sum contributions	-	-	-		
-	Other dedicated capital funding	-	-	-		
839	Total sources of capital funding (C)	2,760	832	(1,928)		
Applications of capital funding						
Capital expenditure						
-	- to meet additional demand	-	-	-		
738	- to improve level of service	1,979	2,055	76		
828	- to replace existing assets	1,354	829	(525)		
(53)	Increase (decrease) in reserves	350	(955)	(1,305)		
-	Increase (decrease) of investments	-	-	-		
1,513	Total applications of capital funding (D)	3,683	1,929	(1,754)		
(674)	Surplus (deficit) of capital funding (C-D)	(923)	(1,097)	(174)		
-	Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
Internal Borrowing		4,659,100	925,520	152,898	5,431,722	290,613

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

A YEAR IN REVIEW

Matatā sewerage scheme

In June 2014, resource consents were granted for the construction and operation of a wastewater reticulation scheme to serve the Matatā community. The scheme addresses environmental and health concerns arising from Matatā’s current reliance on septic tanks and soakage fields to dispose of wastewater, and has been made possible by a \$6.7 million Ministry of Health subsidy and an additional \$1.88 million Bay of Plenty Regional Council grant. The independent commissioners hearing the consent applications commented on the ‘extremely high level of comprehensiveness and quality’ of the application documents, submissions and evidence. Unfortunately, appeals have been lodged against the scheme consents and notices of requirement, which is likely to delay the construction start date from October 2014 until mid-2015.

Whakatāne south sewer upgrade

By the end of the financial year, work was well-advanced on the upgrading of the wastewater pump station and associated piping network that serves more than 1,100 properties in the southern part of the Whakatāne township. This followed some delays to the project as a result of the flooding over the 2014 Easter weekend. The project involves three main components: upgrading the Sullivan Lake pump station capacity by almost 50 percent; the installation of an additional gravity main into the pump station; and increasing the diameter of the pumping main from 150mm to 300mm. Once completed, this will greatly reduce the possibility of the wastewater overflows which have occurred in southern parts of Whakatāne during past heavy rainfall events.

Edgecumbe sewer upgrades complete

The upgrading of the Edgecumbe sewer system has now been completed, providing an increase in wastewater pumping and piping capacity in the town. Those improvements will significantly reduce the longstanding issues with sewer overflows in wet weather. The final stage, completed during the past year, included the installation of a new rising main from the Tawhara Place pump station to the town’s wastewater treatment ponds. Over the past two years, major components of the project have included a much larger pump station to replace two smaller capacity stations in the Kowhai Street area and increasing the capacity of the piping network.

Ōhope Wastewater discharge consent renewed

During the year, a resource consent application to renew the consent for the discharge of treated wastewater from the Ōhope treatment system was processed by the Regional Council. In renewing this consent a number of options were considered and consulted on including land-based discharge. The current outfall to sea remained the preferred and most viable option. As part of the consent process the Ministry of Health raised concerns about the possible impact on shellfish and as a result increased monitoring will be undertaken. A draft resource consent has been issued by the Regional Council for review. According to the draft resource consent, an upgrade programme for the existing treatment ponds should be included in the next Long Term Plan depending on the outcome of water quality monitoring in the sea.

Undersea assessment of sewer pipes

During the year, condition assessments were undertaken of the Ōhope and Whakatāne sewer discharge pipes. Given that these pipelines are buried beneath the sea bed, this was a challenging project. The assessments determined the expected lifespan of the pipes (some 40 years for the Whakatāne outfall and 20-25 years for Ōhope) and also found that the Ōhope diffuser head (500m out to sea) required replacing. The replacement of the diffuser head was also completed during the year.

DID YOU KNOW?

That for around \$1.40 we can collect, treat, then safely dispose of 1 ton of wastewater



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

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,137	2,966	171	\$	Variance within 10% or \$20,000
Revenue	7,854	2,754	(5,101)	\$	Subsidy funding for Matatā sewerage project not received due to project delay
Net Cost of Service Surplus/(Deficit)	4,717	(213)	(4,929)	\$	
Capital Expenditure	7,523	2,884	4,639	\$	See update on major capital projects below

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Sewer pipe upgrades to address overflows in Whakatāne	820	820	689	Minor delays due to weather conditions, majority of project complete.
Whakatāne Sewer Reticulation Renewal	100	100	31	Project delayed due to weather conditions
Whakatāne/Ōhope sea Outfall condition assessment and upgrade	100	100	20	Full upgrade not required following condition assessment
Ōhope Treatment Plant Upgrade	100	150*	10	Upgrades not required this year under renewed resource consent.
Edgecumbe Reticulation Upgrades	10	10	0	Upgrades not necessary following condition assessment
Matatā Sewerage Treatment Plant & Reticulation Construction	5,565	5,565	1,274	Project delayed by an appeal against the resource consent.
Murupara sewer reticulation renewal	150	150	0	Renewals not required following condition assessment

* Budget carried forward from 2012/13

WHAT WE DELIVERED

How we performed against our targets for the year

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 ✓ 98.0% (2012/13 result: 98.7%)

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 (2012/13 result: Achieved)

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

TARGET: Existing/LTP target: 69-73 Converted target: 69-73**

RESULT: ACHIEVED ✓ 86% of people satisfied (2012/13 result: Achieved).

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

TARGET: 0

RESULT: ACHIEVED ✓ No abatement notices received (2012/13 result: 0)

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

** From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information

Aerator in operation at the Whakatāne oxidation ponds





Tradewaste

Community Outcomes



A YEAR IN REVIEW

Non-food trade premises assessed

A joint initiative between the Whakatāne District Council and Bay of Plenty Regional Council assessed the trade waste practices of 60 industrial and high risk sites in Whakatāne during the year. This involved checking premises' systems and processes for separating wastewater from stormwater; spill management systems; and general understanding of compliance requirements by owners and employees. The majority of sites showed a good level of awareness with regards to acceptable discharge practices. A number of businesses were advised of necessary improvements to their systems and processes with follow-up assessments to be undertaken in the 2014/15 year.

DID YOU KNOW?

Trade waste is the sewage produced by commercial and industrial properties

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	141	139	2	\$	Variance within 10% or \$20,000
Revenue	141	166	25	\$	Increased income from volumetric wastewater charges
Net Cost of Service Surplus/(Deficit)	-	28	28	\$	

Key: \$ = Favourable – \$ = Unfavourable



Stormwater Drainage

Te Wai Āwhiowhio me ōna Rītenga
Reducing the effects of flooding on properties,
businesses & our community



KEY RESULTS FOR 2013/14

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014 –
Stormwater Drainage

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000	
Sources of operating funding					
253	General rates, uniform annual general charges, rates penalties	367	314	(53)	
2,313	Targeted rates (other than a targeted rate for water supply)	2,340	2,522	182	
-	- Subsidies and grants for operating purposes	-	-	-	
-	- Fees, charges, and targeted rates for water supply	-	3	3	
2,021	Internal charges and overheads recovered	2,052	1,097	(955)	
200	Local authorities fuel tax, fines, infringement fees, and other receipts	208	156	(52)	
4,787	Total operating funding (A)	4,967	4,092	(875)	
Applications of operating funding					
1,585	Payments to staff and suppliers	1,647	1,772	125	
778	Finance costs	889	799	(90)	
1,544	Internal charges & overheads applied	1,536	483	(1,053)	
-	- Other operating funding applications	-	-	-	
3,907	Total applications of operating funding (B)	4,072	3,054	(1,018)	
880	Surplus (deficit) of operating funding (A-B)	895	1,038	143	
Sources of capital funding					
-	- Subsidies and grants for capital expenditure	-	-	-	
114	Development and financial contributions	119	23	(96)	
323	Increase (decrease) in debt	437	22	(415)	
-	- Gross proceeds from sale of assets	-	-	-	
-	- Lump sum contributions	-	-	-	
-	- Other dedicated capital funding	-	-	-	
437	Total sources of capital funding (C)	556	45	(511)	
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	-	-	
1,300	- to improve level of service	1,433	216	(1,217)	
-	- to replace existing assets	-	821	821	
17	Increase (decrease) in reserves	18	46	28	
-	- Increase (decrease) of investments	-	-	-	
1,317	Total applications of capital funding (D)	1,451	1,083	(368)	
(880)	Surplus (deficit) of capital funding (C-D)	(895)	(1,038)	(143)	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
Internal Borrowing					
	OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
Internal Borrowing	13,695,142	692,867	671,416	13,716,593	799,229

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

A YEAR IN REVIEW

Wainui Te Whara Stream

During the year, investigations were undertaken on ways to improve the level of protection against flooding from the Wainui Te Whara stream. The need for this work was confirmed by the extreme rainfall event at Easter, which resulted in the Wainui Te Whara Stream overtopping its banks and flooding a number of properties in the Douglas Street/Alexander Avenue area.

The Council is jointly working with the Bay of Plenty Regional Council to urgently confirm and implement an integrated flood management programme for the whole of the Wainui Te Whara catchment. The best mix of solutions is being developed, which might involve introduction of land and wetland management systems and retention structures in the upper catchment, supplemented by further improvements in channel capacity through the town, from Valley Road to the Awatapu Lagoon outlet. A budget of \$1.48 million has been included in the 2014/15 Annual Plan to undertake the necessary works.

Whakatāne storm water improvements

The Council has scheduled a number of projects over the 2012-2015 period to reduce the level of flood risk in the Hinemoa, Apanui and Whakatāne South (Douglas Street/Alexander Avenue) catchments.

Over the past year, the priority has been to complete the Whakatāne South works in the Douglas Street/Alexander Avenue area to provide protection from frequent surface flooding in the vicinity. The upgrades performed very well in the Easter flood event, reducing the number of

properties affected by surface flooding compared to similar intensity events in the past. Unfortunately, the system was overwhelmed when the Wainui Te Whara stream overtopped its banks and projects to reduce this risk are now being progressed.

Projects for the Apanui and Hinemoa catchments are scheduled for 2014/15, with a number of projects being brought forward from 2015/16 to accelerate planned stormwater improvements.

Ōhope stormwater improvements

Some areas of Ōhope are also frequently affected by flooding, as was the case during the Easter weekend. The flooding risk in Ōhope is largely in areas neighbouring stream outlets, in particular the low lying areas east and west of the Maraetōtara stream and some localised low lying parts along Harbour and Ocean Road. Following the Easter floods, planned stormwater improvement projects have been fast-tracked to address these areas, with budget brought forward from the 2015/16 year to 2014/15.

Otakiri Road Pump Station improvements

During the year some upgrades have been carried out to the pump station at Otakiri Road to increase the pumping capacity. These upgrades were required as the pump station was underperforming during heavy rainfall events causing flooding in the low lying areas of South-West Edgecumbe. Following the upgrade, the flood risk to this part of Edgecumbe has been significantly reduced.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,017	2,945	72	\$	Variance within 10% or \$20,000
Revenue	3,189	3,023	(165)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	172	78	(93)	\$	
Capital Expenditure	1,379	1,038	342	\$	See update on major capital projects below

Key: \$ = Favourable – \$ = Unfavourable



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

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
McAlister Pump Station Upgrades	600	600	0	Budget reprioritised for more urgent works to upgrade Douglas St, Alexander Ave Stormwater
Douglas St, Alexander Ave Stormwater Upgrades	0	0	821	Project advanced from 2014/15
Wainui Te Whara - Flood Protection	250	250	110	Project being reviewed through a joint working group with BOPRC – works now scheduled for 2014/15
Hinemoa Street pump station catchment flood mitigation works	139	139	0	Budget reprioritised to Douglas St, Alexander Ave Stormwater Upgrades
Ōhope stormwater upgrades	320	320	48	Project being reviewed following Easter weekend floods – more comprehensive works now scheduled for 2014/15

WHAT WE DELIVERED

How we performed against our targets for the year

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*

TARGET: 86%

RESULT: **ACHIEVED** ✓ 100% (2012/13 result: 100%)

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

TARGET: 80%

RESULT: **ACHIEVED** ✓ 85.1%. Works undertaken this year have increased the capacity of parts of the network to meet this target. Works over future years will continue to further improve this result (2012/13 result: 85%)

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



KEY RESULTS FOR 2013/14

Delivering our services:



Waste

Ngā Parapara

*Minimising, collecting, recycling & disposing
of our solid waste*

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014 – Waste

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000	
Sources of operating funding					
501	General rates, uniform annual general charges, rates penalties	500	939	439	
3,883	Targeted rates (other than a targeted rate for water supply)	3,656	3,789	133	
100	Subsidies and grants for operating purposes	103	107	4	
1,350	Fees, charges, and targeted rates for water supply	1,393	957	(436)	
-	- Internal charges and overheads recovered	-	-	-	
-	- Local authorities fuel tax, fines, infringement fees, and other receipts	-	84	84	
5,834	Total operating funding (A)	5,652	5,876	224	
Applications of operating funding					
4,371	Payments to staff and suppliers	4,358	4,712	354	
248	Finance costs	262	231	(31)	
734	Internal charges & overheads applied	746	668	(78)	
-	- Other operating funding applications	-	-	-	
5,353	Total applications of operating funding (B)	5,366	5,611	245	
481	Surplus (deficit) of operating funding (A-B)	286	265	(21)	
Sources of capital funding					
-	- Subsidies and grants for capital expenditure	-	-	-	
8	Development and financial contributions	9	10	1	
(240)	Increase (decrease) in debt	(202)	(153)	49	
-	- Gross proceeds from sale of assets	-	-	-	
-	- Lump sum contributions	-	-	-	
-	- Other dedicated capital funding	-	-	-	
(232)	Total sources of capital funding (C)	(193)	(143)	50	
Applications of capital funding					
Capital expenditure					
10	- to meet additional demand	-	2	2	
75	- to improve level of service	26	69	43	
10	- to replace existing assets	-	9	9	
154	Increase (decrease) in reserves	67	42	(25)	
-	- Increase (decrease) of investments	-	-	-	
249	Total applications of capital funding (D)	93	122	29	
(481)	Surplus (deficit) of capital funding (C-D)	(286)	(265)	21	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
Internal Borrowing					
	OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
Internal Borrowing	4,016,232	69,640	222,931	3,862,941	230,594

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

A YEAR IN REVIEW

Free services provided to flood-affected neighbourhoods

Following the Easter weekend storms in April 2014, free waste disposal was provided to support the clean-up efforts on flood-affected properties. Waste disposal bins were placed on affected streets and the fees for using the transfer station dumping facilities were waived. During this time, the volume of waste through the transfer station increased to between two to three times the normal volume.

Council seeks to collaborate on waste disposal

During the year, the Council joined two groups examining waste disposal on a regional basis. The Waikato and Bay of Plenty Waste Liaison Group is a collaboration between local and regional government organisations focused on sharing information and, where beneficial, sharing contracts and services across local government areas.

The second group involved is the Waste Resources Advisory Group - a collaboration between Bay of Plenty Councils, community groups, Toi Te Ora Public Health and a variety of industry and businesses with an interest in managing waste. The purpose of the group is to support the implementation of the Bay of Plenty Waste and Resource Efficiency Strategy. This strategy is available on the Bay of Plenty Regional Council Website: www.boprc.govt.nz.

Non-recyclable waste is processed at the Whakatāne Transfer Station before being taken to Tirohia Landfill in the Waikato.





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

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,294	3,242	52	\$	Variance within 10% and \$20,000
Revenue	3,443	3,187	(255)	\$	Transfer station fees under budget due to two major customers no longer using Council waste services.
Net Cost of Service Surplus/(Deficit)	148	(55)	(203)	\$	
Capital Expenditure	25	-	25	\$	Burma Road Landfill ongoing restoration work not required this year

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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: 48% of waste is sent to landfill

RESULT: NOT APPLICABLE This target was set through the Council's Long Term Plan in 2012 based on incorrect estimates of waste volumes that overstated the level of greenwaste. The measure and target is currently being reviewed as part of the development of the next Long Term Plan to take effect from July 2015. The result for 2013/14 - 54.3% of all solid waste disposed at landfill - does show an improvement on the previous year (2012/13 result: 56.9% of waste sent to landfill).



Waste Reprocessing

Community Outcomes



A YEAR IN REVIEW

Greenwaste processing facility a step closer

The Council is planning to develop a greenwaste processing facility at Keepa Road, on a site adjacent to the wastewater treatment ponds. Should the facility go ahead it will be capable of processing all of the 4,200 tonnes of greenwaste currently produced in the District, with capacity to process up to 10,000 tonnes per year. Currently, greenwaste is transported to a site in Kawerau for processing. The development of a facility closer to Whakatāne will result in savings in the order of \$90,000 per annum.

During the 2013/14 year, Council undertook pre-consultation with potentially affected businesses, residents and landowners before lodging a resource consent application with the Bay of Plenty Regional Council. If consent is granted, the facility will be established during the 2014/15 financial year.

Reprocessing

The Council has entered into a new contract for the reprocessing of used tyres. Tyres are taken away to be reprocessed into “rubber crumb” for uses such as synthetic sport fields, public playground mats, road asphalt and more. Construction waste such as wood, concrete and steel is also reprocessed. Timber is chipped and used as commercial furnace fuel, while concrete is reused as hard fill in construction projects. Steel is taken away for smelting outside the District. Between these activities and greenwaste, 26.4% of our waste stream is diverted from landfill disposal.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,048	1,067	(19)	\$	Variance within 10% and \$20,000
Revenue	1,048	1,050	3	\$	Variance within 10% and \$20,000
Net Cost of Service (Surplus)	-	(16)	16	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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: 30% of waste is diverted to reprocessing

RESULT: **NOT APPLICABLE** This target was set through the Council’s Long Term Plan in 2012 based on incorrect estimates of waste volumes that overstated the level of greenwaste. The measure and target is currently being reviewed as part of the development of the next Long Term Plan to take effect from July 2015. The result for 2013/14 - 26.4% of solid waste re-processed - does show an improvement on the previous year (2012/13 result: 23.4% of waste diverted to reprocessing).

Waste Recycling

Community Outcomes



A YEAR IN REVIEW

Marae-based recycling programme a success

Government funding and Council sponsorship has been utilised in a partnership with Para Kore to implement a marae-based waste minimisation programme. The Para Kore project aims to help marae minimise solid waste by sharing knowledge about reducing, re-using, recycling, composting and purchasing, allowing individual marae to implement systems that suit their needs. The appointment of a dedicated advisor for the Whakatāne District now means this programme can continue to grow.

DID YOU KNOW?

The TV TakeBack campaign saw the collection of 1,234 old television sets within our District. These were delivered to national recycling facilities so that the components parts can be recycled.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$00	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,524	1,406	117	\$	Variance within 10% and \$20,000
Revenue	1,648	1,649	1	\$	Variance within 10% and \$20,000
Net Cost of Service Surplus/(Deficit)	124	243	119	\$	
Capital Expenditure	0	11	(11)	\$	Unbudgeted health and safety improvements made at drop off area

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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: 22% of waste is diverted to recycling

RESULT: **NOT APPLICABLE** This target was set through the Council's Long Term Plan in 2012 based on incorrect estimates of waste volumes that overstated the level of greenwaste. The measure and target is currently being reviewed as part of the development of the next Long Term Plan to take effect from July 2015. (2012/13 result: 19.7% of solid waste recycled).



KEY RESULTS FOR 2013/14

Delivering our services:



Environmental Sustainability

Te Pūtaiao

Protecting our environment for us & our children

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014 –
Environmental Sustainability

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000		
Sources of operating funding						
873	General rates, uniform annual general charges, rates penalties	1,055	969	(86)		
-	- 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	434	260	(174)		
-	- Internal charges and overheads recovered	-	-	-		
147	Local authorities fuel tax, fines, infringement fees, and other receipts	152	159	7		
1,441	Total operating funding (A)	1,641	1,388	(253)		
Applications of operating funding						
1,102	Payments to staff and suppliers	1,129	1,177	48		
97	Finance costs	141	132	(9)		
593	Internal charges & overheads applied	598	488	(110)		
-	- Other operating funding applications	-	-	-		
1,792	Total applications of operating funding (B)	1,868	1,797	(71)		
(351)	Surplus (deficit) of operating funding (A-B)	(227)	(409)	(182)		
Sources of capital funding						
-	- Subsidies and grants for capital expenditure	-	-	-		
-	- Development and financial contributions	-	-	-		
381	Increase (decrease) in debt	268	544	276		
-	- Gross proceeds from sale of assets	-	-	-		
-	- Lump sum contributions	-	-	-		
-	- Other dedicated capital funding	-	-	-		
381	Total sources of capital funding (C)	268	544	276		
Applications of capital funding						
Capital expenditure						
-	- to meet additional demand	-	-	-		
-	- to improve level of service	-	-	-		
-	- to replace existing assets	-	-	-		
30	Increase (decrease) in reserves	41	135	94		
-	- Increase (decrease) of investments	-	-	-		
30	Total applications of capital funding (D)	41	135	94		
351	Surplus (deficit) of capital funding (C-D)	227	409	182		
-	Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
Internal Borrowing		1,975,430	703,093	159,245	2,519,278	112,447

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

Hearing of submissions on the Proposed District Plan

Over the past year, the District Plan Review has focused on preparing for and hearing submissions. A total of 525 submissions were received following notification of the plan in June 2013. Some of the key matters raised in submissions related to a proposed retirement village, residential and marine precinct development at Piripai; ensuring that existing rural uses, such as farming, horticulture and forestry, are not restricted; and balancing the need for biodiversity protection. The first phase of hearings was held from April to June 2014. This included submissions on the development of Council-owned land at Piripai, which were heard by Independent Commissioners. A second phase of hearings is scheduled for August to November 2014.

Landslide risk study completed

Since 2005, the Whakatāne District has experienced a series of heavy rainfall events which have resulted in landslides and debris flows. These events have caused damage to properties, severe injury and even fatality. In view of that history, the Council commissioned Quantitative Landslide Risk Assessment (QLRA) studies for the Whakatāne, Ōhope and Matatā escarpments, which assess the level of risk posed by future landslide events. The Council has shared the study findings with affected property owners and will work with the community on

possible ways of reducing the risk to people living close to these escarpments or catchments. Alongside this study, a draft report on options for managing the debris flow hazard from Matatā's Awatararariki Stream was provided to owners of affected properties in early 2014 for their consideration and feedback. The Council is now awaiting a building determination from the Ministry of Business, Innovation and Employment and the release of a plan change to the Regional Policy Statement addressing natural hazard management from the Bay of Plenty Regional Council. More information is available from the Council's website www.whakatane.govt.nz

Rangitāiki River Forum

The past year has seen the Rangitāiki River Forum develop a draft document that will set the direction on how to improve the health of the Rangitāiki River and its tributaries over the next 50 to 100 years. The draft Document aims to protect and enhance the environmental, cultural, and spiritual health and wellbeing of the Rangitāiki River and its catchments, including the Whirinaki, Wheao and Horomanga Rivers. The document recognises that the Rangitāiki River has significance for different communities for a wide range of reasons, from traditional food gathering, to farming and recreation. Consultation is now being undertaken, with the aim of finalising the document by December 2014.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,138	1,140	(2)	\$	Variance within 10% or \$20,000
Revenue	627	626	(1)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(511)	(514)	(3)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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** ✓ Submissions on the Proposed District Plan closed in September 2013 and hearings continue to be conducted over the 2014 calendar year. (2012/13 result: Achieved).

Resource Management - Consents

Community Outcomes



A YEAR IN REVIEW

Consent numbers remain low but confidence returning

The number of consents processed in 2013/14 has continued at a relatively low level in the wake of the global economic recession. However, there has been an increase in the number of inquiries and while many of these have not yet been followed up by consent applications, this does indicate rising confidence in the market.

The most significant consents processed were for: the removal and treatment of dioxin contamination from the Kopeopeo Canal; and residential subdivisions at Port Ōhope (Seascape) and Piripai (Dawn Parade).

Approval to redevelop the existing Pak’N’Save complex at Kopeopeo was also completed, with this proposal providing an opportunity to rationalise the adjoining service lane and Council car parking.

The low number of applications processed meant the Council was able to devote internal resources to more complex consent matters and reduce reliance on consultant services. It also meant that consent staff were able to provide valuable support for the District Plan review.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	806	737	69	\$	Variance within 10% or \$20,000
Revenue	806	762	(44)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/ (Deficit)	-	25	25	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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 sourced from Development and Compliance targeted postal survey).

TARGET: 54-58

RESULT: ACHIEVED ✓ Average satisfaction score of 63.3 out of 100 (2012/13 result: 70.7).

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

TARGET: 15 days

RESULT: ACHIEVED ✓ 14.9 days (2012/13 result: 14.2 days).

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

TARGET: 20 days

RESULT: ACHIEVED ✓ 14.9 days (2012/13 result: 14.4 days).

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

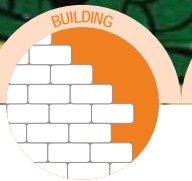
TARGET: 0

RESULT: ACHIEVED ✓ 0 (2012/13 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% (2012/13 result: 100%).



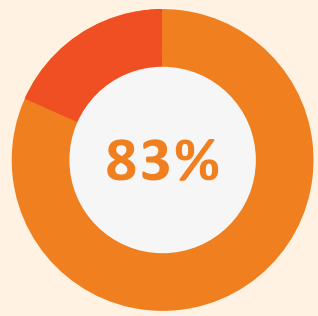
Community Safety

Te Whakamaru o Tū

Helping to make our District safe & enjoyable for all

KEY RESULTS FOR 2013/14

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014 – Community Safety

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000		
Sources of operating funding						
1,339	General rates, uniform annual general charges, rates penalties	1,437	1,504	67		
-	- Targeted rates (other than a targeted rate for water supply)	-	34	34		
87	Subsidies and grants for operating purposes	90	263	173		
1,184	Fees, charges, and targeted rates for water supply	1,239	987	(252)		
-	- Internal charges and overheads recovered	-	-	-		
509	Local authorities fuel tax, fines, infringement fees, and other receipts	525	652	127		
3,119	Total operating funding (A)	3,291	3,440	149		
Applications of operating funding						
1,862	Payments to staff and suppliers	2,013	2,282	269		
1	Finance costs	2	1	(1)		
1,027	Internal charges & overheads applied	1,034	914	(120)		
0	Other operating funding applications	-	-	-		
2,890	Total applications of operating funding (B)	3,049	3,197	148		
229	Surplus (deficit) of operating funding (A-B)	242	243	1		
Sources of capital funding						
-	- Subsidies and grants for capital expenditure	-	40	40		
-	- Development and financial contributions	-	-	-		
39	Increase (decrease) in debt	(5)	(3)	2		
-	- Gross proceeds from sale of assets	-	-	-		
-	- Lump sum contributions	-	-	-		
-	- Other dedicated capital funding	-	-	-		
39	Total sources of capital funding (C)	(5)	37	42		
Applications of capital funding						
Capital expenditure						
-	- to meet additional demand	-	-	-		
39	- to improve level of service	-	-	-		
-	- to replace existing assets	-	-	-		
229	Increase (decrease) in reserves	237	280	43		
-	- Increase (decrease) of investments	-	-	-		
268	Total applications of capital funding (D)	237	280	43		
(229)	Surplus (deficit) of capital funding (C-D)	(242)	(243)	(1)		
-	Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
Internal Borrowing		10,868	-	2,671	8,197	619

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

Local Alcohol Policy adopted

A provisional Eastern Bay of Plenty Local Alcohol Policy was jointly prepared by the Kawerau, Ōpōtiki and Whakatāne District Councils during 2013/14. The purpose of the policy is to reduce alcohol-related harm across the three districts, while balancing the economic benefits of related activities. The policy sets the maximum allowable trading hours, provides requirements for a one-way (exit only) door restriction for the last hour before closing time and sets out host responsibility policies. It will also guide the District Licensing Committee with regard to the issuing of on-licences, off-licences and club licences in close proximity to any sensitive locations, such as schools, childcare centres and playgrounds. The policy will take effect following resolution of four appeals.

District Licensing Committee appointed

An Eastern Bay of Plenty District Licensing Committee was appointed during the year, with powers taking effect from December 2013. The Committee is responsible for decisions on the granting and renewal of liquor licences, managers' certificates, special licences and temporary authorities. The committee is chaired by Commissioner Russell Orr and list members are Jenny Mahoney (deputy commissioner), Russell Chase, Anita Moore, Shona Browne, Memory Mio and Michelle Heath. The establishment of a District Licensing Committee results from significant alcohol law changes made in 2012.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	110	130	(20)	\$	Increased costs as a result of new liquor licensing regulations.
Revenue	110	131	21	\$	Increased revenue as a result of new liquor licensing regulations.
Net Cost of Service Surplus/(Deficit)	-	1	1	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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.
(2012/13 result: Achieved)

MEASURE: Controlled purchase operations are conducted annually.

TARGET: Two per year

RESULT: **ACHIEVED** ✓ Two operations undertaken that involved all of the off-licenses.
For the first time, all premises complied with the Act. (2012/13 result: Achieved)

DID YOU KNOW?

There are currently
90 liquor license
premises in the
Whakatāne District

Regulation Monitoring

Community Outcomes



A YEAR IN REVIEW

Illegal dumping a continuing concern

Illegal dumping of waste continues to be a concern in our District. We have partnered with the Ōpōtiki and Kawerau District Councils in a radio campaign to seek community support for reporting of illegal dumping. We are also continuing to work with the Corrections Department, enlisting the help of Periodic Detention workers to clean up illegal dump sites.

DID YOU KNOW?

Abandoned cars are becoming less of an issue because of the high demand for recyclable steel

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	47	35	12	\$	Variance within 10% or \$20,000
Revenue	47	47	-	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	12	12	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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** ✓ 100% (2012/13 result: 100%)

* 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.

** Not including weekends or public holidays for 'non-urgent' complaints.

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



Building

A YEAR IN REVIEW

Staff to complete national accreditation

Our building control officers are working towards an international level accreditation that formally recognises their competency, skills, knowledge and technical ability as building control officers. The accreditation process is a requirement under regulation 18 of the Building (Accreditation of Building Consent Authorities) Regulations 2006. The final stage of the 12-month accreditation process will be completed in August 2014. The results will mean the Council has one of the best-qualified Building Control teams in New Zealand.

Huge improvement in Compliance with Building WoF

A programme was undertaken during the second half of the year focusing on commercial and industrial buildings subject to the Building Warrant of Fitness regime under the Building Act 2004. At the commencement of the programme in October 2013, only 26% of the buildings required to have an annual building WoF were found to have a current warrant. Direct liaison with building owners and operators saw the percentage of buildings with compliant documentation raised to 90%. A further 8% of the remaining premises were in the process of having their systems and features reviewed and certified by appropriately qualified persons, prior to a warrant being supplied to Council.

Lakes/Coast partnership continues to evolve

A partnership between eight building consent authorities in the Bay of Plenty and central Lakes areas has received renewed support from participating members. The eight Councils involved have been working together to provide a more consistent and efficient approach to building consent processing. The focus over the past year has been to develop standardised vetting and application forms across the Bay of Plenty/Central Lakes region.

Earthquake prone building assessments continue

During the year, the Council and a significant number of commercial building owners have adopted a partnership approach to identifying and strengthening earthquake-prone buildings. As part of this process, the Council has agreed to fund a geotechnical study of the ground conditions in Whakatāne's central business district, meaning individual property owners will not need to commission this work. Property owners will then be responsible for undertaking detailed seismic assessments of their premises with the Council helping to coordinate this work. The geotechnical and seismic studies will allow building owners to make informed decisions about whether to strengthen or redevelop their buildings to meet forthcoming Government earthquake resistance standards.



Community Outcomes



COST OF SERVICE

	ANNUAL PLAN 2013/14 \$'000	ACTUAL 2013/14 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	1,526	1,523	3	\$	Variance within 10% or \$20,000
Revenue	1,626	1,388	(238)	\$	Income from fees and charges lower than budgeted as fewer building consent applications received than anticipated
Net Cost of Service Surplus/(Deficit)	100	(135)	(235)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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 sourced from Development and Compliance targeted postal survey).

TARGET: Existing/LTP target: 56-60

RESULT: **ACHIEVED** ✓ Average satisfaction score of 76.2 out of 100 (2012/13 result: 70.6).

MEASURE: Average working days for processing building consents.

TARGET: 15 days

RESULT: **ACHIEVED** ✓ 8.63 days was the average processing time for building consents (2012/13 result: 8.6 days).

Environmental Health

Community Outcomes



A YEAR IN REVIEW

Delivering environmental health services

Over the past year, we have continued to deliver environmental health services to keep people healthy and safe. A major function of this activity is licensing and inspecting registered premises, including hairdressers, food premises, funeral directors and camp grounds. In 2013/14, we inspected 240 premises. We also responded to public nuisance complaints such as noise, litter and odour from properties.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	204	163	41	\$	Reduction in staffing costs related to contracted work
Revenue	204	201	(3)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	38	38	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 66-70 Converted target: 72-74*

RESULT: **ACHIEVED** ✓ 85% of people satisfied (2012/13 result: Achieved).

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

TARGET: 100%

RESULT: **NOT ACHIEVED** ✗ 87% of after hours excessive noise complaints were responded to according to timeframes. This is an improvement over the previous year and steps are being taken to continue to improve performance in this area (2012/13 result: 80%).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information

Emergency Management



A YEAR IN REVIEW

Easter storms cause flooding in Whakatāne and Ōhope

Extremely heavy rainfall over the Easter weekend caused flood damage to 35 homes in Whakatāne and Ōhope and closed roads in various parts of the District. The worst affected areas were Douglas Street and Alexander Avenue adjacent to the Wainui Te Whara Stream, which overtopped its banks. Many other properties and buildings including a number of Council buildings, such as the Museum and Research Centre in Boon Street and the Whakatāne War Memorial Hall, were damaged by the weekend's weather.

The Whakatāne Emergency Operations Centre was opened to coordinate the response to the event. The centre remained open from Friday evening until Saturday evening and involved many agencies working together, including Council, the Bay of Plenty Regional Council, the Whakatāne Emergency Response Team, the Fire Service, Police and others. Following the clean-up and recovery, the Council's focus returns to finding long-term solutions to minimise the risk of flooding.

Increased capacity helps to spread the word

The Whakatāne District Council contributed towards the formation of a second full-time Civil Defence position in the Eastern Bay of Plenty, in conjunction with the Kawerau and Ōpōtiki District Councils. The new position provides increased community engagement across the region, to help build public awareness and preparedness for civil defence emergencies.

DID YOU KNOW?

You can get free text message alerts for civil defence warnings.

To sign-up, go to:

www.bopcivildefence.govt.nz

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	515	456	59	\$	Unspent contributions related to the delayed CNI Enlarged Rural Fire District project
Revenue	517	540	23	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	2	84	82	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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

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

TARGET: 100%

RESULT: **ACHIEVED** ✓ EOC set up for Easter 2014 floods. (2012/13 result: N/A no major events)

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

TARGET: Fortnightly

RESULT: **ACHIEVED** ✓ Training sessions carried out fortnightly, alternating Whakatāne Emergency Response Team (WERT) and Rural Fire. (2012/13 result: Achieved)



Community Development

A YEAR IN REVIEW

Mana Taiohi development programme a huge success

During the year, the Council delivered the Mana Taiohi youth development programme with funding support from the Ministry of Youth Development and the Southern Trust. The Mana Taiohi programme targeted potential youth leaders in isolated communities including Murupara, Ruatāhuna, Tāneatua, Matatā and Te Teko. Within these communities, young people, with the support of their community champions, took up the opportunity to develop and demonstrate leadership, build capacity within their communities and deliver events in locations where there are limited activities and opportunities. The programme culminated in the delivery of five successful community events, including sports tournaments, a whanau day and a talent quest.

CCTV network upgrade

The Council has worked in partnership with local Police and the Whakatāne Community Safety Group to improve the effectiveness of our CCTV network. As a result of this work, seven new camera sites have been identified in Kopeopeo, The Strand and Commerce Street. Some existing equipment at the Skatepark, Awatapu and Kopeopeo sites will also be upgraded. The proposed extension and upgrades to the system were discussed with the Whakatāne Community Board and the Chamber of Commerce before being confirmed. It is expected that this project will provide a useful resource to support police in known problem areas. At the end of the 2013/14 year, the project was put out for tender, with the upgrade expected to be completed in 2014/15. Over 80% of the costs are expected to be funded from grants.

Youth Council

The first meeting of the newly formed Kaunihera Taiohi (Youth Council) was held on 29 March 2014. This year the Youth Council is made up of eight young people aged 12 – 24 years old from across the district, and includes a regular representative from the Whakatāne District Council. It provides a vehicle for young people to participate in local government planning and decision-making. A review of the Youth Council undertaken this term, by the members themselves, has redirected focus from events organisation to providing input to council projects and decision-making processes. In support of this review members are now developing a code of practice. A list of members on the Youth Council can be found in the appendices of this Annual Report.

Community Sector Support

During the year the Council provided support to a number of community development projects being delivered by other agencies and community groups. The Whakatāne District Council chairs the Social Sector Advisory Group and is an active member of the Social Sector Trials. The Social Sector Trials involve the Ministries of Education, Health, Justice and Social Development, and the Police working together to coordinate resources and deliver services collaboratively. The Council also supported a day-long event and painting of a mural at the Clifton Terrace car park.





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

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	197	235	(38)	\$	Budget revised to include Mana Taiohi programme
Revenue	226	182	(44)	\$	Subsidy not received due to delay in CCTV Network Upgrade project
Net Cost of Service Surplus/(Deficit)	30	(53)	(83)	\$	
Capital Expenditure	77	-	77	\$	CCTV upgrade delayed, now planned for 2014/15

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

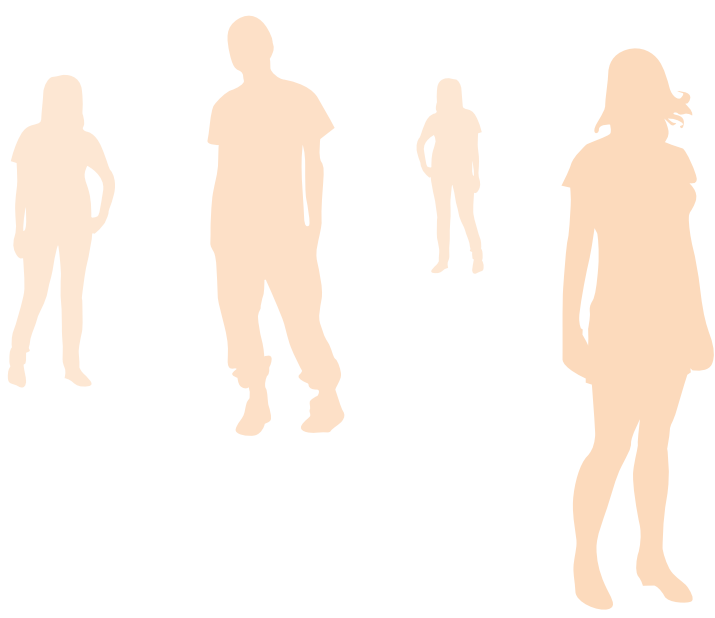
How we performed against our targets for the year

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** ✓ Four major high level programmes of work were completed with a number of events and projects resulting from these programmes. An overview of the programmes is included on the previous page (2012/13 result: Achieved).





Animal Control

A YEAR IN REVIEW

Dog registration fees reduced

During the year, the Council decided to use accumulated reserve funds to reduce dog registration fees. This change is in line with Council's intention to progressively fund more of the animal control activity through general rates rather than through fees to dog owners. Over time this will see the funding arrangement change from 50% general rates and 50% dog owner fees, to 70% and 30% respectively.

Information campaign focuses on roaming stock

Roaming stock - largely horses and cattle - are a real danger on our roads, particularly in winter when road side verges are often used to supplement feed availability. Information campaigns over the past year have included radio advertising, branded envelopes, marae-based hui and signage to warn motorists about this hazard. The information campaigns are supported by the Police and aim to reduce the number of serious crashes on our roads caused by roaming stock.

DID YOU KNOW?

You can now pay your dog registration fee online. Just visit our website: www.whakatane.govt.nz



UNCONTROLLED STOCK ON ROADS CAUSES ACCIDENTS



Phone Whakatāne District Council on 07 306 0500 if you see stock wandering on the roads.

www.whakatane.govt.nz/eastern-bay-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

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	590	575	15	\$	Variance within 10% or \$20,000
Revenue	590	633	43	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	58	58	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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: NOT ACHIEVED All urgent complaints were responded to within half an hour including on weekends and public holidays with staff on call to deal with these situations. All other complaints were responded to within 24 hours with the exception of weekends and public holidays. The level of service for non-urgent complaints over weekends and public holidays is currently being assessed - increasing this level of service would require additional resourcing.

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

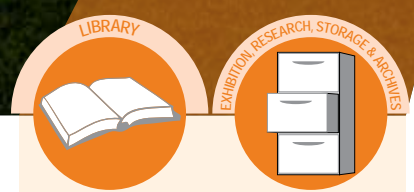
TARGET: Existing/LTP target: 67-71 Converted target: 68-72*

RESULT: ACHIEVED 70% of people satisfied (2012/13 result: Achieved).

**From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information*



TE KOPUTU A TE
Whakatāne Library &



KEY RESULTS FOR 2013/14

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 FOR THE YEAR ENDED 30 JUNE 2014 – Arts & Culture

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2012/13 \$000		
Sources of operating funding						
3,038	General rates, uniform annual general charges, rates penalties	3,125	2,844	(281)		
-	- Targeted rates (other than a targeted rate for water supply)	-	-	-		
3	Subsidies and grants for operating purposes	3	61	58		
25	Fees, charges, and targeted rates for water supply	26	13	(13)		
-	- Internal charges and overheads recovered	-	-	-		
72	Local authorities fuel tax, fines, infringement fees, and other receipts	72	342	270		
3,138	Total operating funding (A)	3,226	3,260	34		
Applications of operating funding						
1,021	Payments to staff and suppliers	1,052	1,205	153		
204	Finance costs	231	250	19		
1,649	Internal charges & overheads applied	1,637	1,283	(354)		
-	- Other operating funding applications	-	-	-		
2,874	Total applications of operating funding (B)	2,920	2,738	(182)		
264	Surplus (deficit) of operating funding (A-B)	306	522	216		
Sources of capital funding						
-	- Subsidies and grants for capital expenditure	-	12	12		
-	- Development and financial contributions	-	-	-		
(74)	Increase (decrease) in debt	(83)	55	138		
-	- Gross proceeds from sale of assets	-	-	-		
-	- Lump sum contributions	-	-	-		
-	- Other dedicated capital funding	-	-	-		
(74)	Total sources of capital funding (C)	(83)	67	150		
Applications of capital funding						
Capital expenditure						
-	- to meet additional demand	-	9	9		
-	- to improve level of service	-	158	158		
125	- to replace existing assets	129	122	(7)		
65	Increase (decrease) in reserves	94	300	206		
-	- Increase (decrease) of investments	-	-	-		
190	Total applications of capital funding (D)	223	589	366		
(264)	Surplus (deficit) of capital funding (C-D)	(306)	(522)	(216)		
-	Funding Balance ((A-B) + (C-D))	-	-	-		
		OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing		4,313,454	146,322	91,418	4,368,358	245,535

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

A YEAR IN REVIEW

Another busy year for Te Kōputu

The second anniversary of the opening of Te Kōputu a te whanga a Toi (the Whakatāne Library and Exhibition Centre) has seen a continuation of high visitor numbers since the facility opened in 2012. The 232,000 visitors for the year is marginally higher than the visitor count for the previous year.

The combined facility has improved access, raised the awareness, and shared the appreciation for many art forms including our stories of local history through the exhibitions. While, the continued high visitor numbers have kept staff on their toes, it is gratifying to see the community continue to support this fantastic facility.

Community embraces improved library technology

A number of technological improvements implemented during the year have been embraced by the community. Free public WIFI in and around the library was extended from office hours only to provide a full, 24-hour, seven days a week service. This initiative helps to support the library function, not just a place to get books, but also as a community centre. This has seen increased use of the public space and seating around the library by travellers and locals accessing this service. We are also continuing to grow our collection of electronic books and have seen the demand for these triple over the past year.

Library programmes

Over the past year, 87 public programme sessions were delivered by the library team. Programmes have focused on celebrating and supporting cultural diversity and creating a bridge between art and literacy. This has involved the telling of stories through different media - including visual, audio, reading, writing and kinaesthetic - acknowledging that people can learn in many different ways.

One of our programmes, the Summer Reading Programme, focused on supporting literacy in remote parts of the District. A total of 232 children were involved in this programme, which included the completion of a Challenge Booklet. The programme was a great success and was very well received by each community involved.

Another extremely successful programme was the weekly story-time session for pre-school children, "Book-a-boo", held at Te Kōputu during school terms. This attracted 1,570 pre-school children and their caregivers during the year - an average of 143 children per month.



DID YOU KNOW?

Te Kōputu was awarded the New Zealand Institute of Architects Award for best public architecture in May 2014



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

	ANNUAL PLAN 2012/13 \$000	ACTUAL 2012/13 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,034	1,889	145	\$	Variance within 10% or \$20,000
Revenue	1,921	1,953	32	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(113)	64	177	\$	
Capital Expenditure	130	121	9	\$	Variance within 10% or \$20,000

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 79-83 Converted target: 85-89*

RESULT: **ACHIEVED** ✓ 96% of people satisfied (2012/13 result: Achieved).

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

TARGET: 12,200 card holders

RESULT: **ACHIEVED** ✓ 14,337 card holders. (2012/13 result: Achieved – 13,643 card holders)

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information



Exhibition, Research, Storage & Archives

Community Outcomes



A YEAR IN REVIEW

Digitisation project safeguards World War One collections

The years 2014-2019 mark the centenary commemorations of World War One (WWI), honouring the service and sacrifice made by many New Zealanders. As part of these commemorations, the Whakatāne Museum embarked on a project to digitise the museum and community photographic and archival collections relating to WWI. This project commenced during the year, with the support of funding from the New Zealand Lottery Grants Board, and the first digital records are now available via an online database on the Museum website (www.whakatanemuseum.org.nz). The material catalogued through this process will be included as part of a commemorative WWI exhibition opening on 29 March 2015.

'Te Urewera Conversations' at Te Kōputu

The work of over 20 artists came together in Te Urewera Conversations, one of 14 exciting exhibitions held at Te Kōputu during the year. The exhibition featured many artists of Ngāi Tūhoe descent, together with artists who have created work in response to Te Urewera – the place, the people and the history.

The works spanned almost six decades of contemporary New Zealand art – the earliest piece, the limestone sculpture 'Tūhoe Woman', created in 1957 by Russell Clark; the most recent works by the new echelon of Tūhoe artists, Kylie Tiuka, Aimee Ratana and Saffronn Te Ratana. Others included Colin McCahon's 'Te Urewera' triptych; a selection of photographic images by Peter James Quinn from the publication 'Tūhoe: Portrait of a Nation'; and artworks by John Walsh, Neil Dawson, Para Matchitt, Brett Graham, Dion Hitchens, Rueben Paterson and Nigel Brown.

Whakatāne Museum and Research Centre redevelopment

Over the past year the Council has investigated feasible options for redeveloping the Whakatāne Museum and Research Centre on Boon Street. This follows an earlier needs-assessment that identified the facility provides only a basic level of service compared with similar facilities around New Zealand with a number of gaps and potential solutions identified.

The Council has agreed in principle to retain and upgrade the existing building and extend it out into Burgess Park. The proposal will be included in our Long Term Plan 2015-25. Over the next twelve months, the focus of the project will be applying for the resource consent and on seeking local, national and corporate funding for the potential redevelopment.

COST OF SERVICE

	LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,309	1,409	(100)	\$	Variance within 10% or \$20,000
Revenue	1,238	1,320	82	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(71)	(89)	18	\$	
Capital Expenditure	167	169	(2)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable – \$ = Unfavourable



“What an amazing asset – one of Whakatāne’s best kept secrets!!”

Gallery visitor



WHAT WE DELIVERED

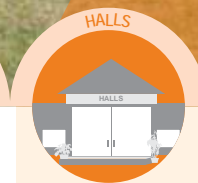
How we performed against our targets for the year

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** ✓ 14 exhibitions held (2012/13 result: Achieved 14 exhibitions held)



Community Property

Ngā Rawa o Te Hāpori

Providing places for communities to gather & affordable housing for our elderly residents

KEY RESULTS FOR 2013/14

Delivering our services:



Pensioner Housing

Community Outcomes



A YEAR IN REVIEW

Council signals preferred social housing option

During 2013/14, the Council undertook a Social Housing Review with the aim of ensuring that our pensioner housing tenants receive the best service to meet their needs, now and in the future. The review was prompted by changes in the way Central Government funds social housing, together with the need to meet a significant increase in demand arising from a predicted doubling of the District's elderly population by 2031.

Six potential options for the future operation of the Council's 79 pensioner housing units were considered through the review. Transferring the ownership of the units and delivery of the social housing service to an

approved Community Housing Provider was seen as the preferred option by the Council, subject to public consultation. It was considered that a Community Housing Provider would be better able and appropriately resourced to deliver the service level required. Community Housing Providers will also be able to access Central Government funding which will not be available to local government agencies.

Consultation was being undertaken at the time this Annual Report was prepared and a decision on how to proceed is expected during the 2014/15 financial year.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	527	539	(12)	\$	Variance within 10% or \$20,000
Revenue	498	533	35	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(30)	(6)	(23)	\$	
Capital Expenditure	97	93	4	\$	Variance within 10% or \$20,000

Key: = Favourable – = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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 (2012/13 result: 79).

Commercial Property

Community Outcomes



A YEAR IN REVIEW

The Strand set for facelift

In the latter part of the year, the first phase of The Strand Plaza development was completed, with the demolition of three buildings from 132 to 142 The Strand. Two of the buildings have made way for the development of a community space which will be landscaped to provide an area for people to sit and meet. The plaza also provides a physical connection from the car-parking area through to The Strand and Pohaturoa Rock. The Plaza will also feature a covered walkway section along The Strand frontage. One of the demolished buildings was privately-owned and is being rebuilt as a retail space facing onto the Plaza. Once completed, this new community space will provide access to the rear of The Strand and link the town more closely to the river environment. Construction of the Plaza is expected to be completed by the end of September 2014.

Onepū forestry investment yields return

The Council's Onepu Woodlot came to maturity and was harvested in early-2014. Pursuant to the terms of Council's joint venture agreement with Olsen Forests, Council received 35% of the net revenue, totaling \$323,000. The harvesting was exceptionally well-timed, with log prices being at their strongest level for a decade.

Piripai economic benefit study

During the year Council, Whakatāne Marina Limited and Hopper Developments Limited explored the feasibility of an integrated residential, retirement and marine precinct development on Council-owned land at 60 and 77 Bunyan Road. As part of the feasibility investigations, Council had an economic impact assessment carried out by Market Economics Limited, one of New Zealand's leading independent consultancies. The assessment highlighted significant economic benefits for the Whakatāne District if the development went ahead. This included an overall benefit of \$480 million during the 20-year construction phase, plus an ongoing operational economic stimulus of \$62 million a year and an additional 900 jobs. Discussions with Hopper Developments Limited with regard to the development of a retirement village and residential subdivision at 77 Bunyan Road are continuing.

The development of a marine precinct at 60 Bunyan Road will need some careful consideration in light of the cultural importance of the area. This is being recognised through a current review of the Whakatāne District Plan. Once finalised, the Plan will set out a number of conditions that would need to be considered before any development progresses.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	435	1,459	(1,024)	\$	Loss on disposal of Council held buildings on The Strand
Revenue	239	946	707	\$	Returns from asset divestment
Net Cost of Service Surplus/(Deficit)	(196)	(513)	(317)	\$	
Capital Expenditure	20	4	16	\$	Variance within 10% or \$20,000

Key: \$ = Favourable – \$ = Unfavourable

Halls

A YEAR IN REVIEW

Maximising the benefit of rural halls

During the year, the Council continued to look at future management options for rural halls, including the possibility of transferring ownership or operation to hall committees or community groups. Consultation with rural hall stakeholders found that the majority of halls are well supported by an active committee or user group and that a continued partnership between the Council and the committee or group was preferred. Awakeri, Galatea, Manawahe, Otakiri, Waimana - Nukuhou and Tāneatua halls, and the Te Teko Sports Pavilion fall into this category. The Te Mahoe Pavilion, and Te Teko Hall are not well-supported by an active stakeholder group and are under-utilised. Further consultation will be undertaken around the future ownership, management and operation of these facilities.

Ōhope Hall reinforcing undertaken

Over the past year, a project was completed to reinforce exterior structural columns at the Ōhope Hall and have these clad to protect them from the weather. The works were undertaken in November and December 2013, during which time the complex was able to remain open for public use.

New shared-use community hall for Murupara

The Council has worked with the Ministry of Education and the Murupara community to plan a new shared-use Murupara Community Hall/Gymnasium as part of the new Murupara Area School. The substantial upgrade being undertaken by the Ministry of Education provided the opportunity for a partnership approach which will see the planned school gymnasium and hall expanded and made available for shared community use. The school will have exclusive use of the facility during and immediately after school hours, with the facility available for shared (school or community) use outside those hours. The project recognises that the existing and ageing town hall facility is underutilised and no longer meets the needs of the community. Construction of the new facility is scheduled to start in the 2014/15 year.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	869	848	21	\$	Variance within 10% or \$20,000
Revenue	711	689	(22)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(158)	(159)	(1)	\$	
Capital Expenditure	86	107	(21)	\$	Completion of renewals projects carried forward from previous year

Key: \$ = Favourable – \$ = Unfavourable



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

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 71-75 Converted target: 79-83*

RESULT: **ACHIEVED** ✓ 84% of people satisfied (2012/13 result: Achieved).

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 arrangements for community groups to take over management of rural halls. (2012/13 result: Achieved - Four urban and six rural halls managed by the Council)

** From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information*



Artist impression of the new shared-use Murupara Community Hall/Gymnasium



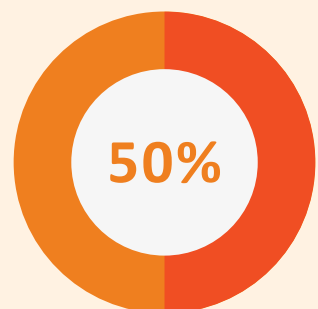
Recreation & Community Facilities

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 2013/14

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014 –
Recreation & Community Facilities

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000	
Sources of operating funding					
5,729	General rates, uniform annual general charges, rates penalties	5,884	5,173	(711)	
331	Targeted rates (other than a targeted rate for water supply)	347	368	21	
6	Subsidies and grants for operating purposes	6	106	100	
2,811	Fees, charges, and targeted rates for water supply	2,927	3,451	524	
1,711	Internal charges and overheads recovered	1,718	936	(782)	
90	Local authorities fuel tax, fines, infringement fees, and other receipts	45	560	515	
10,678	Total operating funding (A)	10,927	10,594	(333)	
Applications of operating funding					
4,396	Payments to staff and suppliers	4,529	4,987	458	
466	Finance costs	491	469	(22)	
3,507	Internal charges & overheads applied	3,520	2,569	(951)	
-	Other operating funding applications	-	-	-	
8,369	Total applications of operating funding (B)	8,540	8,025	(515)	
2,309	Surplus (deficit) of operating funding (A-B)	2,387	2,569	182	
Sources of capital funding					
60	Subsidies and grants for capital expenditure	62	106	44	
23	Development and financial contributions	24	16	(8)	
(366)	Increase (decrease) in debt	38	(261)	(299)	
25	Gross proceeds from sale of assets	-	-	-	
-	Lump sum contributions	-	-	-	
-	Other dedicated capital funding	-	-	-	
(258)	Total sources of capital funding (C)	124	(139)	(263)	
Applications of capital funding					
Capital expenditure					
40	- to meet additional demand	-	177	177	
541	- to improve level of service	712	310	(402)	
867	- to replace existing assets	685	509	(176)	
603	Increase (decrease) in reserves	1,114	1,434	320	
-	Increase (decrease) of investments	-	-	-	
2,051	Total applications of capital funding (D)	2,511	2,430	(81)	
(2,309)	Surplus (deficit) of capital funding (C-D)	(2,387)	(2,569)	(182)	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
	OPENING 1 JULY 2013 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2014 \$	INTEREST \$
Internal Borrowing	8,196,037	94,505	356,398	7,934,144	469,227

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

A YEAR IN REVIEW

Tāneatua Playground stage one completed

Planning work and construction of the first stage of a new playground in Tāneatua was completed during the past year. Further stages of the family-focused playground and recreation area on the Jack Knowles Reserve will be undertaken as funding is secured. These will feature a basketball half-court and barbecues and picnic tables. This \$200,000 development is a cooperative venture involving Ngāi Tūhoe, the Whakatāne District Council, Tāneatua School and Te Kohanga Reo a Tāneatua.

Whakatāne cycle park opens

Two-hundred people attended the opening of Whakatāne’s new Rotary Bike Park on 15 February 2014. A wide range of riders were at the opening, from toddlers on push-along trikes to people in their seventies. However, most eyes were on members of the Eastern Bay BMX Club, who gave a spectacular demonstration of riding skills. Situated at Warren Park, the new bike park is a joint effort between the Whakatāne District Council, Whakatāne West Rotary, the Whakatāne Community Board and Cycle Action Whakatāne Charitable Trust. The new facility features a 1km cycling and walking trail around the park and junior and intermediate level ‘pump’ tracks. The third and final stage of the development, including an advanced jumps track with a four-metre high ‘drop in’ is being developed at the time of writing this Annual Report.

Draft River Greenways Concept Plan developed

An updated Whakatāne River Greenway Concept Plan was drafted over the past year and put out for public consultation in July 2014. The Plan will provide a framework for future development of the walkway and reserves adjacent to the Whakatāne River. The Whakatāne Greenway extends for approximately 8 km from the Te Hau o te Rangi Tutua Reserve at Te Haehaenga, past the central business district to the rural and suburban settings of Whakatāne South and Awatapu. The Plan seeks to maximise and build upon the benefits of the riverside reserves to complement the existing facilities. It aims to celebrate the unique history, cultural importance, ecology and recreation values of the river greenway for all to enjoy.

Community supports Sullivan Lake improvements

With the support of the Council, the community-based Sullivan Lake Care Group continued to make good progress in the past year, developing and undertaking a number of its own initiatives and providing a valuable sounding board for refining Council improvement plans. The Care Group successfully applied for funding from the Bay of Plenty Regional Council’s Environmental Enhancement Fund to complete planting and weed control projects. This saw the planting of 1200 grasses, flaxes and reeds along the lake edge. Alongside those activities, the Council has continued the replacement of damaged sections of the lake’s retaining walls.

DID YOU KNOW?

We maintain

36

PLAYGROUNDS

21

SPORTSGROUNDS

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

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,159	3,034	125	\$	Variance within 10% or \$20,000
Revenue	2,676	2,730	54	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(483)	(304)	179	\$	
Capital Expenditure	742	372	369	\$	See update on major capital projects below

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne Toi's track renewal	100	100	7	Project being revised as tenders have come back well over budget
Contribution to Ōhope Walking and Cycling Project (see transport networks chapter)	75	97*	83	Project completed (see transport networks chapter for details)
Coastal land acquisitions	250	250	0	No opportunities identified this financial year

* Budget carried forward from 2012/13 year

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 74 – 78 Converted target: 84-88*

RESULT: **ACHIEVED** ✓ 89.6% of people satisfied (2012/13 result: Achieved).

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** ✓ 1.5ha (2012/13 result Achieved 1.5ha).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information

Cemeteries & Crematorium

Community Outcomes



A YEAR IN REVIEW

Hillcrest Cemetery extended

The first stage of an extension to the Hillcrest Cemetery was started in April 2014 to provide for current and future demand. This will see the construction of a paved roadway and turning head, providing access to an extended cemetery lawn section with new seating. Although the development of the Whakatāne Crematorium in 2009 substantially reduced the demand for burial plots, the existing Hillcrest Cemetery was approaching capacity. Future stages of the extension will include the construction of a pergola, ash plots, and further landscaping.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	450	456	(6)	\$	Variance within 10% or \$20,000
Revenue	494	489	(5)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	44	33	(11)	\$	
Capital Expenditure	201	154	47	\$	See update on major capital projects below

Key: = Favourable – = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne Cemetery Expansion	150	150	101	First stage of upgrade completed, next stage to be progressed in 2014/15

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 83-87 Converted target: 93-97% satisfied*

RESULT: **ACHIEVED** ✓ 97% of people satisfied with cemeteries and 97% satisfied with the crematorium (2012/13 result: Achieved).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information

Public Conveniences

Community Outcomes



A YEAR IN REVIEW

Current focus is on maintenance only

Over the past year, we have continued to operate and maintain 37 public conveniences for use by the community. These are located in various parks, reserves and popular recreational locations. The focus for this activity for the present time is to maintain what we have, rather than improving or building new facilities. This is part of a wider strategy to minimise Council costs.

DID YOU KNOW?

We provide...

37
PUBLIC CONVENIENCES

12
DRINKING FOUNTAINS

7
PUBLIC SHOWERS

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	543	543	-	\$	Variance within 10% or \$20,000
Revenue	503	502	(1)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(40)	(41)	(1)	\$	
Capital Expenditure	15	16	(1)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 67-71 Converted target: 74-78*

RESULT: NOT ACHIEVED **X** 72% of people satisfied (2012/13 result: Achieved).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information

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 and Harbours

A YEAR IN REVIEW

River dredging required over summer months

Over the summer of 2013-14, dredging operations were undertaken to deepen and maintain the Whakatāne River channel providing access to the harbour. This followed low rainfall and reduced river flows which meant the typical 'flushing' of sand from the river channel did not occur, allowing sediment to build up. The dredging operations involved a combination of land-based, long-reach excavator removal of sediment from the eastern side of the channel, with boat-based activities targeting areas beyond the excavator's reach. As part of the operation, the Eastern Training Wall was widened, allowing extended access for the excavator. The dredging operation improved harbour access and safety for recreational and commercial operations. Following the success of the dredging operation, a project is being explored to permanently widen the Eastern training wall to provide an improved platform for future dredging operations.

Investigations into improved harbour entrance

While the dredging operations over the past summer helped to reduce interruptions to recreational and commercial boating access, a long-term solution to improve the Whakatāne River mouth continues to be evaluated. Over the past year, we have continued to investigate options and talk to stakeholders, including iwi. Further modelling is needed to ensure that any investment made will result in an effective solution.

Investigations into additional berth facilities

The need for additional berth space in the Whakatāne Harbour saw a number of investigations undertaken in 2013/14, with a view to carrying out wharf expansion projects over the next three years. The investigations confirm that the demand for wharf berths in Whakatāne has consistently exceeded supply in recent years and that additional capacity will be required when Ōpōtiki's major aquaculture economic development project gets underway.

Following these investigations, a contract has been awarded for the design of an extension to the Quay Street Wharf and a resource consent application will be made for that work during 2014/15.

Subdivision land sale confirmed (Seascape Developments – Ōhope)

In June 2014, Council completed the sale 2.4 hectares of land at 325-345 Harbour Road Port Ōhope to Seascape Developments. The land is now being prepared for residential development. There has been a high level of interest from buyers in the thirty section subdivision, which will also incorporate a recreation reserve. With the sale and development of this block of land, the Council will continue to progress the upgrading of the nearby Port Ōhope wharf and commercial 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

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,912	1,564	348	\$	Decrease in depreciation costs following revaluation of assets at 30 June 2014. Reduced costs following disestablishment of Town Vision Board. Reduced consultant costs.
Revenue	2,398	2,449	51	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	486	885	399	\$	
Capital Expenditure	93	200	(107)	\$	See update on major capital projects below

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Strand Plaza Development	0	252*	177	Project making good progress (project is funded by the harbour fund but being progressed under the 'Commercial Property' activity – see Commercial Property chapter for more detail)

* Council decision made during the year to undertake the project (project not scheduled in Annual Plan)

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 75-79 Converted target: 88-92*

RESULT: NOT ACHIEVED ✗ 86% of people satisfied (2012/13 result: Achieved).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information

Aquatic Centres

A YEAR IN REVIEW

Murupara Pool Programme

Over the summer months, more than 300 students from years one-to-eight classes at Murupara Area School and Galatea School took advantage of a water safety and swimming skills programme. The programme, providing 30-minute lessons for just one dollar, was a collaborative effort between Whakatāne District Council, Swimming New Zealand, Water Safety New Zealand and Sport BOP.

National honours for swim programmes

The Whakatāne District Aquatic and Fitness Centre's Swim School has been awarded two honours at the annual Swim Coaches and Teachers of New Zealand Awards. The commendations for Outstanding Swim School and Swim School Promotion recognised the school for its customer service practices, staff training and development, health and safety, learn to swim programme content and promotional activities. The accolades are a tribute to the great work put in by swim staff and to the operational changes and developments the Swim School and Aquatic Centre have implemented over the past 18 months. The Swim School provides learn-to-swim and water safety skills lessons for pupils from six months old to adults, as well as swim programmes for local schools and community groups.

Whakatāne Aquatic Centre popularity on the rise

The popularity of the Whakatāne Aquatic centre continues to increase since the Whakatāne District Council took over management two years ago with increases in both general admissions and swim school enrolments.

DID YOU KNOW?

We are looking to install solar water heating at the Whakatāne Aquatic Centre. Once installed, the solar project is expected to pay for itself in three years and provide substantial energy savings thereafter

WINNERS 2014
NZSCTA AWARD

**OUTSTANDING
SWIM SCHOOL**

WINNERS 2014
NZSCTA AWARD

**SWIM SCHOOL
PROMOTION**



Community Outcomes



COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,839	1,746	93	\$	Variance within 10% or \$20,000
Revenue	2,101	2,010	(91)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	261	264	3	\$	
Capital Expenditure	352	159	193	\$	See update on major capital projects below

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
WHK Aquatic Centre - Pool Solar Heating	200	200	0	Awaiting building code of compliance before proceeding

WHAT WE DELIVERED

How we performed against our targets for the year

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: Existing/LTP target: 75-79 Converted target: 87-91*

RESULT: NOT ACHIEVED X 80% of people satisfied (2012/13 result: Achieved).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information.

Visitor Information

Community Outcomes



A YEAR IN REVIEW

Whakatāne Visitor Centre receives top Qualmark score

Whakatāne's Visitor Information Centre received top marks from Qualmark, New Zealand Tourism's official quality assurance organisation. The Centre received an assessment score of 93% and was also accredited with a Silver Enviro Award, in recognition of its environmentally-friendly operations. During the year, the Centre has also had some renovations carried out, with the removal of a partition wall allowing information on upcoming events and local attractions to be displayed.

Whakatāne impresses Tourism Export Council

The Whakatāne District's tourism attractions made a strong impression on the New Zealand Tourism Export Council during its visit to Whakatāne in May 2014. The Export Council held a strategic planning meeting in Whakatāne and while in the area, members visited a number of activities and locations. The Whakatāne District Council also hosted a networking function for local tourism operators to meet the Tourism Export Council Board, which represents the wholesale sector of the tourism industry. The Export Council promotes New Zealand offshore, then packages group and independent travellers' itineraries onshore, and is responsible for up to 70 percent of the 2.7 million travellers who visit New Zealand each year. The District is expected to benefit from a strengthened relationship with the Export Council through increased exposure in international tourism marketing campaigns.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	995	903	92	\$	Reduction in consultants and contract services
Revenue	920	901	(18)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(75)	(2)	73	\$	

Key: \$ = Favourable – \$ = Unfavourable



“After visiting the Whakatāne region we will be more proactive in promoting this wonderful boutique destination to our groups and visitors”

*Martin Horgan, Director Southern World
(President of Tourism Export Council)*





Corporate & District Activities

Ngā Mahinga Matakite ā Rohe

Friendly, helpful people providing the information that both you & we need

KEY RESULTS FOR 2013/14

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014 –
Corporate & District Activities

LTP 2012/13 \$000		LTP 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE 2013/14 \$000	
Sources of operating funding					
582	General rates, uniform annual general charges, rates penalties	420	1,483	1,063	
-	- Targeted rates (other than a targeted rate for water supply)	-	(6)	(6)	
-	- Subsidies and grants for operating purposes	-	-	-	
243	Fees, charges, and targeted rates for water supply	250	359	109	
11,375	Internal charges and overheads recovered	11,469	9,969	(1,500)	
372	Local authorities fuel tax, fines, infringement fees, and other receipts	383	585	202	
12,572	Total operating funding (A)	12,522	12,390	(139)	
Applications of operating funding					
9,728	Payments to staff and suppliers	9,995	8,203	(1,792)	
269	Finance costs	268	795	527	
395	Internal charges & overheads applied	412	417	5	
430	Other operating funding applications	440	776	336	
10,822	Total applications of operating funding (B)	11,115	10,191	(924)	
1,750	Surplus (deficit) of operating funding (A-B)	1,407	2,199	792	
Sources of capital funding					
-	- Subsidies and grants for capital expenditure	-	-	-	
-	- Development and financial contributions	-	-	-	
(464)	Increase (decrease) in debt	(769)	(1,212)	(443)	
265	Gross proceeds from sale of assets	31	-	(31)	
-	- Lump sum contributions	-	-	-	
-	- Other dedicated capital funding	-	-	-	
(199)	Total sources of capital funding (C)	(738)	(1,212)	(474)	
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	-	-	
600	- to improve level of service	255	-	(255)	
1,796	- to replace existing assets	2,225	523	(1,702)	
(945)	Increase (decrease) in reserves	(1,811)	464	2,275	
100	Increase (decrease) of investments	-	-	-	
1,551	Total applications of capital funding (D)	669	987	318	
(1,750)	Surplus (deficit) of capital funding (C-D)	(1,407)	(2,199)	(792)	
-	Funding Balance ((A-B) + (C-D))	-	-	-	
	OPENING 1 JULY 2012 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2013 \$	INTEREST \$
Internal Borrowing	2,895,871	60,593	1,273,336	1,683,128	792,946

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



Customer Services

A YEAR IN REVIEW

Expanding online customer services

Over the past year the Council has improved and increased the number of services that are able to be accessed online as well as over the counter at the Council offices. For example, a number of payments can now be made online including property and water rates, dog registrations

and parking infringements. The online rates information database now includes more information and is updated in real time meaning it is more accurate. You can now also search cemetery records through our website. With more customers accessing these services online, frontline staff are more available to deal with specialist customer inquiries.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	461	466	(5)	\$	Variance within 10% or \$20,000
Revenue	461	466	5	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	0	0	0		

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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** ✓ 80.52% of telephone calls answered within 30 seconds (2012/13 result: 85.5%).

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

TARGET: Existing/LTP target: 77-81 Converted target: 86-90*

RESULT: **ACHIEVED** ✓ 93% of people satisfied (2012/13 result: Achieved).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information



WHAKATĀNE
District Council

www.whakatane.govt.nz

Communications

A YEAR IN REVIEW

Keeping connected

Over the course of the 2013/14 year communications activities have continued to keep the community informed about Council services, activities, amenities and priorities. Core activities included the production of the Council's monthly newsletter, Ko Konei – Our Place, regular media releases to update the community on key developments, and targeted information and consultation resources promoting community awareness and engagement in a range of projects and proposals. Some examples included the Matatā Wastewater system; the proposed shared-use Hall and central business area upgrade in Murupara; and the proposed Keepa Road green waste processing facility.

Improvements and awards for our website

The past year has seen a substantial upgrade of the Whakatāne District Council and Whakatāne Museum websites. The upgrades included new design and navigation features to make the sites easier to use. The upgrades have improved access for smartphone and tablet devices as well as improving readability for the visually impaired. Combined with the introduction of a number of

new services – such as online rates and dog registration payments – these initiatives have seen the Council's website ranking improve from 25th to 3rd amongst the 72 local government organisations throughout New Zealand.

Brand refresh undertaken

The Council began a branding refresh in July 2013, which saw the replacement of logo artwork that has been in use for more than 10 years. Produced in-house by the Council's graphic designer, the new logo features a sunburst, wave and koru pattern and specifically references the Whakatāne District Council. The branding has been progressively introduced as stationery and other branded items have been replaced, allowing the refresh to be accomplished within normal operating budgets.



DID YOU KNOW?

Council's Facebook presence has increased significantly, with the number of 'likes' doubling over the past year.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	387	392	(4)	\$	Variance within 10% or \$20,000
Revenue	387	392	4	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	-	-		

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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

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

TARGET: Existing/LTP target: 63-67 Converted target: 62-66*

RESULT: **ACHIEVED** ✓ 75% of people satisfied (2012/13 result: Achieved).

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

TARGET: Ranking 20th or better

RESULT: **ACHIEVED** ✓ Achieved – ranking 3rd (2012/13 result: Not Achieved 25th).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 20 for more information



Human Resources

A YEAR IN REVIEW

Leadership Development programme implemented

Building management and leadership capability has been a focus for the Council over the past year. An in-house programme called 'Courageous Conversations' proved to be an excellent initiative, designed to give managers the confidence and tools to engage in difficult workplace conversations. A leadership development programme was also commenced to support the development of leadership behaviours and styles towards achieving excellence. This programme has initiated a great deal of discussion about the role of leaders at Whakatāne District Council.

Induction programme reinstated

During the year the Council has reinstated a comprehensive Induction Programme to support new staff. Welcoming and integrating new staff members into the Whakatāne District Council work environment is an important process that helps employees to adjust to their new environment and job requirements.

Muttonbirds take flight

Whakatāne District Council's Moutohorā Muttonbirds were just half a point away from taking out the top spot in the 2014 Australasian Local Government Management Challenge. 110 teams throughout Australasia entered the competition, and the Muttonbirds achieved a very creditable second place overall, having won the right to represent New Zealand in the Melbourne finals by taking out the national event in April. This is the first time that Whakatāne has entered the challenge, which sees teams from local government organisations compete in problem-solving exercises addressing real industry themes.

Māori Language week embraced by staff

Māori Language week was once again well supported by Council staff and provided a great opportunity to engage in new cultural experiences. The Council's programme for the week included waiata and pepeha classes as well as off-site activities to learn about local iwi and the region's history. Coinciding with Māori Language Week, a kapa haka team made up of staff from the Whakatāne District Council and Bay of Plenty Regional Council travelled to Wellington to participate in Te Kōnohete. This annual event brings organisations together from across the public sector to celebrate and promote waiata, te reo Māori me ōna tikanga and seek to build inter agency connections.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	796	724	73	\$	Variance within 10% or \$20,000
Revenue	776	724	(53)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(20)	-	20	\$	

Key: \$ = Favourable – \$ = Unfavourable

Finance

A YEAR IN REVIEW

Long term financial planning kicks off

In February 2014, the Council began the development of its next Long Term Plan (LTP), which will set out the strategic direction, work plan and budgets for the 10 years from 2015-25. As part of this project a review of the Council's Financial Strategy, Revenue and Financing Policy and Rating System have commenced. These projects will determine the approach to be taken over the term of the next LTP to manage Council finances and includes how the rates will be apportioned. Further development and consultation on the LTP will be undertaken in the 2014/15 year.

New Insurance provider

A review of the Council's insurances undertaken during the year focused on achieving efficiencies while continuing to manage risk in a prudent way. The review has seen the Council discontinue insurance with the Local Authority Protection Programme (a mutual funding pool created by local authorities to cater for the replacement of infrastructure following catastrophic damage by natural disaster) in favour of private insurance.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,851	2,730	121	\$	Variance within 10% or \$20,000
Revenue	2,851	2,730	(121)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	-	-		

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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. (2012/13 result: achieved)



Corporate Information

A YEAR IN REVIEW

Improvements to software & systems scaled back

During the 2013/14 year, the Council had intended to start redeveloping its Enterprise Resource Planning System - responsible for storing and managing huge amounts of information and financial data. Through the early stages of investigation, this project has been scaled-down substantially and is now looking to collaborate on multiple smaller improvements with other Councils using the same system. A number of other smaller projects including a new telephony system and corporate information hardware improvements have also been scaled down to find more cost efficient fit-for-purpose options.

Interactive maps available online

Over the past year, the Council has introduced a number of interactive online maps to make information more easily accessible to the public. Alongside this initiative, interactive maps are also being made available through a restricted access network to staff, contractors and other off-site personnel. This means information is more readily available and able to be accessed more efficiently. A longer-term project is underway to make a fully-interactive mapping system available for public online use.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	4,133	3,472	661	\$	Scaling back of projects resulting in contract and consultant cost savings, Savings due to staff vacancies, Reduced hardcopy printing.
Revenue	4,317	3,901	(416)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	184	429	245	\$	
Capital Expenditure	2,030	227	1,803	\$	See update on major capital projects below

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Corporate information hardware improvements	230	230	106	Cost efficiencies associated with applying fit-for-purpose solutions
Corporate information system maintenance and upgrades	260	260	51	Some replacements completed, others deferred as they are impacted by other corporate information projects being re-scoped
Customer service new telephony system	300	300	0	Project revised and down-scaled to involve system improvements rather than replacement - to be progressed in 2014/15
Redevelopment of Enterprise Resource Planning system	1,000	1,000	0	Project being revised to focus on smaller fit-for-purpose improvements

Corporate Property

A YEAR IN REVIEW

Improvements made to Whakatāne Civic Centre

Over the past year, improvements were made to the Whakatāne Civic Centre to update staff facilities and improve security and access to the building. Other corporate property assets, which are required to support the delivery of services to the community, continued to be maintained or renewed as needed. This includes properties such as the Civic Centre, Airport Terminal Building, Dog Pound, Depots, Libraries, the Vehicle Fleet and others.

COST OF SERVICE

	ANNUAL PLAN 2013/14 \$000	ACTUAL 2013/14 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,259	2,218	41	\$	Variance within 10% or \$20,000
Revenue	1,744	1,731	(14)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(514)	(487)	27	\$	
Capital Expenditure	312	285	27	\$	See update on major capital projects below

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

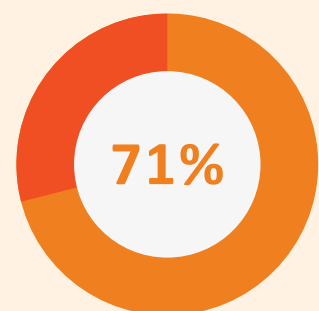
PROJECT	ANNUAL PLAN 2013/14 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Vehicle replacements	160	200	107	Two of the scheduled vehicle replacements deferred as not considered necessary this year
Operational facilities renewals and replacements	138	138	174	Projects completed



Council Controlled Organisations

*Ngā Roopu Mahi Tahī-ā-Te
Kaunihera ō Whakatāne*

KEY RESULTS FOR 2013/14





- 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

INTRODUCTION

A Council Controlled Organisation (CCO) is a company or organisation in which the Council, or a number of councils, holds 50% or more of the voting rights, or can appoint 50% or more of the trustees, directors or managers. The Council enters into this form of partnership where it provides a more effective, efficient and financially viable means of delivering services.

The Whakatāne District Council is currently a shareholder in three CCOs having withdrawn from Toi Economic Development Agency during the 2013/14 year. The three CCOs are: Bay of Plenty Local Authority Shared Services Limited (BoPLASS), the Local Government Funding Agency (LGFA) and the Whakatāne Airport.

ACCOUNTABILITY OF CCOS

The entities covered in this chapter are reportable CCOs under the Local Government Act 2002. As part of the requirements for a reportable CCO, they must produce their own 'Statement of Intent' and 'Annual Report' each year. The Annual Report for each CCO provide a greater level of information than available in this chapter. Each of these CCOs also has their own website providing contact information and regular updates – website details are available in this chapter.

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



ABOUT BOP LASS

Bay of Plenty Local Authority Shared Services Limited (BoP LASS) was formed in 2007 to investigate, develop and deliver shared services, joint procurement and communications for the participating councils. 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.

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. Advisory group membership is essentially a user-pays system based on involvement in the shared services developed under the BoPLASS umbrella. The Whakatāne District Council pays a membership levy to BoPLASS of \$1,000 per year per advisory group.

OVERVIEW OF SERVICES DELIVERED

2013/14 has involved a period of change and development for BOPLASS, with the Board completing an organisational review to ensure the company continues to deliver maximum value to shareholding councils.

Following the review BOPLASS is now more procurement focussed and continues to build on previous collaborative successes and the opportunity to aggregate councils' volumes to access improved discounts and pricing. Some specific examples relate to insurances; telephony systems; postal services; and media monitoring services.

BOPLASS has remained involved in the development of shared services projects, but with a new requirement for participating councils to take the lead in project implementation. An example is the collaborative work on GIS across participating Councils which has continued over the past year.

PERFORMANCE TARGETS

The following performance targets for the past year were set through the BoPLASS Statement of Intent 2013/14:

TARGET: Successfully implement two of the Identified Shared Service projects within a 12 month period.

RESULT: Not Achieved

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

RESULT: Achieved

TARGET: Manage and/or renegotiate existing contracts ensuring appointed vendors remain competitive and continued best value is returned to shareholders.

RESULT: Achieved

TARGET: Perform self-assessment reviews of governance.

RESULT: Achieved

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

RESULT: Achieved

TARGET: Ensure current funding model is appropriate and enables the Company to continue to remain financially viable.

RESULT: Achieved

More information is available in the BoP LASS Annual Report

The full BoP LASS Annual Report for the 2013/14 year along with further information about this CCO can be found on their website: www.bopllass.co.nz

Local Government Funding Agency Limited (LGFA)



Leadership
Roads & Footpaths
Water Supply

ABOUT THE LGFA

The LGFA was formed in 2011 as a partnership between the participating local authorities and the New Zealand Government. It enables local authorities to diversify their sources of funding and borrow funds at lower interest margins than would otherwise be available.

The Whakatāne District Council joined the LGFA in 2012 as a principle 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 which is responsible for the strategic direction and control of LGFA's activities. Operationally, the LGFA is run by a small team based in Wellington.

Sewage Treatment & Disposal
Stormwater Drainage
Waste

OVERVIEW OF SERVICES DELIVERED

Over 2013/14 year the LGFA has continued to operate with the primary objective of optimising the debt funding terms and conditions for participating local authorities including for the Whakatāne District Council. Specifically this has included providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets. These outcomes were delivered in accordance with the 'objectives' and 'nature and scope of activities' as set out in their Statement of Intent for 2013/14.

Environmental Sustainability

PERFORMANCE TARGETS

The following performance targets for the past year were set through the LGFA Statement of Intent 2013/14:

Community Safety

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 2014 will be less than 0.50% higher

RESULT: Not Achieved. 0.85%

Arts & Culture

TARGET: The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to 30 June 2014 will be no more than 0.25%

RESULT: Achieved. 0.15%

Community Property

TARGET: The estimated percentage interest cost savings for the period to 30 June 2014 will be more than 0.30%

RESULT: Not Achieved. 0.23%

Recreation & Community Facilities

TARGET: LGFA's annual issuance and operating expenses for the period to 30 June 2014 will be less than \$3.2 million

RESULT: Not Achieved. \$3.3 million

Corporate & District Activities

TARGET: Total lending to participating Local Authorities at 30 June 2014 will be at least \$3,400 million

RESULT: Achieved. \$3.7 million

More information is available in the LGFA Annual Report

The full LGFA Annual Report for the 2013/14 year along with further information about this CCO can be found on their website: www.lgfa.co.nz

Council Controlled Organisations



Whakatāne Airport

ABOUT THE WHAKATĀNE AIRPORT

The Whakatāne Airport was formed as a Council Controlled Organisation (CCO) in 2006. The Airport is a valuable community asset, which contributes to residents' quality of life and makes an important contribution to the economic well-being of the District. 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 percent share. The Grow Whakatāne Advisory Board (the Board) provides advice to the Council, which is ultimately responsible for decisions relating to the airport. Day-to-day operation and maintenance of the airport, including the delivery of projects, services and initiatives, is managed by the Council.

OVERVIEW OF SERVICES DELIVERED

Over the past year the Whakatāne Airport has continued to deliver services in accordance with the 'objectives' and 'nature and scope of activities' as set out in their Statement of Intent for 2013/14. In particular this has seen the Airport continue to be maintained as a non-certified aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5,700kg Maximum Combined Take-off Weight. Daily passenger services have continued to be delivered to and from Auckland by Air New Zealand although other recreational and commercial flights account for a greater proportion of aviation activity at the Airport.

A number of actions and developments have been progressed against the Whakatāne Airport Ten Year Business Plan during the year including some progress on hangar development and the establishment of airport user group as a forum for specific stakeholder involvement into decisions. During the year, Air New Zealand began to consult with stakeholders including the Council on the retirement of the Beech 1900 Aircraft. The retirement of this aircraft would require the Whakatāne Airport to consider the viability of scheduled services for larger (fifty passenger) Air NZ or alternate aircraft, and the investment needed to accommodate this. Discussion with Air New Zealand will continue in the 2014/15 year. The Airport has also implemented a new system to track aircraft movements and support the collection of landing fees.

PERFORMANCE TARGETS

The following performance targets for the past year were set through the Whakatāne Airport Statement of Intent 2013/14:

TARGET: Operate and maintain the airport's assets within the operational expenditure and capital expenditure budgets (excluding corporate overheads and depreciation). These budgets will be outlined in the Whakatāne Airport Statement of Intent each year.

RESULT: Achieved. Operational expenditure finished the year within budget. The capital works programme was significantly underspent largely due to the 'runway lighting and navigational aids' project being delayed.

TARGET: Maintain the Airport as a non-certified aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5,700kg Maximum Combined Take-off Weight (MCTOW).

RESULT: Achieved.

TARGET: Delivery of a business development plan and subsequent achievement of the individual targets outlined within that plan.

RESULT: Achieved. An Airport Business Plan was adopted by the Council March 2013. Over the past year a number of action have progressed against that plan. Details can be found in the Annual Report for the Whakatāne Airport.



More information is available in the Whakatāne Airport Annual Report

The full Whakatāne Airport Annual Report for the 2013/14 year along with further information about this CCO can be found 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

Toi Economic Development Agency (Toi EDA)

THE CHANGING FACE OF ECONOMIC DEVELOPMENT

Since December 2013, the Council ceased contributing to Toi Economic Development Agency (Toi-EDA). The Council's decision was based on changing circumstances since Toi-EDA was originally formed. The decision recognised that:

- There is a need for greater business involvement in economic development activities.
- Greater capacity exists within Councils to carry out their own economic development activities
- Councils have formed the Eastern Bay of Plenty Joint Committee, to provide greater coordination of activities across the region.

To support this changing focus the Grow Whakatāne Advisory Board was established, arising from the Grow Whakatāne Action Plan developed in early 2013. The purpose of the Advisory Board is to provide advice and guidance to both Council and staff on strategic initiatives. The Board's focus is on Council assets and activities with a commercial imperative such as the Airport, Port and Harbour, Harbour Endowment Property, divestment and development of strategic landholdings, and implementation of the Town Vision Strategy.

The Toi-EDA Board and Eastern Bay of Plenty Councils recognise the benefits that a collaborative approach bring to economic development and are currently examining future options for maintaining this relationship.

TRANSITION TO COUNCIL DELIVERED ECONOMIC DEVELOPMENT SERVICES

For this financial year, \$191,000 was budgeted by Whakatāne District Council as a contribution to Toi-EDA. A portion of this funding (\$95,000) was allocated to Toi-EDA, reflecting Council's involvement with this CCO for part of the year. The remaining \$96,000 was reallocated to Council led economic development initiatives.

ACHIEVEMENTS AND PERFORMANCE TARGETS

Results are not specifically available for the part-year to December 2013 during which Council was shareholder in Toi EDA. Further information about Toi EDA is available on their website: www.toi-eda.co.nz



Our costs in detail

Ngā whakapaunga pūtea me ōna whānuitanga

Financial Performance Benchmarks

ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2014

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

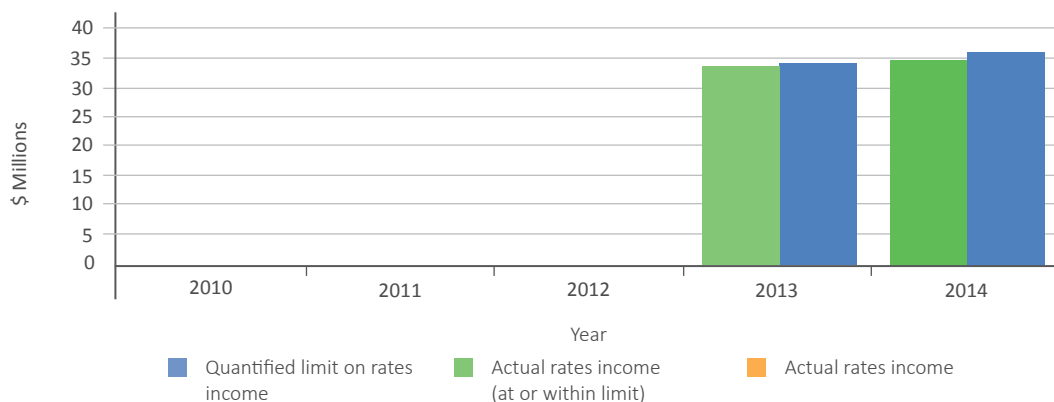
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases

RATES INCOME AFFORDABILITY

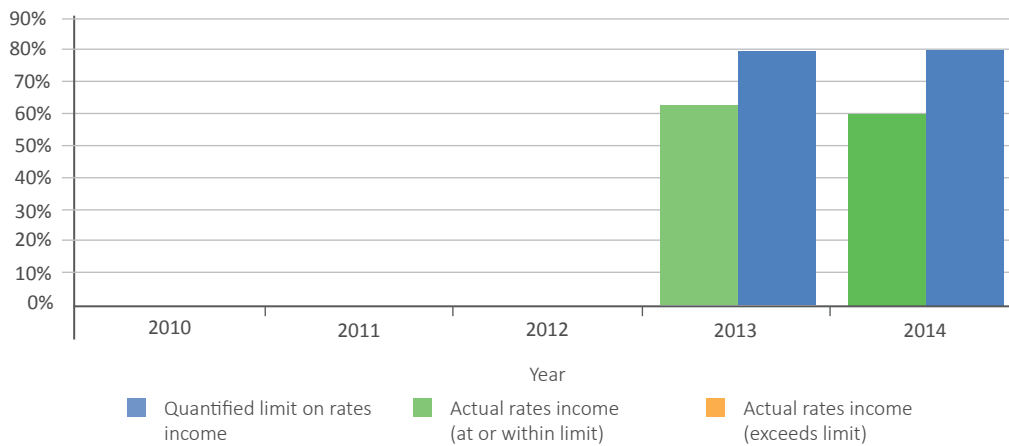
- The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long Term Plan.

Quantified Limit on Rates

The total rates requirement for each year of the Ten Year Plan period will be no more than shown in the adopted Ten Year Plan for that year.



Total rates revenue for each year of the Ten Year Plan period will be limited to 80% of operating revenue



RATES INCREASES AFFORDABILITY

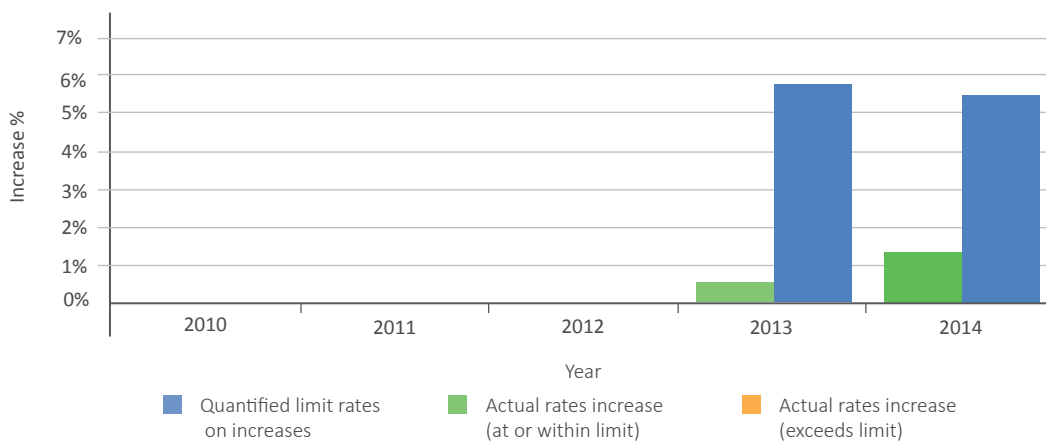
The following graph compares the councils actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long Term Plan

Quantified Limit on Rates Increases

Prior to 2013 there was no fiscal policy on rates increase limits.

For all subsequent years, the annual increase in total rates requirement will be limited to the total of:

- The annual percentage increase in the Local Government Cost Index*
- plus two percent



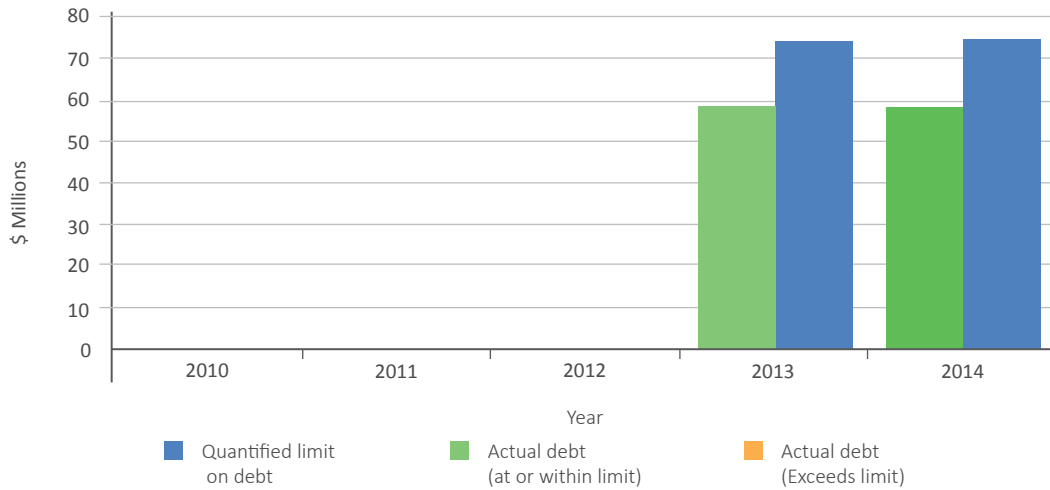
*Using the most recent Local Government Cost Index, published by Berl, available at the time the draft and then final Annual Plan or Ten Year Plan is prepared.

Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

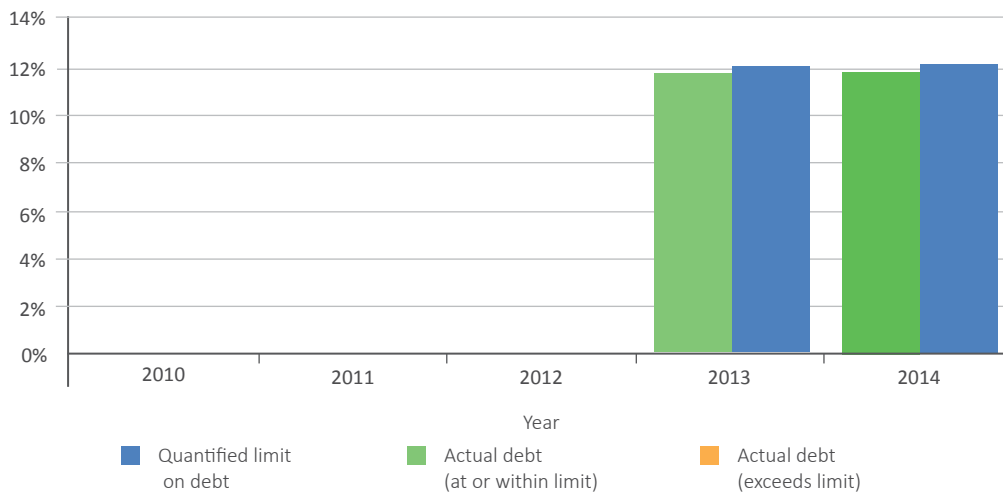
Our Limits for Debt

The following graph compares the council's actual total borrowing with the first quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit from 2012/13 is for total debt to be capped at \$75 million



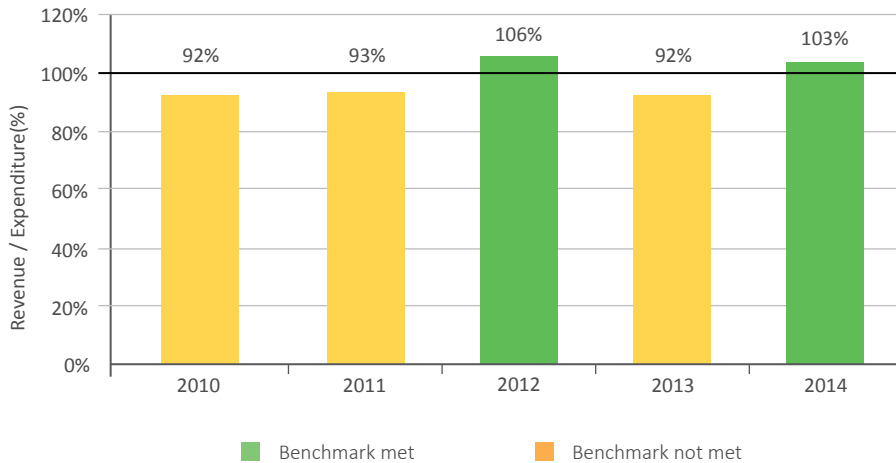
Our Limit on Interest as a Percentage of Total Rates Income

The following graph compares the Council's actual interest as a percentage of total rates income with the second quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit is 12% of total rates.



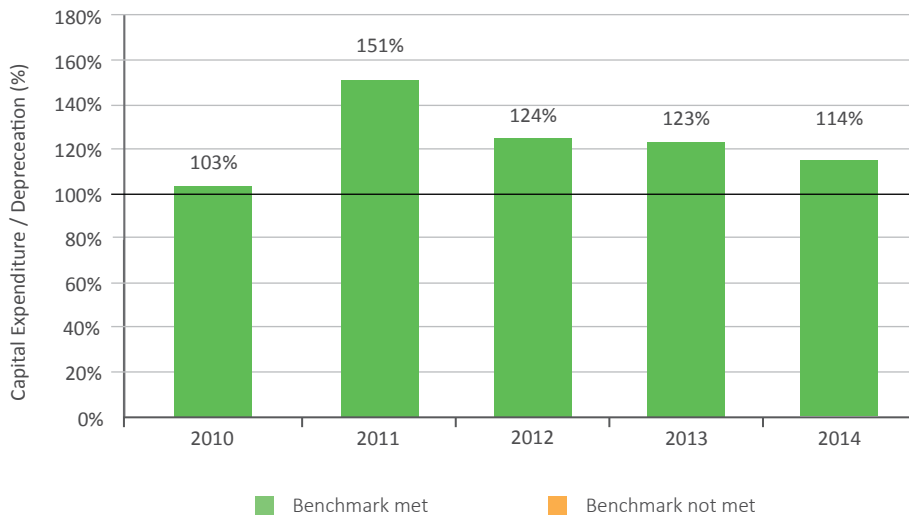
Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets this benchmark if its revenue equals or is greater than operating expenses.



Essential Services Benchmark

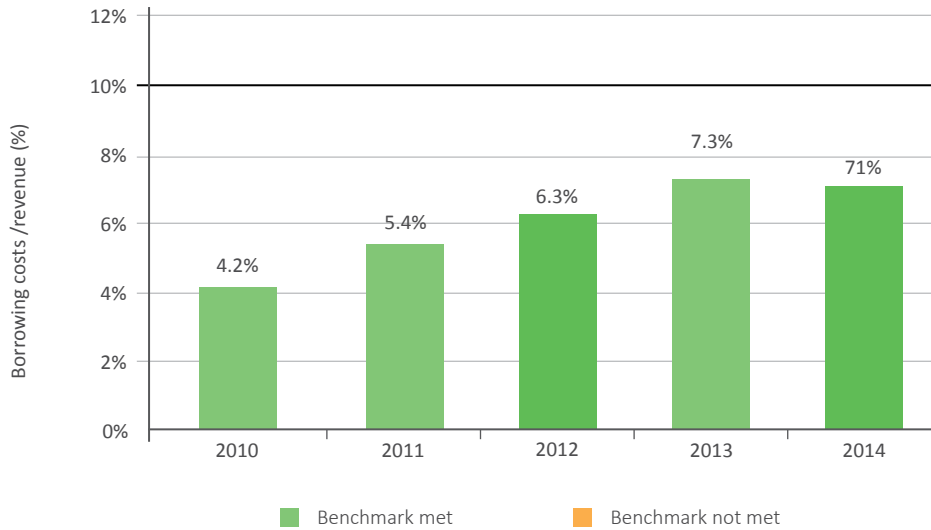
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment).

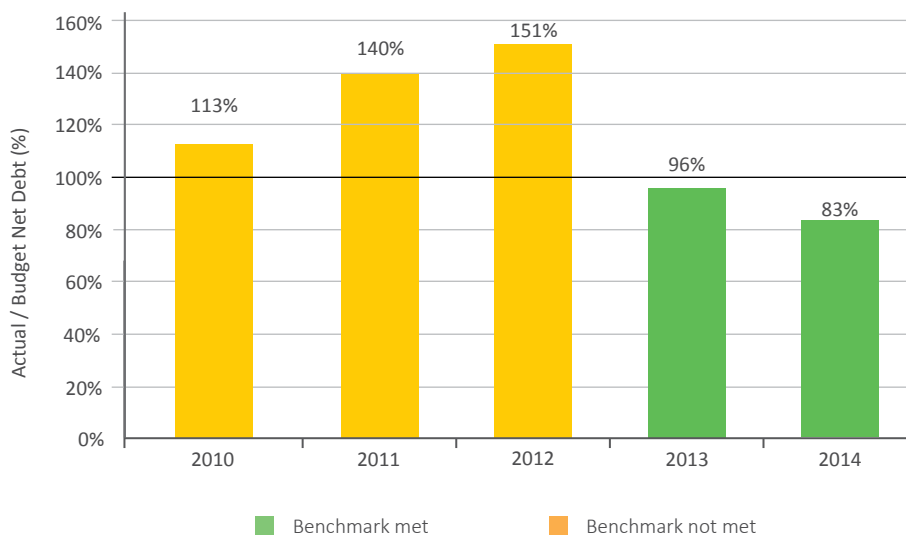
Because Statistics New Zealand projects the councils population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if it's borrowing costs equal or are less than 10% of its revenue.



Debt Control Benchmark

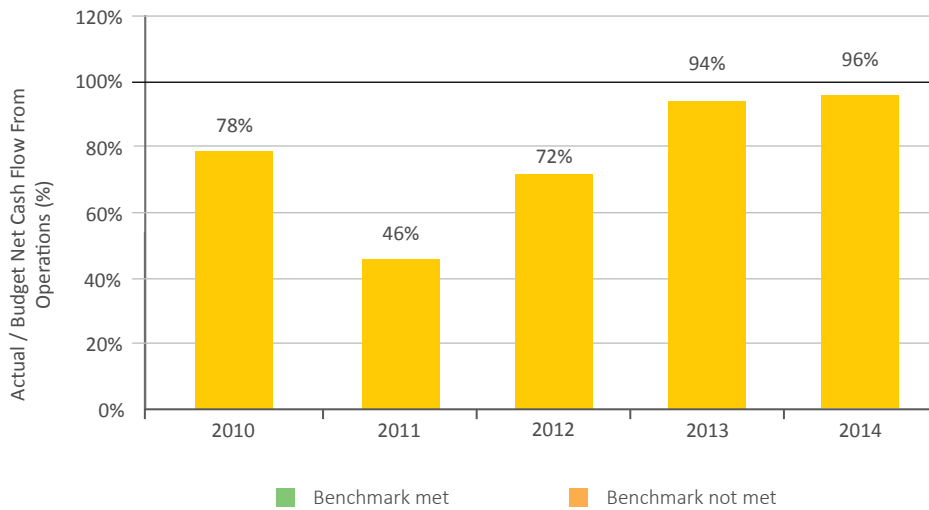
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations Control Benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Financial Statements

Statement of Comprehensive Income

For the Year Ended 30 June 2014

ACTUAL 2012/13 \$000			ACTUAL	BUDGET
			2013/14	2013/14
			\$000	
INCOME				
34,002	Rates, Excluding Volumetric Charges for Water Supply	Note 2	35,451	35,255
8,095	Fees, Charges and Volumetric Charges for Water Supply		7,713	9,780
292	Development and Financial Contributions		246	476
6,192	Subsidies and Grants	Note 3	7,405	10,961
4,719	Other Revenue	Note 3	5,103	4,473
16	Finance Income	Note 6	40	8
1,848	Gains	Note 7	1,893	1,277
55,164	Total Income		57,851	62,230
EXPENDITURE				
11,663	Personnel	Note 4	12,443	12,027
15,334	Depreciation and Amortisation	Note 5 & 14	15,503	16,707
24,068	Other	Note 5	25,073	25,265
5,377	Revaluation Losses	Note 5	2,486	-
2,660	Finance Costs	Note 6	2,853	2,340
59,102	Total Operating Expenditure		58,358	56,339
(3,938)	Surplus (Deficit) Before Tax		(507)	5,891
-	Income Tax Expense (Benefit)	Note 8	(254)	-
(3,938)	Surplus (Deficit) After Tax		(253)	5,891
OTHER COMPREHENSIVE INCOME				
4,392	Gains (Loss) on Assets Revaluation		(4,174)	5,932
-	Tax on Revaluation Surplus		(401)	-
454	Total Comprehensive Income for the Year		(4,828)	11,823

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

The Notes and the Statement of Accounting Policies on pages 129 to 177 form part of the Financial Statements.

Statement of Changes in Equity

For the Year Ended 30 June 2014

ACTUAL 2013 \$000			ACTUAL 2014	BUDGET 2014
			\$000	
618,455	Balance at 1 July		618,909	624,279
454	Total Comprehensive Income		(4,828)	11,823
-	Other Adjustments		1,466	-
618,909	Balance at 30 June		615,547	636,102

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

The Notes and the Statement of Accounting Policies on pages 129 to 177 form part of the Financial Statements.

Statement of Financial Position

As at 30 June 2014

ACTUAL 2013 \$000			ACTUAL 2014	BUDGET 2014
			\$000	
	EQUITY			
423,874	Retained Earnings	Note 23	420,769	433,140
13,152	Restricted Equity	Note 23	17,468	14,539
181,883	Asset Revaluation Reserves	Note 23	177,310	188,423
618,909	TOTAL EQUITY		615,547	636,102
	ASSETS			
	Current Assets			
(106)	Cash and Cash Equivalents	Note 9	4,737	201
86	Inventories	Note 10	95	90
1,319	Goods and Services Tax		1,408	200
8,493	Trade and Other Receivables	Note 11	7,941	6,070
-	Derivatives Asset	Note 12	-	-
2,972	Assets Held for sale	Note 17	154	200
12,764	Total Current Assets		14,335	6,761
	Non-Current Assets			
78,785	Operational Assets	Note 14	80,405	81,282
504,987	Infrastructural Assets	Note 14	493,464	522,296
913	Intangible Assets	Note 14	497	1,562
291	Forestry Assets	Note 16	38	38
44,481	Investment Property	Note 17	42,898	46,364
33,907	Restricted Assets	Note 18	34,531	34,000
2,625	Work in Progress	Note 15	5,563	2,000
123	Derivatives Asset	Note 12	212	-
343	Investment in CCOs and other similar entities	Note 13	607	151
666,455	Total Non-Current Assets		658,215	687,693
679,219	TOTAL ASSETS		672,550	694,454
	LIABILITIES			
	Current Liabilities			
9,905	Trade and Other Payables	Note 19	8,122	4,612
25	Provisions	Note 20	25	-
1,402	Employee Entitlements	Note 21	1,723	1,393
-	Goods and Services Tax		-	-
20,000	Borrowings	Note 22	10,000	20,000
54	Derivatives Liability	Note 12	6	-
31,386	Total Current Liabilities		19,876	26,005
	Non-Current Liabilities			
483	Provisions	Note 20	480	450
198	Employee Entitlements	Note 21	198	143
26,402	Borrowings	Note 22	35,500	28,754
-	Deferred Tax Liability		147	-
1,840	Derivatives Liability	Note 12	802	3,000
28,923	Total Non-Current Liabilities		37,127	32,347
60,309	TOTAL LIABILITIES		57,003	58,352
618,909	NET ASSETS		615,547	636,102

Explanations of significant variances against budget are included in Note 34. The Notes and the Statement of Accounting Policies on pages 129 to 177 form part of the Financial Statements.



Tony Bonne
MAYOR
25 September 2014



Marty Grenfell
CHIEF EXECUTIVE
25 September 2014

Statement of Cashflows

For the Year Ended 30 June 2014

ACTUAL 2013 \$000			ACTUAL 2014	BUDGET 2014
			\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
35,485	Receipts from Rates		43,119*	40,978
6,539	Government Grants		9,076	10,961
737	GST (Net)		(2,360)	-
9,192	Receipts from Customers		12,680	14,434
15	Interest		40	8
(34,033)	Payments to Suppliers & Employees		(36,444)	(36,207)
(82)	Payments to Agencies		(7,915)*	(5,652)
(2,720)	Interest paid		(2,352)	(2,340)
15,134	Net Cash Flows from Operating Activities	Note 25	15,844	22,182
CASH FLOWS FROM INVESTING ACTIVITIES				
502	Sale of Property, Plant and Equipment		3,940	226
(15,993)	Purchase of Property, Plant and Equipment		(13,775)	(22,997)
(100)	Purchase of Investments		(264)	-
(15,591)	Net Cash Flows from Investing Activities		(10,099)	(22,771)
CASH FLOWS FROM FINANCING ACTIVITIES				
26,400	Term Loans Raised		23,500	54,488
(27,443)	Term Loan Repayments		(24,402)	(53,734)
(1,043)	Net Cash Flows from Financing Activities		(902)	754
(1,500)	Net Increase (Decrease) in Cash Held		4,843	165
1,394	Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year		(106)	36
(106)	Cash, Cash Equivalents and Bank Overdrafts at the End of the Year		4,737	201
REPRESENTED BY:				
(106)	Cash at Bank		4,737	201

* Change since 2012/13 is due to Council moving from net to gross basis.

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 129 to 177 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 joint venture with P F Olsen Ltd had expired at 30 June 2014, due to the block being harvested during the year.

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 2014. The financial statements were authorised for issue by the Council on 25 September 2014.

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 they do not belong to the Council. However, they are 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), museum, 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

INFRASTRUCTURAL ASSETS:	YEARS:
Bridges – concrete	100
Bridges – wooden	30
Car-parks	50
Water:	
Treatment plant – structure	70-90
Treatment plant – contents	15-50
Pump stations – structure	80-100
Pump stations – contents	10-50
Reservoirs – concrete and wooden	70-90
Water lines and service lines	50-80
Valves and hydrants	30-65
Water meters	15-25
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	8-55
Vehicles	5-8
Plant and equipment	4-33
Furniture and fittings	5-10
Library books	2-15
Office equipment	5-10

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 2012/13 \$000		ACTUAL 2013/14	BUDGET 2013/14
		\$000	
GENERAL RATES			
14,608	General Rates	15,445	15,842
14,608	Total General Rates	15,445	15,842
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
(17)	Corporate and District Activities	2(6)	-
261	Leadership	262	264
328	Recreation and Community Facilities	368	369
86	Economic Development (CCO)	85	85
7,910	Roads and Footpaths	7,669	7,667
3,882	Waste	3,789	3,786
2,308	Water Supply*	2,443	1,942
2,131	Sewage Treatment and Disposal	2,557	2,561
2,317	Stormwater Drainage	2,522	2,532
19,206	Total Targeted Rates	19,689	19,206
628	Penalties Charged	679	580
(440)	Less remissions given for the year	(362)	(373)
34,002	Net Rate Revenue	35,451	35,255

*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.

RATING BASE INFORMATION	AT 30 JUNE 2013
Number of rating units within the District	16,657
Total capital value of rating units within the District	\$7,746,401,450
Total land value of rating units within the District	\$4,348,912,850

Note 3 - Other Revenue

ACTUAL 2012/13 \$000		ACTUAL 2013/14	BUDGET 2013/14
		\$000	
362	Government Grants	1,503	5,614
376	Infringement & Fines	415	377
5,830	Land Transport NZ Subsidies	5,902	5,347
455	Other Services	931	393
255	Petrol Tax	265	260
60	Provision Movement*	8	-
3,152	Rental Income	3,259	3,219
421	Vested Assets	225	224
10,911	Total Other Revenue	12,508	15,434

*Landfill aftercare provision and weather tightness provision.

Note 4 - Personnel Costs

ACTUAL 2012/13 \$000		ACTUAL 2013/14	BUDGET 2013/14
		\$000	
	EMPLOYEE BENEFIT EXPENSES		
11,418	Salaries and Wages	11,876	11,833
76	Increase (Decrease) in Employee Entitlements	308	-
169	Defined Contribution Plan for Employer Contributions	259	194
11,663	Total Personnel Costs	12,443	12,027

Note 5 - Depreciation & Other Expenses

ACTUAL 2012/13 \$000			ACTUAL	BUDGET
			2013/14	2013/14
			\$000	
DEPRECIATION AND AMORTISATION				
23	Community Safety		23	41
249	Arts and Culture		222	312
1,589	Recreation and Community Facilities		1,606	1,608
794	Community Property		802	772
45	Waste		43	64
6,433	Roads and Footpaths		6,553	6,728
1,883	Water Supply		1,969	1,941
895	Stormwater Drainage		963	950
1,225	Sewage Treatment and Disposal		1,290	1,941
39	Reportable Council-controlled Organisations		10	38
2,159	Corporate & District Activities Funds Applied		2,022	2,312
15,334	Total Depreciation and Amortisation		15,503	16,707
OTHER EXPENSES				
120	Audit NZ - audit Council Financial Statements		123	171
-	Audit NZ - audit Annual Plan / Long Term Plan		-	-
3	Audit NZ - audit Council Debenture Trust Deed		-	-
18	Audit fees - internal audit		5	-
21	IANZ - audit BCA accreditation		-	-
4	Development Contribution Refunds		-	-
368	Grants and Subsidies		356	353
671	Insurance Premiums		709	713
161	Investment Property Expenses		170	112
99	Loss on Disposal of Assets		2,226	-
-	Movement in Doubtful Debt Impairment		(22)	-
9	Operating Leases		6	5
22,379	Other Operating Expenses		21,648	23,911
215	Impairment		(153)	-
-	Movement in Provision		5	-
24,068	Total Other Expenses		25,073	25,265
REVALUATION LOSSES				
856	Investment Property		1,063	-
4,219	Non Current Assets Held for Sale		11	-
-	Operational Land		1,412	-
302	Reverse Revaluation on Sale of Assets		-	-
5,377	Total Revaluation Losses		2,486	-

Change in 2012/13 actuals is included in Note 35.

Note 6 - Finance Income & Finance Costs

ACTUAL 2012/13 \$000		ACTUAL 2013/14	BUDGET 2013/14
		\$000	
16	Interest Income	40	8
(2,660)	Interest on External Borrowings	(2,853)	(2,340)
(2,644)	Net Finance Income (Cost)	(2,813)	(2,332)

Note 7 - Gains

ACTUAL 2012/13 \$000		ACTUAL 2013/14	BUDGET 2013/14
		\$000	
	NON-FINANCIAL INSTRUMENTS		
-	Revaluation - Assets Held for Sale	-	-
-	Revaluation - Investment Property	-	1,277
38	Revaluation - Forestry	-	-
411	Gain on Disposal of Assets	718	-
449	Total Non-Financial Instruments	718	1,277
	FINANCIAL INSTRUMENTS		
1,399	Revaluation - Derivative Financial Instruments	1,175	-
1,399	Total Financial Instruments	1,175	-
1,848	Total Gains	1,893	1,277

Note 8 - Income Tax Disclosure

ACTUAL 2012/13 \$000		2014 \$000	2013 \$000
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COMPONENTS OF TAX EXPENSE

-	Current tax expense	-	-
-	Adjustments to current tax in prior years	-	-
-	Deferred tax expense (benefit)	(254)	-
-	Tax expense (benefit)	(254)	-

RELATIONSHIP BETWEEN TAX AND ACCOUNTING PROFIT

(3,938)	Surplus (Deficit) Before Tax	(507)	(3,938)
(1,103)	Tax @ 28% (2012/13: 28%)	(142)	(1,103)
	Plus (less) tax effect of:		
1,149	Non-deductible Expenditure	142	1,149
-	- Non-taxable Income	-	-
(47)	Tax Loss not Recognised	-	-
-	- Deferred tax adjustment	(254)	-
-	- Prior Year Adjustment	-	-
-	Tax expense (benefit)	(254)	-

DEFERRED TAX ASSET (LIABILITY) \$000	PROPERTY, PLANT AND EQUIPMENT	EMPLOYEE ENTITLEMENTS	OTHER PROVISIONS	TAX LOSSES	TOTAL
Balance at 30 June 2012	-	-	-	-	-
Charged to surplus or deficit	-	-	-	-	-
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2013	-	-	-	-	-
Charged to surplus or deficit	(198)	-	-	452	254
Charged to other comprehensive income	(401)	-	-	-	(401)
Balance at 30 June 2014	(600)	-	-	452	(148)

Other possible disclosures

A deferred tax asset has not been recognised in relation to deductible temporary differences of \$nil (2012/13 \$87,448).

A deferred tax asset has not been recognised in relation to unused tax losses of \$4,119,614 (2012/13: \$4,690,416)

A deferred tax asset has not been recognised in relation to unused tax losses of \$nil (2012/13: \$1,402,463) in relation to the Whakatane Airport joint venture (50% share).

Note 9 - Cash & Cash Equivalents

ACTUAL 2012/13 \$000		ACTUAL 2013/14 \$000
(106)	Cash at Bank and on Hand	4,737
(106)	Total Cash and Cash Equivalents	4,737

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:

2012/13		2013/14
1.45%	Cash and Cash Equivalents	1.49%

Note 10 - Inventories

ACTUAL 2012/13 \$000		ACTUAL 2013/14 \$000
HELD FOR DISTRIBUTION:		
86	Water and Sewerage Spare Parts	95
86	Total Inventories	95

No inventories are pledged as security for liabilities (2012/13: \$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 2014 amounted to \$Nil (2012/13: \$Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

Note 11 - Trade & Other Receivables

ACTUAL 2012/13 \$000		ACTUAL 2013/14 \$000
4,188	Rates Receivables	4,513
2,502	Metered Water Receivables	2,612
2,135	Sundry Debtors Receivable	1,421
1,583	Land Transport Disbursement Receivable	692
303	Income Accrued	1,230
168	Other Receivables	124
10,879		10,592
(2,800)	Less Provision for Impairment of Receivables	(2,778)
8,079		7,814
414	Prepayments	127
8,493	Total Trade and Other Receivables	7,941

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. (Change in presentation of 2012/13 actuals is included in Note 35.)

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 2014 & 2013

	2014 GROSS IMPAIRMENT		2013 GROSS IMPAIRMENT	
	\$000			
	RECEIVABLES	PROVISION	RECEIVABLES	PROVISION
Current - 120 days - Rates & Water	2,783	-	4,016	-
Current - 120 days - Others	2,880	-	3,110	-
Past due > 120 days - Rates & Water	4,343	2,420	2,675	2500
Past due > 120 days - Others	587	358	1,079	300
	10,593	2,778	10,880	2,800

MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES:

	2013/14	2012/13
	\$000	
At 1 July	2,800	2,800
Provision Adjustment Made During the Year	393	281
Receivables Written Off During the Year	(415)	(281)
Balance at 30 June	2,778	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 2012/13 \$000		ACTUAL 2013/14 \$000
	CURRENT ASSETS PORTION	
-	Interest rate swaps	-
	CURRENT LIABILITIES PORTION	
(54)	Interest rate swaps	(6)
	NON-CURRENT ASSETS PORTION	
123	Interest rate swaps	212
	NON-CURRENT LIABILITIES PORTION	
(1,840)	Interest rate swaps	(802)
(1,771)	Total Derivative Financial Instrument Liabilities	(596)

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 Hedgebrook independent valuers. No interest rate swaps were due to mature at 30 June 2014.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$43.8 million (2012/13: \$42.8 million). At 30 June 2014 the fixed interest rates of cash flow hedge interest rate swaps were 4.883% (2012/13: 4.815%)

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2014 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	Swap 10
Maturity Date	20/01/2015	31/08/2021	22/03/2019	21/09/2020	22/03/2022	23/03/2020	21/12/2015	28/09/2018	22/06/2016	23/06/2021
Fixed Rate	3.8400%	4.4800%	5.9800%	5.4300%	5.7900%	5.8800%	3.8000%	4.9000%	4.6000%	4.8500%
Amount	\$2,000,000	\$2,000,000	\$3,000,000	\$1,600,000	\$2,500,000	\$1,000,000	\$2,000,000	\$2,000,000	\$1,000,000	\$1,000,000
Fair Value	(5,742)	32,565	(176,170)	(63,260)	(163,390)	(61,129)	12,694	(25,044)	(5,305)	(5,965)

Deal Number	Swap 11	Swap 12	Swap 13	Swap 14	Swap 15	Swap 16	Swap 17	Swap 18	Swap 19	Swap 20
Maturity Date	22/07/2019	22/06/2016	22/12/2020	22/05/2017	22/09/2021	23/03/2022	22/11/2017	20/04/2021	20/04/2020	20/12/2022
Fixed Rate	4.6500%	4.7450%	4.8000%	4.7850%	6.0900%	3.9300%	4.8800%	4.8500%	4.9500%	4.9800%
Amount	\$2,500,000	\$3,000,000	\$3,000,000	\$3,000,000	\$1,700,000	\$3,000,000	\$3,000,000	\$2,500,000	\$2,000,000	\$2,000,000
Fair Value	(10,997)	(24,251)	(13,704)	(32,357)	(139,123)	167,175	(41,339)	(26,351)	(14,169)	(571)

FAIR VALUE TOTAL (596,433)

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

ACTUAL 2012/13 \$000		ACTUAL 2013/14 \$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	9
100	Unlisted Shares - NZ Local Government Funding Agency	100
192	Borrower Notes - NZ Local Government Funding Agency	448
343	Total Investment in Council Controlled Organisations and Other Similar Entities	607

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 - 2012/13

2012/13	CURRENT YEAR										30 JUNE 2013		
	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT	NET BOOK VALUE	ADDITIONS	VESTED	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON DISPOSAL	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	421	187	(1,355)	215	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	7,093	142	-	-	-	11,861	4,596	246,656	6,413	240,243
Water - Treatment Plants & Facilities	2,912	186	2,726	11	-	-	-	-	78	-	2,922	161	2,761
Water - Other	64,467	1,641	62,826	2,932	103	19	-	-	1,805	-	67,484	3,530	63,954
Sewerage - Treatment Plants & Facilities	5,428	122	5,306	-	-	1	-	-	141	-	5,427	155	5,272
Sewerage - Other	39,214	1,092	38,122	3,313	176	100	-	100	1,074	-	42,603	2,173	40,430
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	16,814	421	124	-	-	11,985	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. Refer note 18 for restricted assets. Council has easements giving right to access to private property where infrastructure 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 the Council's intangible assets, no are there any intangible assets pledged as security for liabilities. Note: 2012/13 Additions and Vesting, and Water and Sewerage Infrastructural assets have been restated to meet the new requirements of the Local Government Financial Reporting and Prudence Regulations 2014

Note 14 - Operational, Infrastructural & Intangible Assets - 2013/14 Continued

2013/14	CURRENT YEAR										30 JUNE 2014			
	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT	NET BOOK VALUE	ADDITIONS	VESTED	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON DISPOSAL	DEPRECIATION	REVALUATION	COST/ REVALUATION	ACCUMULATED DEPRECIATION & IMPAIRMENT	NET BOOK VALUE
OPERATIONAL ASSETS														
Land*	21,046	-	21,046	393	-	22	2,756	-	-	(2,948)	21,225	-	-	21,225
Buildings**	53,899	8,995	44,904	440	-	750	(1,285)	(215)	232	1,821	43,805	10	10	43,795
Plant & Equipment	2,569	1,585	984	106	-	-	-	-	-	134	2,675	1,719	1,719	956
Furniture & Fittings	1,775	862	913	55	-	-	-	-	-	189	1,830	1,051	1,051	779
Office Equipment	9,349	7,110	2,239	184	-	-	-	-	-	648	9,533	7,758	7,758	1,775
Motor Vehicles	2,043	1,339	704	107	-	-	-	-	-	238	2,150	1,577	1,577	573
Harbour Vessels	269	148	121	-	-	-	-	-	-	41	269	189	189	80
Museum Collection	7,272	-	7,272	1	-	-	-	62	-	2,279	9,552	62	62	9,490
Library Books	1,073	472	601	93	-	-	-	-	-	115	1,732	-	-	1,732
Total Operational Assets	99,295	20,511	78,784	1,379	-	772	1,471	(155)	232	3,161	92,771	12,366	12,366	80,405
INFRASTRUCTURAL ASSETS														
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	91,363	-	-	91,363
Roading	246,657	6,413	240,244	5,670	-	-	-	-	-	6,537	239,120	6,537	6,537	232,583
Water - Treatment Plants & Facilities	2,923	363	2,560	86	-	-	-	-	-	171	3,009	534	534	2,475
Water - Other	67,483	3,328	64,155	1,325	57	13	-	-	13	1,798	68,852	5,113	5,113	63,739
Sewerage - Treatment Plants & Facilities	5,427	239	5,188	-	-	-	-	-	-	116	5,427	356	356	5,071
Sewerage - Other	42,603	2,090	40,513	1,207	168	-	-	-	-	1,174	43,978	3,263	3,263	40,715
Stormwater	45,511	1,826	43,685	1,155	-	-	-	-	-	963	46,666	2,789	2,789	43,877
Harbour	6,511	843	5,668	23	-	-	-	-	-	(1,647)	3,757	-	-	3,757
Parks	13,273	2,492	10,781	554	-	-	-	-	-	(1,423)	9,091	-	-	9,091
Refuse	7,000	6,170	830	-	-	-	-	-	-	37	7,000	6,207	6,207	793
Total Infrastructural Assets	528,751	23,764	504,987	10,020	225	13	-	-	13	10,796	518,263	24,799	24,799	493,464
INTANGIBLE ASSETS														
Computer Software	4,058	3,145	913	36	-	-	-	-	-	452	4,094	3,597	3,597	497

Work in progress in the course of construction total \$5,563,170 (2012/13: \$2,624,881). No property plant and equipment is pledged as security. Refer note 18 for restricted assets. Council has easements giving right to access to private property where infrastructure 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 the Council's intangible assets, no are there any intangible assets pledged as security for liabilities. * Includes Airport land \$2,720,000 (2012/13 \$nil) ** Includes 50% Airport assets including runway \$1,357,213 (2012/13 \$2,684,538 including runway and land)

Note 14 - Operational, Infrastructural & Intangible Assets - 2013/14 *Continued*

REPLACEMENT COST

DISCLOSURE

INFRASTRUCTURAL ASSETS	MOST RECENT ESTIMATE OF REPLACEMENT COST	DATE OF ESTIMATE
Roading	361,716	1 July 2013
Water - treatment plants & facilities	6,574	1 July 2011
Water - other	110,184	1 July 2011
Sewerage - treatment plants & facilities	7,659	1 July 2011
Sewerage - other	74,746	1 July 2011
Stormwater	64,596	1 July 2011

INSURANCE DISCLOSURE

INSURANCE OF OPERATIONAL AND INFRASTRUCTURAL ASSETS	NET BOOK VALUE 30-JUN-14 \$000	INSURED AMOUNTS/ CONTRACT & LAPP \$000
INSURANCE CONTRACTS		
OPERATIONAL ASSETS		
Buildings	43,795	98,725
Plant & Equipment	956	1,550
Furniture & Fittings	779	926
Office Equipment	1,775	5,068
Motor Vehicles	573	1,262
Harbour Vessels	80	401
Museum Collection	9,490	9,465
Library Books	1,732	929
	59,180	118,326
INFRASTRUCTURAL ASSETS		
Water - treatment plants & facilities	2,475	5,700
Water - other	63,739	9,547
Sewerage - treatment plants & facilities	5,071	7,659
Sewerage - other	40,715	7,766
Stormwater	43,877	6,282
Harbour	3,757	-
Parks	9,091	605
Refuse	793	-
	169,518	37,559
Total Insurance Contracts	228,697	155,885
FINANCIAL RISKS SHARING ARRANGEMENTS (LAPP for Underground Assets - Includes Government Contribution)		
Water - treatment plants & facilities	2,475	4,112
Water - other	63,739	105,888
Sewerage - treatment plants & facilities	5,071	8,861
Sewerage - other	40,715	71,139
Stormwater	43,877	60,000
Total Financial Risks Sharing Arrangements	155,877	250,000
SELF INSURED		
INFRASTRUCTURAL ASSETS		
Land Roothing	91,363	-
Roothing	232,583	-
Total Self Insured	323,946	-
TOTAL	708,520	405,885

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 Aon Valuation Services and the valuation is effective as at 30 June 2014.

INFRASTRUCTURAL ASSET CLASSES

Land

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Aon Valuation Services and the valuation is effective as at 30 June 2014.

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 2013.

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 30 June 2014 by RHAS.

WORKIN PROGRESS

The total amount of property, plant and equipment in the course of construction is \$5,563,169 (2012/13: \$2,624,881).

IMPAIRMENT

Operational assets have been impaired by \$nil (2012/13: \$215,000).

HARBOUR ASSETS

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Aon Valuation Services and the valuation is effective as at 30 June 2014.

MUSEUM

At fair value determined on a variety of valuation methods including market values, book value, replacement value, comparative value and values used by other institutions audited by the OAG. The most recent valuation was performed by R.J.Watt & Associates and the valuation is effective as at 1 July 2013.

PARKS

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Aon Valuation Services and the valuation is effective as at 30 June 2014.

Note 16 - Forestry Assets

ACTUAL 2012/13 \$000		ACTUAL 2013/14 \$000
302	Balance at 1 July	291
38	Gains (Losses) Arising from Changes in Fair Value on Valuation	-
(49)	Disposals	(253)
291	Total Forestry Assets	38

Council owns 57.01 hectares of *Pinus Radiata*, which was harvested during the period. Plantation forests have been valued by PF 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 2012/13 \$000		ACTUAL 2013/14 \$000
INVESTMENT PROPERTY		
44,587	Balance at 1 July	44,481
-	Sales and Disposals	(375)
(2,931)	Fair value Gains (Losses) on Valuation	(1,072)
1,300	Transfer (to) from Restricted Assets	-
20	Transfer from Non-Current Assets Held for Sale	-
1,230	Transfer from Operational Land	-
-	Transfer to Operational Land	(111)
275	Transfer from Restricted Land	-
-	Transfer to Restricted Land	(25)
44,481	Total Investment Property	42,898

All investment properties held by Council were valued at fair value by registered valuers Telfer Young (Rotorua) Ltd as at 30 June 2014. Restricted land within the investment category: \$nil (2012/13: \$275,000).

ASSETS HELD FOR SALE		
558	Balance at 1 July (Land)	2,972
(220)	Sales	(2,808)
(2,442)	Fair value Gains (Losses) on valuation	(10)
(20)	Transfer to Investment Property	-
125	Transfer from Operational Land	-
4,971	Transfer from Restricted Assets	-
2,972	Total Assets Held for Sale	154

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

Note 18 - Restricted Assets

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
2013/14	COST/ REVALUATION 1 JULY 2013	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 2014
	\$000									
Harbour Land (Not Leased)	4,643	-	-	-	-	-	-	-	(1,350)	3,293
Recreational Reserves	29,265	-	-	-	-	-	-	25	1,949	31,239
Total	33,908	-	-	-	-	-	-	25	599	34,532

Refer to Note 15 for revaluation details.

Note 19 - Trade & other Payables

ACTUAL 2012/13 \$000		ACTUAL 2013/14 \$000
6,513	Trade Payables	4,274
428	Accrued Expenses	871
2,432	Income Received in Advance	2,536
532	Deposits	441
9,905	Total Trade and Other Payables	8,122

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 2012/13 \$000		ACTUAL 2013/14 \$000
PROVISIONS ARE REPRESENTED BY:		
Landfill Aftercare Provision		
302	Opening Balance	298
(4)	Increase (Decrease) in Net Present Value	5
298	Closing Balance	303
25	Current Portion	25
273	Non-current Portion	278
298		303
Weathertightness Provision		
266	Opening Balance	210
(56)	Increase (Decrease) in Provision	(8)
210	Closing Balance	202
-	Current Portion	-
210	Non-current Portion	202
210		202
Summary Of Provisions		
25	Current Provisions	25
483	Non-current Provisions	480
508		505

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.

WEATHERTIGHTNESS CLAIMS PROVISION

Claims have been lodged with the Weathertight Homes Resolution Service, for buildings located within the Whakatāne District. Four outstanding claims were registered as at 30 June 2014 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 2013/14 financial statements of \$202,482 based on the expected outcome of negotiations on known claims with five of the affected parties – a decrease of \$7,500 to the provision as at 30 June 2014. The provision also includes future claims relating to weathertightness issues not yet identified and reported.

Note 21 - Employee Entitlements

ACTUAL 2012/13 \$000		ACTUAL 2013/14 \$000
452	Accrued payroll	544
1,136	Annual and Long Service Leave	1,365
12	Sick Leave	12
1,600	Total Employee Entitlements	1,921
	Comprising:	
1,402	Current	1,723
198	Non Current	198
1,600	Total Employee Entitlements	1,921

Note 22 - Borrowings

ACTUAL 2012/13 \$000		ACTUAL 2013/14 \$000
	Current	
20,000	Secured Loans	10,000
	Non-Current	
26,402	Secured Loans	35,500
46,402	Total Borrowings	45,500

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

Maturity Profile		
20,002	Maturing in under one year	10,000
14,400	Maturing in 1-2 years	7,500
-	Maturing in 2-3 years	-
-	Maturing in 3-4 years	8,000
5,000	Maturing in 4-5 years	9,000
7,000	Maturing in 5 years+	11,000
46,402		45,500

External interest rates range from 3.67% to 4.78% (2012/13: 3.04% to 3.83%) with a weighted average rate of 4.28% (2012/13: 3.46%). The public debt is secured over future rating income. Interest expense for 2013/14 was \$2,351,923 (2012/13: \$2,660,000).

Information about internal borrowings is provided in the 'Our Work in Detail' chapter. Internal borrowings are eliminated on consolidation of activities in Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Note 23 - Equity

ACTUAL 2012/13 \$000		ACTUAL 2013/14	BUDGET 2013/14
		\$000	
EQUITY			
423,874	Retained Earnings	420,769	426,361
13,152	Restricted Equity	17,468	12,523
181,883	Asset Revaluation Reserves	177,310	191,576
618,909	Total Closing Public Equity	615,547	630,460
RETAINED EARNINGS			
418,574	Opening Balance 1 July	412,471	417,281
-	Other Reserve Movements	1,465	-
(3,938)	Net Surplus (Deficit) after tax	(253)	(920)
LESS APPROPRIATION			
(11,565)	To Council Created Reserves	(16,565)	-
(2,251)	To Restricted Reserves	(5,386)	-
FUNDS APPLIED FROM			
9,992	Council Created Reserves	14,223	-
1,659	Restricted Reserves	1,070	-
412,471	Closing Balance 30 June	407,025	416,361
COUNCIL CREATED RESERVES (INCL. DEPRECIATION RESERVES)			
9,830	Opening Balance 1 July	11,403	10,000
	Adjusting Categories of Equity	-	-
11,565	Add: Appropriation	16,565	-
(9,992)	Less: Application of Funds	(14,223)	-
11,403	Closing Balance 30 June	13,745	10,000
423,874	Total Retained Earnings	420,769	426,361
RESTRICTED EQUITY			
12,560	Opening Balance 1 July	13,152	12,523
-	Adjusting Categories of Equity	-	-
2,251	Add Appropriation	5,386	-
(1,659)	Less Application of Funds	(1,070)	-
13,152	Closing Balance 30 June	17,468	12,523
ASSET REVALUATION RESERVE			
177,491	Opening Balance 1 July	181,883	180,214
(105)	Other Reserve Movements	1,322	-
(99)	Revaluation of Operational Assets	3,724	-
-	Revaluation of Restricted Assets	645	11,362
4,596	Revaluation of Roothing	(6,794)	-
-	Revaluation of Water	-	-
-	Revaluation of Sewerage	-	-
-	Revaluation of Land Drainage	-	-
-	Other Infrastructure Assets	(3,070)	-
-	Tax on Revaluation	(401)	-
181,883	Closing Balance 30 June	177,310	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	2012/13 - \$'000			2013/14 - \$'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	(230)	1,309	(702)	377	1,514	(945)	946
6111	Roads and Footpaths	For Roading Rate funded Surpluses or Deficits	(44)	84	(167)	(127)	409	(388)	(106)
6122	Waste	For Refuse Collection Rate funded Surpluses or Deficits	(172)	283	(373)	(262)	217	(243)	(288)
6123	Library	For Library Rate funded Surpluses or Deficits	74	4	-	78	-	(78)	-
6124	Parks Rate	For Parks and Reserves Rate funded Surpluses or Deficits	299	17	(18)	298	-	(298)	-
6126	Whakatane Wastewater	For Wastewater Rate funded Surpluses or Deficits	95	522	(120)	497	552	(368)	681
6128	Ohope Wastewater	For Wastewater Rate funded Surpluses or Deficits	(48)	-	(272)	(320)	20	(18)	(318)
6130	Edgecumbe Wastewater	For Wastewater Rate funded Surpluses or Deficits	186	7	(121)	72	4	-	76
6131	Matata Wastewater	For Wastewater Rate funded Surpluses or Deficits	(50)	-	(57)	(107)	-	(1,216)	(1,323)
6132	Taneatua Wastewater	For Wastewater Rate funded Surpluses or Deficits	(14)	2	(17)	(29)	6	(1)	(24)
6133	Te Teko Wastewater	For Wastewater Rate funded Surpluses or Deficits	(2)	-	(1)	(3)	-	(1)	(4)
6134	Murupara Wastewater	For Wastewater Rate funded Surpluses or Deficits	42	8	-	50	2	(35)	17
6136	Te Mahoe Wastewater	For Wastewater Rate funded Surpluses or Deficits	1	-	(8)	(7)	-	-	(7)
6138	Whakatane Water	For Water Rate Funded Surpluses or Deficits	(236)	-	(332)	(568)	214	(606)	(960)
6140	Ohope Water	For Water Rate Funded Surpluses or Deficits	834	241	-	1,075	61	-	1,136
6142	Edgecumbe Water	For Water Rate Funded Surpluses or Deficits	(190)	63	(9)	(136)	46	(6)	(96)
6144	Matata Water	For Water Rate Funded Surpluses or Deficits	8	11	(4)	15	20	(43)	(8)
6146	Taneatua Water	For Water Rate Funded Surpluses or Deficits	24	1	(20)	5	-	(55)	(50)
6148	Murupara Water	For Water Rate Funded Surpluses or Deficits	(44)	-	(45)	(89)	-	(7)	(96)
6150	Ruatoki Water	For Water Rate Funded Surpluses or Deficits	26	1	(9)	18	-	(28)	(10)
6152	Waimana water	For Water Rate Funded Surpluses or Deficits	(35)	5	(30)	(60)	20	(3)	(43)
6154	Plains Water	For Water Rate Funded Surpluses or Deficits	967	119	-	1,086	159	-	1,245
6156	Te Mahoe Water	For Water Rate Funded Surpluses or Deficits	(92)	-	(11)	(103)	0	(6)	(109)
6157	Ruatāhuna Water	For Water Rate Funded Surpluses or Deficits	2	1	-	3	-	-	3

RESERVE	ACTIVITY	PURPOSE	2012/13 - \$'000			2013/14 - \$'000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6158 Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits	107	60	-	167	51	(7)	211
6160 Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits	456	141	-	597	159	(100)	656
6162 Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits	(34)	134	(88)	12	171	-	183
6164 Airport Murupara	Murupara Airport		-	-	-	-	-	-	-
6166 Airport Whakatane 50%	Whakatane Airport	For Whakatane Airport Operating Surpluses or Deficits	(297)	1	(250)	(546)	3	(163)	(706)
6168 Matata Recovery/Disaster Mitigation	Stormwater		-	-	-	-	-	-	-
6169 Strategic & Investment Property	Investment Property		-	-	-	-	-	-	-
6170 Whakatane Pool Rate	Aquatic Centre	For Aquatic Centre Rate funded Surpluses or Deficits	(54)	-	(181)	(235)	337	(103)	(1)
6171 Murupara Pool Rate	Aquatic Centre	For Aquatic Centre Rate funded Surpluses or Deficits	(5)	-	-	(5)	5	0	-
6178 Fixed Assets			-	-	-	-	-	0	-
6180 Disaster Mitigation - Matata Grant Funded	Stormwater	For Disaster Mitigation Surpluses or Deficits	(93)	-	(5)	(98)	-	(88)	(186)
6181 Disaster Mitigation - Matata Non-Grant Funded	Stormwater	For Disaster Mitigation Surpluses or Deficits	(3)	25	(27)	(5)	26	(34)	(13)
6182 Disaster Mitigation - Edgecumbe	Stormwater	For Disaster Mitigation Surpluses or Deficits	167	8	(57)	118	6	(15)	109
6183 Disaster Mitigation - Awatapu	Stormwater	For Disaster Mitigation Surpluses or Deficits	(159)	1	(9)	(167)	0	(10)	(177)
6184 Disaster Mitigation - West End	Stormwater	For Disaster Mitigation Surpluses or Deficits	371	31	-	402	35	-	437
6190 Whakatane Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(314)	100	(89)	(303)	160	(47)	(190)
6191 Ohope Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(39)	7	(16)	(48)	0	(10)	(58)
6192 Edgecumbe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	6	19	-	25	35	-	60
6193 Matata Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(82)	3	(87)	(166)	112	(6)	(60)
6194 Murupara Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	-	-	-	-	-	-	-
6195 Taneatua Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(4)	1	-	(3)	1	-	(2)
6196 Te Teko Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(1)	-	-	(1)	-	-	(1)
6197 Te Mahoe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	-	9	-	9	1	(9)	1
Total Separate Operating Reserves			1,423	3,218	(3,125)	1,516	4,346	(4,914)	925
Other Reserves									
6400 Plant Renewal			-	-	-	-	-	-	-
6402 Car parks Development	Parking	For the Development of Car parks in the District	32	2	-	34	2	-	36
6404 Unspent B.I.Z. Funds			-	-	-	-	-	-	-
6406 Tennis and Netball Resealing			-	-	-	-	-	-	-
6408 Sand mining Royalties	General Council	Income received from Sand mining company for access over Council reserve	-	-	-	-	-	-	-
6414 Airport Terminal			-	-	-	-	-	-	-
6416 WM Hall Carpet			-	-	-	-	-	-	-
6418 Civic Building Asset Replace			-	-	-	-	-	-	-
6420 Museum Capital			-	-	-	-	-	-	-

OUR COSTS IN DETAIL

RESERVE	ACTIVITY	PURPOSE	2012/13 - \$000			2013/14 - \$000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6422	Museum Collections	Exhibitions, Research, Storage & Archives	21	1	(19)	3	-	(3)	-
6424	BOPE Share Proceeds		-	-	-	-	-	-	-
6426	Galatea Reserve Development	General Council	1	-	-	1	-	-	1
6428	Disabled Facilities	Pensioner Housing	6	16	(22)	-	-	(8)	(8)
6431	Roading Storm Damage Reserve	Roads and Footpaths	283	298	(134)	447	308	-	755
6432	Te Mahoe Water - special	Water	262	14	(36)	240	13	(36)	217
6434	Forestry Gen/WF Rates Refund		-	-	-	-	-	-	-
6438	Matata Property		-	-	-	-	-	-	-
6440	Murupara Amenities		-	-	-	-	-	-	-
6441	Asset Divestment		-	-	-	-	-	-	-
6442	Sale of Bennett Block		-	-	-	-	-	-	-
6443	Disaster /LAPP Insurance Reserve	Corporate and District	-	150	-	150	132	-	282
6444	Asset Divestment	General Council	27	481	(601)	(93)	4,017	(4,098)	(174)
6445	Sale of Bennett Block		(73)	-	(4)	(77)	-	(4)	(81)
6446	Leaky Homes Reserve	Building	44	133	(88)	89	206	(15)	280
6447	Whakatane Community Board	Leadership	54	3	(5)	52	22	-	74
6448	Rangitikei Community Board	Leadership	10	-	(6)	4	-	(21)	(17)
6449	Ohope Beach Community Board	Leadership	52	5	-	57	3	(21)	39
6450	Taneatua Community Board	Leadership	8	-	-	8	-	(4)	4
6451	Murupara Community Board	Leadership	12	1	-	13	3	-	16
6452	Iwi Liaison Committee	Governance	5	-	-	5	-	-	5
Total Other Reserves			744	1,104	(915)	933	4,706	(4,210)	1,429
DEPRECIATION RESERVES									
6300	Water	Whakatane Water	263	518	(1,090)	(309)	520	(619)	(408)
6302	Water	Ohope Water	(8)	84	(97)	(21)	84	(2)	61
6304	Water	Edgcombe Water	(4)	59	(2)	53	63	-	116
6306	Water	Matata Water	95	64	-	159	68	-	227
6308	Water	Taneatua Water	158	54	-	212	56	(5)	263
6310	Water	Murupara Water	265	87	-	352	92	(4)	440
6312	Water	Ruatoki Water	83	18	(1)	100	19	-	119
6314	Water	Waimana Water	3	3	-	6	3	-	9

RESERVE	ACTIVITY	PURPOSE	2012/13 - \$'000			2013/14 - \$'000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6316 Water	Plains Water	To fund the renewal of Water assets	851	178	(60)	969	185	(21)	1,133
6318 Water	Te Mahoe Water	To fund the renewal of Water assets	28	4	-	32	4	-	36
6320 Sewage Treatment and Disposal	Whakatane Wastewater	To fund the renewal of Wastewater assets	563	329	(313)	579	440	(54)	965
6322 Sewage Treatment and Disposal	Ohope Wastewater	To fund the renewal of Wastewater assets	110	154	(236)	28	153	(46)	135
6324 Sewage Treatment and Disposal	Edgecumbe Wastewater	To fund the renewal of Wastewater assets	251	75	(68)	258	60	(635)	(317)
6326 Sewage Treatment and Disposal	Taneatua Wastewater	To fund the renewal of Wastewater assets	206	35	-	241	37	-	278
6327 Sewage Treatment and Disposal	Te Mahoe Wastewater	To fund the renewal of Wastewater assets	28	4	-	32	4	(4)	32
6328 Sewage Treatment and Disposal	Murupara Wastewater	To fund the renewal of Wastewater assets	(295)	120	(100)	(275)	120	(12)	(167)
6330 Stormwater	Whakatane Land Drainage	To fund the renewal of Stormwater assets	201	164	(180)	185	128	(279)	34
6332 Stormwater	Ohope Land Drainage	To fund the renewal of Stormwater assets	115	34	-	149	35	-	184
6334 Stormwater	Edgecumbe Land Drainage	To fund the renewal of Stormwater assets	36	7	(99)	(56)	7	(3)	(52)
6335 Stormwater	Matata Land Drainage	To fund the renewal of Stormwater assets	7	-	-	7	-	-	7
6336 Stormwater	Taneatua Land Drainage	To fund the renewal of Stormwater assets	12	1	-	13	1	-	14
6337 Stormwater	Te Mahoe Land Drainage	To fund the renewal of Stormwater assets	14	1	-	15	1	-	16
6338 Stormwater	Murupara land Drainage	To fund the renewal of Stormwater assets	70	4	-	74	4	-	78
6339 Stormwater	Te Teko Land Drainage	To fund the renewal of Stormwater assets	4	-	-	4	-	-	4
6340 Refuse Disposal	Waste	To fund the renewal of Refuse Disposal assets	142	8	-	150	13	(9)	154
6342 Libraries	Libraries	To fund the renewal of Library assets	(16)	125	(81)	28	127	(121)	34
6344 Museum	Exhibitions, Research, Storage & Archives	To fund the renewal of Museum assets	51	24	-	75	25	-	100
6346 Parks and Gardens & Sports fields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sports fields assets	654	466	(448)	672	662	(252)	1,082
6348 Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets	24	45	(8)	61	46	(43)	64
6350 Recreation	Recreation	To fund the renewal of Recreation assets	-	-	-	-	-	-	-
6352 Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets	85	132	(57)	160	182	(134)	208
6354 Halls	Halls	To fund the renewal of Halls assets	394	132	(62)	464	186	(107)	543
6355 Dog Control	Animal Control	To fund the renewal of Vehicle and Plant	-	-	-	-	-	-	-
6356 Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets	164	103	(22)	245	104	(16)	333
6358 Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets	254	99	(57)	296	125	(86)	335
6360 Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets	-	5	(3)	2	-	-	2
6361 Vehicle & Plant Reserve	Vehicle and Plant	To fund the renewal of Vehicle and Plant	(15)	228	(106)	107	273	(157)	223
6362 Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets	448	310	(97)	661	278	(171)	768
6363 Information Management	Corporate & District Activities	To fund the renewal of Information Management assets	1,460	1,056	(734)	1,782	968	(168)	2,582
6364 Port	Ports & Harbour	To fund the renewal of Port & Harbour assets	809	403	(9)	1,203	438	(23)	1,618
6366 Roading - assisted / non-assisted / special land safety	Roads and Footpaths	To fund the renewal of Roading assets	359	2,067	(1,982)	444	1,966	(2,092)	318
6368 Airport - Whakatane 50%	Whakatane Airport	To fund the renewal of Whakatane Airport assets	(207)	37	(39)	(209)	37	(23)	(195)

RESERVE	ACTIVITY	PURPOSE	2012/13 - \$'000			2013/14 - \$'000		
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND
6371	Information Management		-	-	-	-	-	-
6374	Vehicle & Plant Reserve		-	-	-	-	-	-
6376	Vehicle & Plant Reserve		-	-	-	-	-	-
	Total Depreciation Reserves		7,662	7,237	(5,951)	8,948	7,514	(5,086)
	Total Council Operating Reserves		9,829	11,559	(9,991)	11,397	16,566	(14,210)
	RESTRICTED RESERVES							
6200	Development Contributions - Whakatane Water	To fund growth related capital expenditure	111	27	(30)	108	11	(29)
6202	Development Contributions - Ohope Water	To fund growth related capital expenditure	112	7	-	119	11	-
6204	Development Contributions - Edgecumbe Water	To fund growth related capital expenditure	5	-	-	5	-	-
6206	Development Contributions - Matata Water	To fund growth related capital expenditure	51	3	-	54	3	-
6216	Development Contributions - Plains Water	To fund growth related capital expenditure	(12)	7	(14)	(19)	8	(1)
6220	Development Contributions - Whakatane Wastewater	To fund growth related capital expenditure	(744)	62	(89)	(771)	43	(81)
6221	Development Contributions - Coastlands Wastewater	To fund growth related capital expenditure	-	-	(71)	(71)	-	(4)
6222	Development Contributions - Ohope Wastewater	To fund growth related capital expenditure	134	32	(24)	142	25	(6)
6224	Development Contributions - Edgecumbe Wastewater	To fund growth related capital expenditure	(2)	-	-	(2)	-	(2)
6234	Development Contributions - Community Infrastructure	To fund growth related Community Infrastructure	339	76	(4)	411	69	(7)
6236	Development Contributions - Parks, Gardens and Reserves	To fund growth related Parks, Gardens and Reserves capital expenditure	932	70	(62)	940	69	-
6238	Development Contributions - Rural Reserves	To fund growth related capital expenditure	281	16	(5)	292	17	(1)
6240	Development Contributions - Whakatane Reserves	To fund growth related capital expenditure	(8)	10	(7)	(5)	0	-
6242	Development Contributions - Ohope Reserves	To fund growth related capital expenditure	136	12	-	148	8	-
6244	Development Contributions - Edgecumbe Reserves	To fund growth related capital expenditure	42	2	-	44	3	-
6248	Development Contributions - Murupara Reserves	To fund growth related capital expenditure	10	1	-	11	1	-
6250	Development Contributions - Recreation	To fund growth related capital expenditure	-	-	-	-	0	-
6252	Development Contributions - Public Conveniences	To fund growth related capital expenditure	-	-	-	-	0	-

Note 23 - Equity (continued)

	RESERVE	ACTIVITY	PURPOSE	2012/13 - \$'000			2013/14 - \$'000			
				OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6254	Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure	276	27	-	303	28	-	331
6255	Development Contributions - Library & Museum	Arts and Culture	To fund growth related capital expenditure	-	-	-	-	-	-	-
6256	Development Contributions - Roading	Roads and Footpaths	To fund growth related Roading capital expenditure	1,591	152	(194)	1,549	134	(172)	1,511
6258	Development Contributions - Non Fin Assisted Roading	Roads and Footpaths	To fund growth related capital expenditure	3	-	-	3	0	0	3
6260	Development Contributions - Whakatane Land Drain	Stormwater	To fund growth related capital expenditure	227	28	(31)	224	24	(48)	200
6262	Development Contributions - Ohope Land Drain	Stormwater	To fund growth related capital expenditure	24	18	-	42	15	-	57
6263	Development Contributions - Matata Land Drain	Stormwater	To fund growth related capital expenditure	-	-	-	-	-	-	-
6269	Development Contributions - Refuse Collection	Waste	To fund growth related capital expenditure	-	-	-	-	-	-	-
6270	Development Contributions - Whakatane Car parks		To fund growth related capital expenditure	(6)	-	-	(6)	-	-	(6)
6271	Otarawairere Disaster Mitigation	Stormwater	To fund growth related capital expenditure at Otarawairere	(1,379)	-	(80)	(1,459)	-	(83)	(1,542)
6430	Capital Contributions - Roading	Roads and Footpaths	Financial Contributions for Roading Capital Projects	44	3	-	47	-	3	50
6500	Subdivision Contributions - Whakatane	General Council	To fund capital expenditure in the Whakatane Ward	312	17	(46)	283	15	(37)	261
6502	Subdivision Contributions - Ohope	General Council	To fund capital expenditure in the Ohope Ward	98	3	(79)	22	1	(19)	4
6504	Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward	19	1	-	20	1	-	21
6506	Subdivision Contributions - Matata	General Council	To fund capital expenditure in the Matata Ward	16	1	-	17	1	-	18
6508	Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward	5	0	-	5	-	-	5
6510	Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward	24	1	-	25	1	-	26
6512	Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits	4,626	1,368	(920)	5,074	1,182	(581)	5,675
6514	Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets	5,295	308	-	5,603	3,712	-	9,315
	Total Restricted Reserves			12,562	2,252	(1,656)	13,158	5,382	(1,066)	17,474
	Total Reserves			22,391	13,811	(11,647)	24,555	21,948	(15,276)	31,204

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 2012/13 \$000		ACTUAL 2013/14 \$000
Whakatāne Airport Joint Venture		
26	Current Assets	19
644	Non-Current Assets	659
168	Current Liabilities	175
107	Income	104
186	Expenses	139

Whakatāne District Council had a joint venture with P F Olsen Ltd on one of the forestry blocks, during 2013/14. 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 \$nil at 30 June 2014 (2012/13: \$226,000), as it was harvested during the year.

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 2012/13 \$000		ACTUAL 2013/14 \$000
(3,938)	Net Surplus/ (Deficit)	(507)
	Add (Deduct) Non-cash Items	
15,334	Depreciation expense	15,503
215	Impairment expense	153
(421)	Vested Assets Income	(225)
(312)	Net Loss (Gain) on Disposal of Assets	1,508
3,940	Net Loss (Gain) on Revaluation	1,311
15	Increase (Write Down) of Provisions	318
-	Movement in Doubtful Debt Impairment	(22)
721	Bad Debts and remissions	776
	Add (Deduct) Movements in other Working Capital Items	
(2,759)	Decrease (Increase) in Debtors	261
(6)	Decrease (Increase) in Inventory	(9)
(370)	Decrease (Increase) in Prepayments	287
2,657	Increase (Decrease) in Creditors	(2,044)
	Less Cash Inflow from Investing Activities	
58	Movement in Creditors for Fixed Asset Purchases	(1,466)
15,134	Net Cash from Operations	15,844

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 2012/13 \$000		ACTUAL 2013/14 \$000
	Capital Commitments	
495	Roading	568
223	Stormwater	-
36	Location Services	40
110	Wastewater	682
471	Water	465
-	Recreation and Community Facilities	332
25	Information and Communications Technology	-
1,360	Total Commitments	2,087
	Non Cancellable Operating Leases as Lessee	
127	Not later than one year	127
416	Later than one year and not later than five years	297
543	Total Non Cancellable Operating Leases as Lessee	424

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

Note 27 - Contingencies

ACTUAL 2012/13 \$000		ACTUAL 2013/14 \$000
810	Other Claims	350
810	Total Contingencies	350

CONTINGENT LIABILITIES

2013/14, \$350,000(2012/13, \$810,000)

The Council has contingent liabilities for two contracts disputes and one indemnity claim. The maximum cost to the Council is \$350,000 and in its opinion the Council expects to be able to settle these disputes without any cost to the Council.

(2012/13, storm damage repair at Herepuru Road.)

Employment Dispute

There are no employment disputes at 30 June 2014 (2012/13: nil).

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. There have been no subsequent slips and mitigation works have been completed.

Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA and it has a local currency rating from Fitch Ratings and Standard and Poor of AA+, and a foreign currency rating of AA.

The Council is one of 30 local authority shareholders and 8 local authority guarantors of the NZLGFA. 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 NZLGFA 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 NZLGFA's borrowings. At 30 June 2014, NZLGFA had borrowings totalling \$3.695 billion (2012/13, \$2.267 billion).

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 NZLGFA 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.

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 2012/13 \$		ACTUAL 2013/14 \$
79,806	Administrative and Maintenance Services	91,938
284,787	Funds Held by Council on Behalf of the Airport	302,282

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 \$1,580.80 (2012/13: \$2,388) 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 \$30,927 (2012/13:\$36,826). \$3,060 was paid to Whakatāne Intermediate School as grants. Mayor Bonne is the Chairman of the Board of Trustees.

During the year the Council paid \$15,755 to Commerce Street Properties Limited of which Councillor Sheaff is a director, as a compensation for the acquisition of part of 26-28 Commerce street land.

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 \$157,174 (2012/13: \$121,559).

The Council granted \$10,000 to the Pride Whakatāne District Committee of which Councillor Iles is the Chairman. Council paid \$883 to Sister Cities NZ INC, of which Councillor Iles is Chairman.

The Council paid \$258.75 to Pullar Builders (2008) Ltd., of which Councillor John Pullar has no financial interest. However, the company is owned by John's son.

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 BENEFITS PAID TO KEY MANAGEMENT

SALARY AND OTHER BENEFITS PAID TO KEY MANAGEMENT	ACTUAL 2013/14 \$000	ACTUAL 2012/13 \$000
Salaries & other short term employee benefits	1,353	1,348
Post-employment benefits	-	-
Other Long-term benefits	-	-
Termination benefits	-	-
Total	1,353	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

The Chief Executive of the Whakatāne District Council, appointed under section 42(1) of the Local Government Act 2002 receives a remuneration package of \$255,571 (2012/13: \$232,028) including Kiwisaver, and receives a benefit of \$12,522 (2012/13: \$12,522) for a vehicle.

ELECTED REPRESENTATIVES

ACTUAL 2012/13 \$				ACTUAL 2013/14 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
MAYOR AND COUNCILLORS						
93,700	-	4,298	Bonne, Tony (Mayor)	96,781	-	4,575
28,310	2,010	1,851	Chambers, Christine	10,883	-	415
24,128	-	1,461	Dowd, David	9,275	-	726
24,128	-	3,295	Iles, Andrew	28,855	-	1,534
24,128	-	750	Jarrett, Scott	25,280	-	842
24,128	-	1,039	Johnston, George	25,280	-	842
-	-	-	Jukes, Julie	16,005	-	554
24,128	-	750	Ngaropo, Pouroto	9,275	-	290
28,860	2,200	876	Orr, Russell	30,463	4,690	842
-	-	-	Pullar, John	16,005	-	677
24,568	200	750	Sheaff, Dave	25,280	600	842
-	-	-	Silcock, Alison	17,205	-	4,116
28,750	1,960	750	Turner, Judy (Deputy Mayor)	33,290	1,640	842
24,128	-	750	Van Beek, Gerard	25,280	1,640	842
COMMUNITY BOARD MEMBERS						
EDGE CUMBE - TARAWERA						
2,486	-	300	Barr Viv	3,020	-	300
6,160	-	300	Bourk, Graeme	4,523	-	300
2,486	-	300	Byrne, Kris	3,110	-	300
2,486	-	300	Dennis, Gavin	3,110	-	300
2,486	-	300	Harvey, Evan	3,110	-	300
2,523	-	300	Richards, Vicki	5,045	-	300
TĀNEATUA						
2,486	-	436	Chater, Geoffrey	2,802	-	379
2,486	-	300	Knowles, Les	2,802	-	300
2,486	-	312	Kora, Monty	956	-	115
3,104	-	425	Kyle, David	2,802	-	448
-	-	-	Meihana-Tait, Basil	1,847	-	222
2,486	-	327	Ruiterman, Luke	2,802	-	300
6,160	-	300	Yalden, Diane	5,765	-	300

Note 29- Remuneration (continued)

ACTUAL 2012/13 \$				ACTUAL 2013/14 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
WHAKATĀNE						
2,486	-	502	Chambers, George	3,418	-	300
6,160	-	300	Delahunty, Neville	4,830	-	300
2,486	-	300	Hall, Tony	3,418	-	300
2,486	-	300	Lander, Peter	3,418	-	300
-	-	-	Langdon, Jody	2,462	-	185
2,486	-	300	Lynch, Kenneth	956	-	115
2,486	-	300	Naude, Mike	5,540	-	300
ŌHOPE BEACH						
2,486	-	654	Casey, Gerard	4,411	-	300
6,160	-	300	Dohrman, Chris	2,368	-	115
2,486	-	300	Howe, Josephine	956	-	115
-	-	-	Jenkins, Bruce	830	-	83
2,486	-	644	King, Mike	2,802	-	300
2,486	-	300	Lovelock, Hugh	2,802	-	300
-	-	-	Napier, Steve	830	-	83
2,486	-	300	Poppe, Sabine	956	-	115
-	-	-	Tolley, Allan	830	-	58
MURUPARA						
2,486	-	753	Ammunson, Patricia	956	-	115
2,486	-	300	Chapman, Awhina	956	-	115
-	-	-	Jenner, Memorie	1,847	-	185
-	-	-	McCarthy, Patrick	1,847	-	295
-	-	-	Meihana, Carolyn	830	-	83
-	-	-	Rangiwai, Byron	1,847	-	185
1,902	-	1,469	Silcock, Alison	829	-	210
2,486	-	1,064	Skeet, Charlotte	956	-	115
-	-	-	Te Amo, Jackie	1,847	-	239
6,160	-	423	Te Kurapa, Jacob	5,748	-	487
2,486	-	404	Tuhua, Honey	956	-	115

Note 29- Remuneration (continued)

ACTUAL 2012/13 \$				ACTUAL 2013/14 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
IWI LIASON						
-	-	313	Carson, David	-	-	-
-	-	-	Carlson, James	-	-	-
-	-	-	Hunia, Paora	-	-	-
-	-	2,464	Jenner, Robert	-	-	527
-	-	3,118	Kalan, Joshua	-	-	858
-	-	2,184	Mason, Hohepa	-	-	327
-	-	2,092	Olsen, Pene	-	-	583
-	-	1,697	Pacey, Huia	-	-	-
-	-	1,257	Pryor, Henare	-	-	367
-	-	746	Pukepuke, Bruce	-	-	-
-	-	1,769	Sisley, Mihipeka	-	-	581
-	-	2,372	Te Pou, Colin	-	-	630
-	-	-	Te Rupe, Tawhai	-	-	-
-	-	1,365	TeMara, Te Makarini	-	-	172
-	-	-	Thrupp, John	-	-	-

COUNCIL EMPLOYEES AS AT 30 JUNE 2014

	2013/14	2012/13
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	147	154
\$60,000 - \$79,999	34	35
\$80,000 - \$99,999	19	14
\$100,000 - \$119,999	9	10
\$120,000 - \$179,999	7	5
\$180,000 - \$279,999	1	1
Total Employees	217	219

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 144 (2012/13: 142) full time employees, with the balance of staff representing 40.27 (2012/13: 34.5) 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 2014 Whakatāne District Council made no severance payments to employees. (2012/13: Five payments of \$16,000, \$9,750, \$4,500, \$4,000 and \$2,250).

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 2012/13 \$000		ACTUAL 2013/14 \$000
	FINANCIAL ASSETS	
	Derivative Financial Instruments that are not Hedge Accounted	
	- Fair Value through Profit and Loss	-
	Financial Instruments	
	- Financial Instruments	212
	Loans and Receivables	
	- Cash and Cash Equivalents	4,737
8,493	Trade and Other Receivables	7,941
8,493	Total Loans and Receivables	12,678
	Fair Value Through Comprehensive Income	
	<i>Other Financial Assets:</i>	
50	NZ Local Government Insurance Corporation Limited	58
1	BoP LASS	1
292	NZ Local Government Funding Agency	548
343	Total Fair Value Through Comprehensive Income	607
	FINANCIAL LIABILITIES	
	Derivative Financial Instruments that are not Hedge Accounted	
	- Fair Value through Profit and Loss	-
	Financial liabilities at amortised cost	
106	Cash and Cash Equivalents	-
9,905	Trade and other Payables	8,158
1,840	Financial Derivatives	808
	<i>Borrowings:</i>	
46,402	Secured Loans	45,500
58,253	Total Financial Liabilities at Amortised Cost	54,466

Change in 2012/13 actuals is included in Note 35.

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			
2013/14				
FINANCIAL ASSETS				
Local Authority Stock	1	-	1	-
Shares	158	-	158	-
Borrower Notes	448	-	448	-
Derivatives	212			
FINANCIAL LIABILITIES				
Derivatives	808	-	808	-
2012/13				
FINANCIAL ASSETS				
Local Authority Stock	1	-	1	-
Shares	150	-	150	-
Borrower Notes	192	-	192	-
FINANCIAL LIABILITIES				
Derivatives	1,840	-	1,840	-

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.

EXPOSURE TO CREDIT RISK

Council's credit exposure for each class of financial instrument as at 30 June 2014 is as follows:

ACTUAL AS AT 30 JUNE 2013 \$000		ACTUAL AS AT 30 JUNE 2014 \$000
EXPOSURE TO CREDIT RISK		
(106)	Cash at Bank and Term Deposits	4,737
8,493	Trade and Other Receivables	7,941
123	Derivative Financial Instrument Assets	212
343	Local Authority and Government Stock	448
(1,894)	Derivative Financial Instrument Liabilities	(808)
6,959	Total Credit Risk	12,530

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 2012/13 \$000			ACTUAL 2013/14 \$000
COUNTERPARTIES WITH CREDIT RATINGS			
(106)	Cash at Bank and Term Deposits	AA-	4,737
(106)	Total Cash at Bank and Term Deposits		4,737
50	NZ Local Government Insurance Corporation Limited	B+	58
50	Total NZ Local Government Insurance Corporation Limited		58
292	NZ Local Government Funding Agency	AA+	548
292	NZ Local Government Funding Agency		548
123	Derivative Financial Instrument Assets	AA-	212
123	Total Derivative Financial Instrument Assets		212

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 2013/14						
Trade and Other Payables	8,158	8,158	8,158	-	-	-
Secured Loans	45,500	45,576	17,491	-	17,029	11,056
Financial Derivatives	808	808	6	30	275	497
Total	54,466	54,542	25,655	30	17,304	11,553
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

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 2013/14						
Cash and Cash Equivalents	4,737	4,737	4,737	-	-	-
Trade and Other Receivables	7,941	7,941	7,941	-	-	-
Net Settled Derivative Assets	212	212	-	12	-	200
OTHER FINANCIAL ASSETS:						
Local Authority and Government Stock	448	448	-	-	-	448
Total	13,338	13,338	12,678	12	-	648
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

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.

	2013/14 \$000				2012/13 \$000			
	PROFIT	-100BPS OTHER EQUITY	PROFIT	+100BPS OTHER EQUITY	PROFIT	-100BPS OTHER EQUITY	PROFIT	+100BPS OTHER EQUITY
FINANCIAL ASSETS								
Cash and Cash Equivalents	47	-	(47)	-	-	-	-	-
Derivatives - Interest Rate Swaps	(109)	-	511	-	(63)	-	291	-
Financial Instruments	-	-	-	-	-	-	-	-
Other Financial Assets:								
- Local Authority and Government Stock	4	-	(4)	-	3	-	-	(3)
FINANCIAL LIABILITIES								
Derivatives - Interest Rate Swaps	(2,317)	-	607	-	(3,419)	-	(456)	-
Borrowings:								
- Bank Overdraft	-	-	-	-	(1)	-	1	-
- Debt	355	-	(355)	-	264	-	(264)	-
Total Sensitivity to Interest Rate Risk	(2,020)	-	712	-	(3,216)	-	(428)	(3)

EXPLANATION OF SENSITIVITY ANALYSIS

Derivatives

Financial Liability

Derivative financial liabilities not hedge accounted includes interest rate swaps with a fair value totalling minus \$596,433 (2012/13: minus \$1,770,715).

A movement in interest rates of plus or minus 1.0% has an effect on the swap value of \$1,117,545 (2012/13: minus \$164,073) and minus \$2,426,291 (2012/13: minus \$3,482,877).

Local Authority Stock

A total of \$58,000 (2012/13: \$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 \$580 (2012/13: \$500) on the fair value through equity reserve.

Secured Loans (Floating)

The Council has floating rate debt with a principal amount totalling \$35.5 million (2012/13: \$26.4 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$355,000 (2012/13: \$264,000).

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 2013/14 Annual Plan are as follows:

STATEMENT OF COMPREHENSIVE INCOME

The deficit before tax of \$507,000 is \$6.398 million lower than the budgeted surplus of \$5.891 million in the Annual Plan. The variance is mainly attributable to the following factors:

Income (\$4.38 million or 7% less than budget)

- Subsidies and grants being \$3.56 million less than budgeted owing to delays in the Matatā Wastewater Treatment Plant and Reticulation capital project.
- Fees and charges being \$2 million less than budgeted mainly owing to delays in the Wainui Road Security Route project and revenue for waste disposal being less than budgeted.
- Other services was \$538,000 higher than budget in respect to the PSBU and insurance claims.
- Gains on revaluation of interest rate swaps and disposal of assets \$1.893 million not budgeted for in the Annual Plan, offset by \$1.277 million budgeted for revaluation of investment property, which was revalued at a loss.

Expenditure (\$2 million or 3.6% less than budget)

- Other operating expenses being \$192,000 less than budgeted in respect to savings in operational costs achieved by reprioritising scheduled work, savings in procurement and completing work in-house.
- Depreciation being \$1.2 million less than budgeted mainly owing to reversal on revaluation and depreciation on sewage infrastructure assets being incorrectly reported (typographical error) in the LTP and 2013/14 Annual Plan (\$632,000).
- Losses of \$2.49 million on valuation of investment

property and operational land not budgeted for in the Annual Plan.

- Finance costs being higher than budgeted owing to fluctuations in interest rates since preparing the LTP (\$513,000).
- Personnel costs being \$416,000 higher than budget owing to an increase in employee entitlements.

STATEMENT OF CHANGES IN EQUITY

The Council's equity has been adjusted by the current year total comprehensive income of (\$4.828) million, which is the net of the deficit after tax of \$253,000 and a net loss on revaluation of \$4.17 million for roading, parks, property, harbour, library and museum assets.

STATEMENT OF FINANCIAL POSITION

Net Assets were \$20.555 million less than budgeted in the Annual Plan. The variance is mainly attributable to the following factors:

Total Assets (\$21.904 million and 3 %less than budget)

- Infrastructural assets were \$29 million less than budgeted owing to \$9.8 million revaluation losses not budgeted for, Work in Progress being \$3.563 million higher than budgeted, \$4.2 million owing to delays in the Matatā Wastewater Treatment Plant project, carry forwards to 2014/15 of \$3.7 million and \$6 million unspent but not carried forward.
- Investment property is \$3.466 million less than budgeted mainly owing to a loss of \$1.063 million on revaluation versus a budgeted gain of \$1.277 million.
- Work in Progress was \$3.563 million higher than

budget owing to delays experienced in waste and information management capital projects.

- Cash and cash equivalents were \$4.5 million higher than budget owing to the receipt of the Ōhope land sale proceeds and the May 2014 Land Transport New Zealand subsidy, overnight on 30 June 2014.
- Goods and Services Tax was \$1.2 million higher than budgeted because at the time of preparing the Annual Plan it was expected that the Inland Revenue Department would have refunded the amount owing for the Voluntary Declaration by 30 June 2014.
- Trade and Other Receivables was \$1.8 million higher than budgeted predominately owing to accrued income (Ministry of Health subsidies) and rates receivables being higher than budgeted.

Total Liabilities (\$1.349 million and 2.4% less than budget)

- External borrowings were \$3.25 million less than budget owing to delays in capital expenditure.
- Derivatives liability was \$2.2 million less than budget mainly owing to a revaluation gain of \$1.175 million.

- Trade and other payables (including expense accruals) were \$3.510 higher than budgeted and Employee Entitlements were \$385,000 higher than budgeted.

STATEMENT OF CASHFLOWS

- There was a variation of cash held compared to budget of \$4.536 million as a result of proceeds from the Ōhope land sale and May 2014 Land Transport New Zealand subsidy being paid overnight on 30 June 2014.
- Net Cashflows from Operating Activities were \$6.338 million less than budgeted as a result of unders and overs across all line items.
- Net cashflows from investing activities were \$12.672 million less than budgeted owing to delays in the Matatā Wastewater Treatment Plant project and deferred capital expenditure spending. Net cashflows from financing activities were \$1.656 million less than budgeted owing to early repayment of debt.

Note 35 - Reclassification

RECLASSIFICATION

The Council has restated comparative information for 2012/13 to provide more detailed information or to correct mistatements. The effect of the changes to income are shown in the table below:

	ACTUAL 2012/13		
	BEFORE RECLASSIFICATION \$000	RECLASSIFICATION \$000	AFTER RECLASSIFICATION \$000
Note 5 Depreciation			
Water Supply	895	(988)	1,883
Stormwater Drainage	1,883	988	895
Note 11 Trade and Other Receivables			
General Receivables	4,189	(4,189)	-
Sundry Debtors Receivable	-	2,135	2,135
Land Transport Disbursement Receivable	-	1,583	1,583
Income Accrued	-	303	303
Other Receivables	-	168	168
Note 32a Financial Instrument Categories			
Financial Assets			
Financial Instruments	-	123	123
Financial Liabilities			
Financial Derivatives	1,840	54	1,894

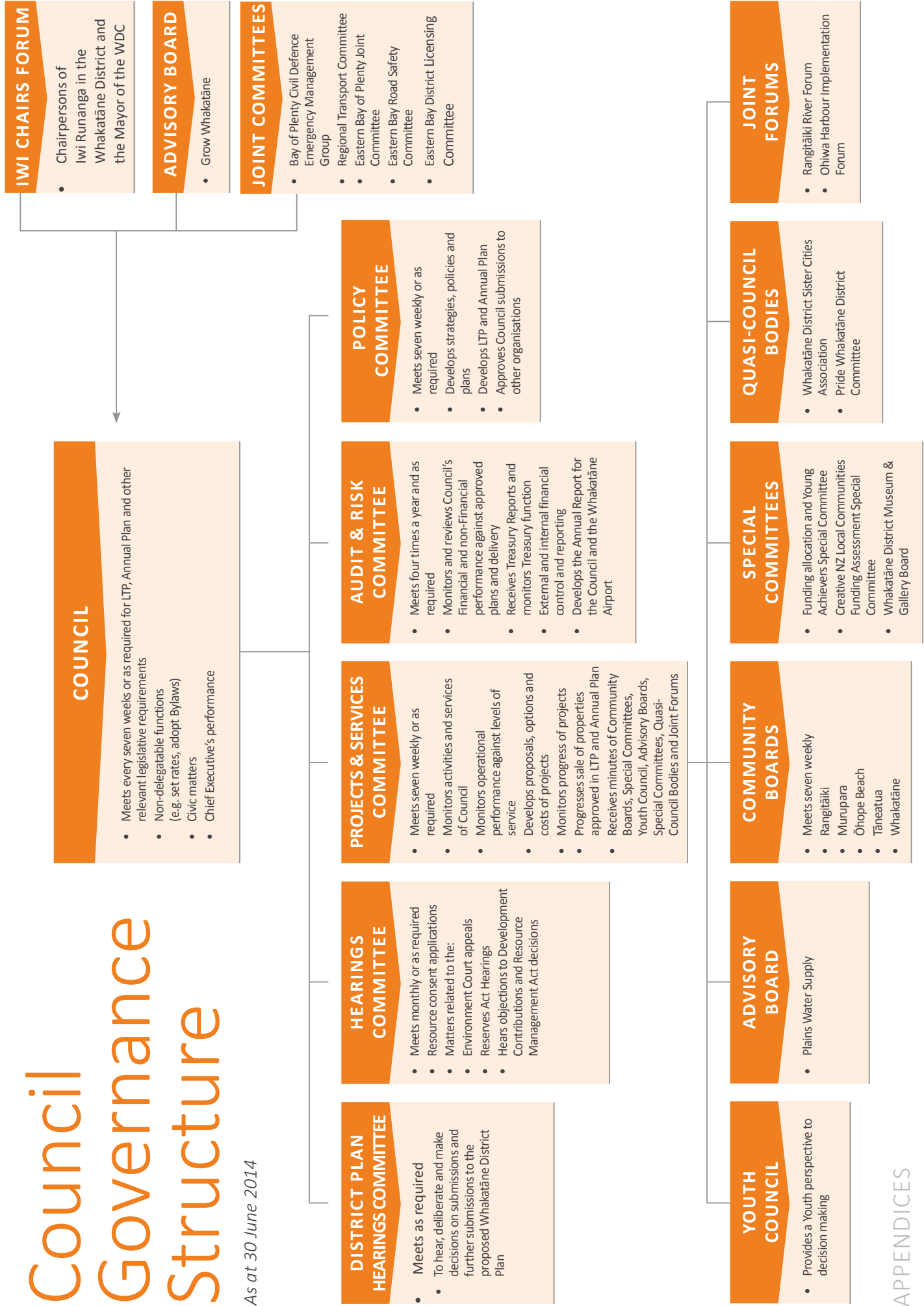


Appendices

Ngā Tāpiritanga

Council Governance Structure

As at 30 June 2014



Your Council

As at 30 June 2014

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

Julie Jukes

Ph 07 312 5644 Mob 027 412 1025
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COUNCILLOR

Scott Jarrett

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COUNCILLOR

Dave Sheaff

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dlsheaff@wave.co.nz

COUNCILLOR

John Pullar

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RANGITĀIKI WARD

COUNCILLOR

George Johnston

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thorntonjohnstons@hotmail.com

COUNCILLOR

Russell Orr

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russell@orrcor.com.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
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GALATEA - MURUPARA WARD

COUNCILLOR

Alison Silcock

P 07 366 4087 Mob 027 451 2087
galatea@slingshot.co.nz

Membership on the Community Boards

As at 30 June 2014

The Council has five community boards covering the entire District. Each board has six members elected from within the community board area 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 Kurupa - Chair
Alison Silcock - Deputy Chair and Councillor
Mem Jenner
Patrick McCarthy
Carolyn Meihana
Byron Rangiwai
Jackie Te Amo

Tāneatua

Diane Yalden - Chair
Luke Ruiterman - Deputy Chair
Andrew Iles - Councillor
Geoff Chater
Les Knowles
Dave Kyle
Basil Meihana-Tait

Ōhope Beach

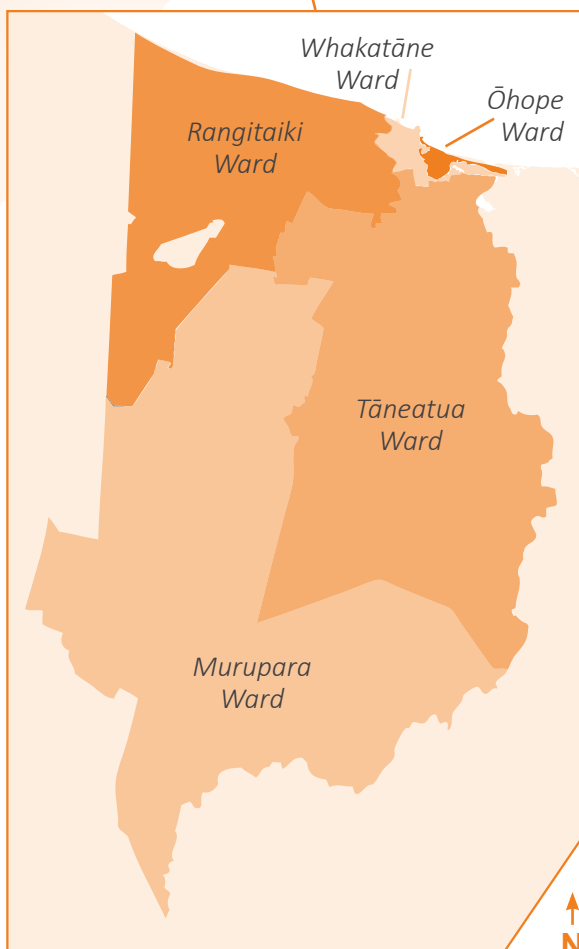
Gerard Casey - Chair
Hugh Lovelock - Deputy Chair
Dave Sheaff - Councillor
Bruce Jenkins
Mike King
Steve Napier
Allan Tolley

Whakatāne

Mike Naude - Chair
Tony Hall - Deputy Chair
John Pullar - Councillor
George Chambers
Neville Delahunty
Pete Lander
Jody Langdon

Rangitaiki

Vicky Edwina Richards - Chair
Graeme Bourke - Deputy Chair
Gerard van Beek - Councillor
Viv Barr
Kris Byrne
Gavin Dennis
Evan Harvey



Membership of Standing Committees

As at 30 June 2014

The following committee structure was established in October 2013 following Council elections and will be in place until the end of the triennium (October 2016). The Mayor is "ex officio" a member of all Committees and specifically appointed to the Hearings Committee.

PROJECTS & SERVICES COMMITTEE

Councillor Andrew Iles
(Chairperson)
Councillor Gerard van Beek
(Deputy Chairperson)
Mayor Tony Bonne
Councillor Scott Jarrett
Councillor George Johnston
Councillor Julie Jukes
Councillor Russell Orr
Councillor John Pullar
Councillor Dave Sheaff
Councillor Alison Silcock
Councillor Judy Turner

POLICY COMMITTEE

Mayor Tony Bonne
(Chairperson)
Councillor Scott Jarrett
(Deputy Chairperson)
Councillor Andrew Iles
Councillor George Johnston
Councillor Julie Jukes
Councillor Russell Orr
Councillor John Pullar
Councillor Dave Sheaff
Councillor Alison Silcock
Councillor Judy Turner
Councillor Gerard van Beek

DISTRICT PLAN HEARINGS COMMITTEE

Councillor Russell Orr
(Chairperson)
Councillor Dave Sheaff
Councillor Judy Turner
Councillor Gerard van Beek

AUDIT & RISK

Mayor Tony Bonne
(Chairperson)
Councillor Russell Orr
(Deputy Chairperson)
Councillor Julie Jukes
Councillor Gerard van Beek
Mr A W Lawrie

HEARINGS COMMITTEES

Councillor Russell Orr
(Chairperson)
Councillor Dave Sheaff
Councillor Judy Turner
Councillor Gerard van Beek

Membership on the Youth Council

The Whakatāne District Youth Council consists of 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. This year, changes have been made to how our Youth Council is constituted and what their focus is. More information can be found in the 'Community Development' pages of the 'Our work in Detail' chapter.

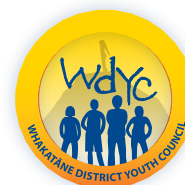
Members are appointed to the Youth Council for the calendar / school year rather than the financial year. Members of the Youth Council for the 2013 year and the current 2014 year are:

YOUTH COUNCIL 2013

Bailey West
(Chairperson)
Ashlee Hall
Georgina Mischefski-Gray
Radhika Dahya
Bryce Coulter
Maaike 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

YOUTH COUNCIL 2014

Maiah Barnfield
Sophie Butler
Eva Gilchrist
Ashlee Hall
Brendan Jelley
Pierce Te Whaiti
Tracey Waiari
Adrianna Jenner



Council Organisational Structure

As at 30 June 2014

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 2014 our organisation included 175.4 full time equivalent (FTE) staff with a further 4.3 FTE vacancies at the time. FTE staff numbers (including vacancies) over the last five years are compared below:

YEAR	FTE STAFF NUMBERS AS AT 30 JUNE
2010	176.4
2011	168.7
2012	170.8
2013	176.5
2014	179.7

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 2013/14 year we had no serious harm health and safety incidences.

'Communitrak' Survey Results

SATISFACTION WITH COUNCIL SERVICES/FACILITIES

SERVICE/FACILITY	VERY SATISFIED %	FAIRLY SATISFIED %	NOT VERY SATISFIED %	DON'T KNOW %	VERY/ FAIRLY SATISFIED (full sample) %	VERY/ FAIRLY SATISFIED (excluding don't know) %
<i>Note: highlighted results are reported through the 'Our Work in Detail' chapter of this Annual Report</i>						
Council roads overall	23	68	8	-	91	91
Kerbside waste collection service	62	25	8	5	87	92
Parks and reserves	36	50	10	4	86	90
Safety of roads	25	59	15	-	84	84
Walking and cycling facilities in the District	52	30	12	6	82	87
Sportsfields	33	49	5	13	82	94
Roads maintained to an appropriate standard	25	57	18	-	82	82
Refuse disposal	40	39	10	11	79	89
Playgrounds	40	35	8	17	75	90
Harbour facilities	34	39	12	15	73	86
Street lighting	29	43	17	12	72	82
Footpaths	21	50	24	6	71	76
Parking in Whakatāne	27	43	26	4	70	73
Tourism promotion	22	47	22	9	69	76
Council's environmental monitoring services overall	16	52	12	20	68	85
Cemeteries overall	43	25	1	30	68	97
Library and Exhibition Centre	51	17	4	29	68	96
Public halls	32	35	13	20	67	84
Libraries in the District overall	42	24	5	29	66	93
Water supply overall	29	37	19	15	66	78
Sewerage system	22	42	10	26	64	86
Public swimming pools	27	36	16	21	63	80
Council's efforts to enable and promote events	17	46	24	13	63	72
Dog control†	24	38	26	11	62	70
Noise control	23	37	10	30	60	86
Whakatāne Exhibition Centre	43	16	3	39	59	97
Public toilets	18	41	23	18	59	72
Quality of drinking water	27	31	27	15	58	68
Council's efforts to manage the Whakatāne Airport	14	40	7	39	54	89
Council's efforts to attract and retain residents	6	40	26	28	46	64
Whakatāne Museum on Boon Street	19	25	5	51	44	90
Stormwater services	10	34	43	13	44	51
Town planning	7	35	28	30	42	60
Business promotion	8	28	37	27	36	49
Whakatāne crematorium facility	17	15	1	67	32	97
Service from customer front desk staff	65	31	7	-	93	93
Service received contacting Council overall	41	46	13	-	87	87
Sufficiency of information*	9	62	23	5	71	75

* Scale for this question is based on "more than enough information" / "enough" / "not enough" rather than level of satisfaction.

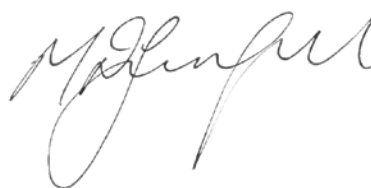
Statement of Compliance

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
25 September 2014



Marty Grenfell
CHIEF EXECUTIVE
25 September 2014

Audit Report

Independent Auditor's Report

To the readers of Whakatāne District Council's annual report for the year ended 30 June 2014

The Auditor-General is the auditor of Whakatāne 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:
 - the statement of financial position as at 30 June 2014 on page 127;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2014 on pages 125 to 126 and 128;
 - the funding impact statement of the District Council on pages 26 to 27;
 - 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
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 129 to 177;
- the statement of service provision (referred to as groups of activities) of the District Council on pages 30 to 111 and the funding impact statements in relation to each group of activities of the District Council on pages 31 to 105; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 119 to 124.

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:
 - internal borrowing on pages 30 to 111;
 - council-controlled organisations on pages 113 to 118;
 - reserve funds on pages 156 to 161;
 - each group of activities carried out by the District Council on pages 30 to 111;

- remuneration paid to the elected members and certain employees of the District Council on pages 167 to 169;
- employee staffing levels and remuneration on page 169; and
- severance payments on page 171;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Māori 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 187.

Opinion

Audited information

in our opinion:

- the financial statements of the District Council on pages 125 to 177:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2014; 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 pages 26 to 27, 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 30 to 111:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2014, 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 31 to 105, 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.
- the disclosures on pages 113 to 170 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

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 25 September 2014. 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). These 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 these 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;
 - fairly reflect its service performance, including achievements compared to forecasts;
- 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
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; 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

Your Council

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