



WHAKATĀNE DISTRICT COUNCIL

» Annual Report «

*Rīpoata-ā-tau*

2015/16

# Message from Marty - Chief Executive

*Nau mai; haere mai, ki tēnei Pūrongo-Whakatātai-Pūtea - 2015 / 2016 - a te Kaunihera o Whakatāne. He whakaaturanga tēnei o ngā whakaritenga pūtea, ngā taunga mahi, me te arotake i te otinga ake o ngā mahi i whakariteā i roto o te Mahere Rautaki 2015-25, kia kiteā atu e ahu pēhea ana te Kaunihera. I roto i tēnei tau kei runga noa atu te tiaki pai a te Kaunihera i ngā pūtea, tōna whakarite, me tōna whakatinana, i wētahi taunga mahi whakahirahira, otirā, kia piki ai ki runga te papai o ngā ratonga me ngā rawa e tohainatia ana ki te hāpori.*

Welcome to the Whakatāne District Council Annual Report for the 2015/16 financial year. This document reports back on the budgets, projects, and performance measures that we set for the year in our Long Term Plan 2015-25, and provides information on Council's overall performance.

This year saw us manage our finances responsibly, plan and progress some important projects, and continue to improve the essential services and facilities we deliver to our community.

For the fourth year in a row, we have finished the financial year with a rating surplus. The surplus of \$140,000 represents 0.26% of the Council's overall operating budget for 2015/16, and confirms that we are setting our rates accurately and prudently, and managing our finances well.

We spent \$16.2 million on capital projects in 2015/16. Major stormwater projects in the Apanui and Wainui te Whara catchments were undertaken, as part of an ongoing infrastructure upgrade to address flooding issues and increase community resilience. The Whakatāne-Ōhope walk and cycle way was finished, work on a new greenwaste processing site was completed, and ultraviolet water treatment was commissioned at the Whakatāne Aquatic and Fitness Centre. The 'Our Work in Detail' section of this Annual Report includes more information about these projects, and the many others that were progressed in 2015/16.

We have been reviewing our models for service delivery this year, to ensure that we are providing the best possible service to our ratepayers. These reviews will continue into 2016/17, and have already resulted in positive developments and cost savings for the community, particularly in the areas of mowing and waste management.

This year's public survey showed that, for the third year in a row, the overall community perception of Council performance has improved. Pleasingly, in terms of quality of life, 67% of respondents rated our District as having a 'very good' lifestyle, well ahead of the national average of 39%. Through the survey, the community told us they wanted to see more spending on business, events, and tourism promotion, efforts to attract and retain residents, and harbour facilities. These will continue to be areas of focus for Council in the future. To that end, we have resumed funding for the Toi Economic Development Agency, have several exciting new events programmed for coming years, and major harbour facility upgrades are planned for 2016/17 and beyond.

Planned changes will also enhance the organisation's ability to manage and deliver large capital projects; encourage and capitalise on growing tourism numbers; respond to the buoyant housing and development market; and improve our drinking water supply and standards. We will continue to create opportunities for residents, businesses and visitors to enjoy and benefit from the special qualities the Whakatāne District offers.



Marty Grenfell  
Chief Executive  
Whakatāne District Council



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# About the Annual Report

## Te Whakamārama i tēnei Pūrongo-Whakatatai-Putea - 2015/2016

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. 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?

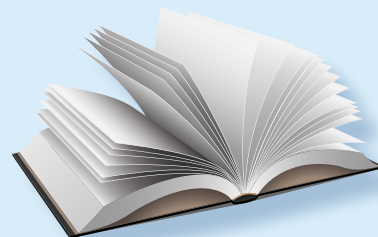
The Long Term Plan (LTP) sets out the strategic direction, work plan and budgets for the 10 years that follow. It outlines the services we will provide, the projects we will undertake and the cost of doing this work. It includes how our work will be paid for, and how we will measure the quality and effectiveness of what we deliver. The LTP is developed every three years. This Annual Report reports back on the first year of the LTP 2015-25.

## How does the Annual Plan fit in?

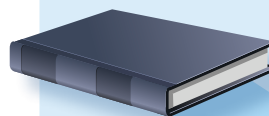
In each of the two years after the adoption of the LTP we produce an Annual Plan. The Annual Plans reflect what we said we would do in years two and three of the LTP. The Annual Plan is an opportunity to provide updates on the projects planned for the years between LTPs. The LTP is still our guiding 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?

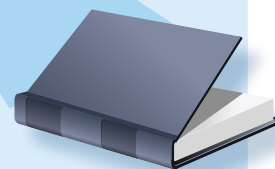
The LTP, Annual Plans and Annual Reports are made available on our website [www.whakatane.govt.nz](http://www.whakatane.govt.nz), at the Council's Service Centres in Whakatāne and Murupara and at the libraries around the District.



Long Term Plan  
2018-25



Annual Report  
2017/18



Annual Plan  
2017/18



Annual Report  
2016/17



Annual Plan  
2016/17



Annual Report 2015/16  
(This document)



Long Term Plan  
2015-25

3 year planning cycle





# ABOUT THE COUNCIL

*Te Kaunihera*



# Our Role

## Ta Mātau Mahi

*We provide community leadership*

The Whakatāne District Council is your Council. We are here to look after your interests and 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 we care about its wellbeing. A big part of our role is to make decisions on behalf of the community. The way we make decisions is outlined later in this section. Good governance means listening and responding to community needs; dealing with the issues that affect our District; managing our finances prudently; and making decisions to protect and enhance the future 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. That is because local authorities need to respond to issues specific to their community.

As your Council we endeavour to find effective solutions, and to deliver services to the level expected of us in the most economical way possible.

*We deliver essential services, lifestyle opportunities and experiences*

In all corners of the District, every day of the year, the community is using services that Council provides. This could be by walking down the footpath in Kopeopeo, playing rugby or netball at Eivers Park in Te Teko, visiting the Murupara Library, having greenwaste collected in Edgumbe, using the West End shower after a surf at Ōhope Beach, or picking a dog up from the Whakatāne pound.

The services we deliver as your Council are set out as 37 'activities,' organised into 11 'groups of activities.' Our activities provide and maintain many of the essential services the District relies on every day, as well as opportunities for recreation and access to the experiences that make our District a great place to live, work and play. This Annual Report details the services, capital works and projects we have undertaken under each activity in the 2015/16 year and sets out what they have cost.

# Our Direction

## Ta Mātau Ahunga Whakamua



Our vision for the District is set out through our Community Outcomes. These are high level goals for meeting the needs of the District, and guide our decision-making, planning and priorities. Our Community Outcomes 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 (which includes our Financial Strategy and Infrastructure Strategy)
- District Plan
- Asset Management Plans
- Whakatāne Urban Growth Strategy
- Whakatāne Town Vision
- 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](http://www.whakatane.govt.nz).



# Vision and Purpose

Tūmanakotia; kia Tū Tangata tūturu

The Vision and Purpose guides everything we do at Council. It sets out, at a high level, where we want to be and how we will get there.

## 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.

## 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.

# Community Outcomes

Putanga-a-Hāpori

Our Community Outcomes are a high-level set of desired goals that we aim to achieve. They seek to improve the social, economic, environmental, and cultural well-being of our District, now and for the future. The Community Outcomes were set through the Long Term Plan 2015-25.

Throughout this Annual Report you will see references to the Community Outcomes to provide an indication of how we made contributions towards them over the 2015/16 year.



## EFFECTIVE LEADERSHIP

### *Striving for our future and well-being*

- Be visible, strong, have a clear vision and listen to all sectors of the community
- Work in partnership with iwi and the community
- Ensure accountability to the community through transparent, open and inclusive decision making
- Respond and advocate on community issues.



## SUSTAINABLE ECONOMIC DEVELOPMENT

### *Working in partnership*

- Facilitate an economy that is prosperous in both urban and rural areas
- Encourage business growth that builds on the region's assets
- Support Māori economic development
- Promote connected businesses through effective networks.



## COMMUNITY NEEDS

### *A caring community*

- Create vibrant, connected and safe communities
- Support healthy, active communities
- Build inclusive communities
- Value, celebrate, promote and protect Māori culture.



## QUALITY SERVICES

### *Excellent value for money*

- Provide services that meet the aspirations of the community
- Ensure all customers are dealt with in a timely, helpful and friendly way.



## VALUING OUR ENVIRONMENT

### *Sustaining for future generations*

- Sustainably manage the natural and physical resources
- Recognise and protect places of natural and cultural heritage
- Proactively plan for growth and ensure the effects and costs are managed.



## RELIABLE AND AFFORDABLE INFRASTRUCTURE

### *Meeting current and future needs*

- Provide infrastructure that facilitates growth and development
- Ensure people, infrastructure and the environment are protected from natural disasters
- Sustainably manage community assets.

# Making Decisions

Ngā whakaritenga

## We are here to look after your interests

Each year we make dozens of decisions that affect different people in different ways. Some decisions are minor and others are more significant. When making decisions, we always have to consider and balance competing interests from different sectors of our community. This can be challenging, but we work hard to make decisions that are in the best interests of the whole District.

The Council, Committees and Advisory Boards meet regularly throughout the year to advise staff and make decisions. 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](http://www.whakatane.govt.nz).

## What guides our decision making?

Like all Councils, we 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. We also have key guiding documents specific to our Council. These 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 and Engagement 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 a decision. The policy also 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 Committees, Advisory Boards, the Chief Executive and in some cases staff members.

The Delegations Register outlines these responsibilities.

## We made some important decisions this year

AMONG THE DECISIONS WE HAVE MADE IN 2015/16 ARE:

- to expand the water supply upgrade planned for Edgecumbe to include the Te Teko community
- to install water meters in Edgecumbe
- to resume funding for the Toi Economic Development Agency
- to centralise dog pound services in Whakatāne
  - to remove individual admission fees to the Murupara pool from 2016/17
  - to deliver mowing and vegetation control with our own staff from 1 October 2016
- to adopt a series of parking changes, including extending around 128 parking places from one-hour to two-hour limits
- to continue regulating overnight parking by self-contained vehicles via the Public Places Bylaw
- to investigate alternative wastewater treatment plant and land disposal sites, or other options, for Matatā's wastewater scheme
- to review a policy applying to the sale of harbour lease land in Whakatāne's Central Business District



# 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 our high Māori population. Our processes for decision making include specific provisions for Māori to participate.

## *Projects and Proposals*

Throughout the year the Council has sought to partner with Māori in several individual projects. This has included working with Ngāti Awa to look at opportunities to upgrade the existing heritage trail. The revitalised heritage experience is likely to include 12 sites; Pohaturua, Te Wairere, Muriwai's Cave, Otuawhaki, He Matapuna Paru, Puketapu, Te Papaka, Te Toka o Irakewa, Te Toka o Taio, Wharaurangi, Waka Whakaruruhou, and Te Waiewe.

In April, the key focus of consultation for the Annual Budget Update 2016/17 was on projects to improve the water supply to Edgumbe and Te Teko. Council worked with Te Roopu Wai Māori o Te Teko who are representatives of iwi, hapū and Māori land trusts to work through concerns and provide input into the future direction of water supply for the Plains.

## *Iwi Chairs Forum*

The Iwi Chairs Forum was established in May 2014, as a mechanism to allow Iwi and Council to advance common outcomes. Representation on the Forum consists of Iwi Chairs from within the District, with the Mayor representing the Council. Chief Executives of all organisation members also attend the Forum in an advisory capacity. Subjects of discussion in 2015/16 included investment in Te Urewera Road, the Matatā wastewater project, the Proposed District Plan and an application to Central Government for local investment into ultra-fast broadband. This year, the Forum has continued to demonstrate its potential as a mechanism for sharing information, knowledge, and support for individual projects.

The Council has found that involvement in the forum has been invaluable, and that the forum provides a basis for enhancing relationships, having valuable discussions and identifying issues of relevance for members, where collaboration can lead to better outcomes.

## *Rangitāiki River Forum*

Whakatāne District Council continues to provide advice and guidance as a member on the Rangitāiki River Forum, which resulted from the Ngāti Manawa and Ngāti Whare Claims Settlement Act 2012. The Council is represented by the Mayor, with staff input as required.

## *Working in Collaboration*

In September 2015, Council agreed to become part of a collaborative project with Wairoa District Council, the New Zealand Transport Agency (NZTA), Tūhoe - Te Uru Taumatua and Te Urewera Board to investigate and develop sustainable options for improving Te Urewera Road. The former State Highway 38 provides the only road access to Lake Waikaremoana and the remote communities within Te Urewera.

In 2015/16, NZTA proposed to remove the 'special purpose road' status for Te Urewera Road. If this occurs, it will result in transference of risk and maintenance costs from NZTA to the relevant local authorities, Wairoa and Whakatāne District Councils. Given that there are high costs associated with frequent storm damage on the unsealed road, and with such small ratepayer bases, this is likely to negatively impact on route security, safety and community resilience.

The NZTA proposal has provided a timely opportunity for interested parties to jointly prepare a business case with the aim of promoting further investment into Te Urewera Road. This increased investment will enable security of access, growth and sustainable development for local communities.

## *Cultural Awareness*

A continued focus this year has been the development of the organisation's cultural awareness to allow better engagement with and contributions from Māori around decision making at all levels. Work has progressed in this area this year with the development of an engagement toolkit with a specific focus on Māori engagement. Also this year, a group of staff took part in a Te Reo Māori course which focussed on pronunciation, speaking, grammar, basic translation, and listening comprehension.

# Keeping in touch with you - our residents and ratepayers

We want to keep you up-to-date on our projects, services and major decisions. You can find information on our website ([www.whakatane.govt.nz](http://www.whakatane.govt.nz)) and on our Facebook page. We are also active on Neighbourly ([www.neighbourly.co.nz](http://www.neighbourly.co.nz)). Watch out for our monthly newsletter *Ko Konei* which is published in *Eastern Bay Life* on the first Saturday of each month, or subscribe to the online copy via our website.

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



Whakatane District Council



@WhakataneDC1





# ABOUT THE YEAR

*Te Arotake o te Tau*





# Overview of the year

Te arotake i te tau kua pahure

The following pages provide a high level overview of the Council's performance for the 2015/16 financial year. They highlight some important projects and events, and summarise whether we met our budgets and delivered what we said we would. More information is available in the 'Our Work in Detail' and 'Our Costs in Detail' chapters of this Annual Report.

## Highlights of 2015/16



WE HAVE THE  
**TOP RANKED  
WEBSITE**  
OF ALL 78 LOCAL  
GOVERNMENT  
ENTITIES IN NZ –  
FOR THE SECOND  
YEAR IN A ROW

NEW 'SCHOOL' AND 'KURA'

# ROAD MARKINGS

HAVE IMPROVED SAFETY OUTSIDE  
RURAL SCHOOLS



THE FINAL STAGE OF THE 5KM  
**WHAKATĀNE &  
ŌHOPE WALK**  
AND CYCLEWAY HAS BEEN **COMPLETED**

AIR CHATHAMS  
**CARRIED**



# 19,810

**PASSENGERS**

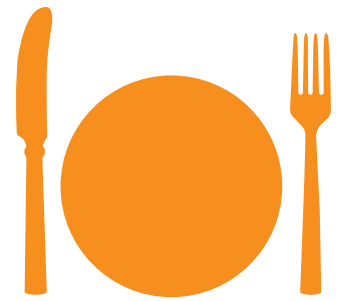
TO AND FROM WHAKATĀNE  
AIRPORT IN THEIR FIRST  
FULL FINANCIAL YEAR



**TOURISM ACTIVITY**  
CONTINUES TO INCREASE TO  
RECORD HIGHS, CONTRIBUTING

**\$125M**

TO THE LOCAL ECONOMY IN THE PAST YEAR



THE GOURMET FOOD  
MARKET ATTRACTED

**2,500  
VISITORS**

TO THE WHAKATĀNE HEADS,  
KICKING OFF THE INAUGURAL  
**SUNSHINE AND A PLATE  
FOOD FESTIVAL**

## A NEW CULVERT

AT THE DOUGLAS STREET BRIDGE  
**WILL REDUCE RISK OF FLOODING**  
FROM THE WAINUI TE WHARA STREAM

**THE MURUPARA  
YOUTH LEADERSHIP  
PROJECT TEAM**

**WINNERS**

**WON THE WHETŪ MĀTAIATA AWARD**  
AT THE NATIONAL  
TRUSTPOWER AWARDS

A MUCH NEEDED,  
MODERN

**RUNWAY  
LIGHTING  
SYSTEM**

HAS BEEN  
INSTALLED AT  
WHAKATĀNE  
AIRPORT



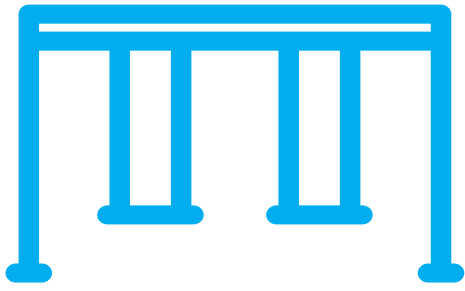
## THE OXFAM TRAILWALKER

CAME TO WHAKATĀNE IN 2016  
AND RAISED \$980,748 FOR  
OXFAM'S WORK TO  
CHALLENGE POVERTY

CONSTRUCTION OF A NEW  
**SHARED USE SCHOOL  
AND COMMUNITY  
HALL/GYMNASIUM**

WAS COMPLETED IN MURUPARA





A JOINT TŪHOE - TE URU TAUMATUA AND WHAKATĀNE DISTRICT COUNCIL

## PLAYGROUND

WAS OFFICIALLY OPENED AT THE JACK KNOWLES RESERVE IN TĀNEATUA



## 'Everything Under the Sun'

BRANDING WAS ROLLED OUT TO PROMOTE THE WHAKATĀNE DISTRICT AS A GREAT PLACE TO LIVE, WORK, PLAY AND INVEST



THE NATIONAL EARTHQUAKE DRILL SAW THE BAY OF PLENTY REGION AS

## SECOND OVERALL

FOR THE NUMBER OF PARTICIPANTS

RECYCLING LEVELS CONTINUE TO INCREASE, MAKING UP MORE THAN

# 50%

OF TOTAL SOLID WASTE FOR THE FIRST TIME IN 2015/16

THE INSTALLATION OF UV WATER TREATMENT AND REDUCTION IN CHLORINE USE HAS SEEN A

## BIG IMPROVEMENT IN THE AIR AND WATER QUALITY

AT THE WHAKATĀNE AQUATIC AND FITNESS CENTRE

RUN BY THE WHAKATĀNE DISTRICT YOUTH COUNCIL, THE DISTRICT'S **FIRST EVER COLOUR RUSH** WAS HELD ON 11 OCTOBER 2015, AND ATTRACTED OVER

# 700

## PARTICIPANTS

ABOUT THE YEAR

# We finished the year with a small rating surplus

*A rating surplus or deficit is an indication of whether the right amount of rates income was raised to pay for the budgeted expenditure in the financial year.*

Whakatāne District Council finished 2015/16 with a rating surplus of \$140,000. This represents just 0.26% of our overall operating budget for the year and indicates good discipline around budget setting and day to day financial management. The result continues the trend of surpluses being achieved over the past four financial years.

A rating surplus or deficit is contributed to by Council activities finishing the year either over or under budget. Detailed activity budgets and reasons for variances can be found in the 'Our Work in Detail' chapter of this Annual Report.

# We had an overall operating deficit of \$4.4 million

The final operating result for the 2015/16 year was a net deficit of \$4.4 million, compared to a budgeted surplus of \$7.2 million.

The largest contributing factor towards the operating deficit was that we had budgeted to receive \$7.3 million in subsidies towards a number of capital projects that did not proceed during the last year for various reasons. The key subsidies relate to the Matatā Wastewater Treatment Plant project; Plains/ Edgecumbe water projects; the Transport works programme; the Museum, Research and Archive project; and the Wairaka Centennial Park development. In most instances, these projects have been rescheduled into the 2016/17 Annual Plan and subsidies will be expected as the projects progress.

Other factors contributing to the deficit included the accounting treatment of income pensioner housing and the disposal of assets as well as income from fees and charges (including development contributions) being lower than what was budgeted. More information about these variances can be found in Note 34 of the 'Our Costs in Detail' chapter of this Annual Report.

# The financial position of our groups of activities

The table below provides an overview of our operational expenditure and revenue at a group of activities level. Information at an 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 group of activities 2015/16

SUMMARY COST OF SERVICE	Actual Expenditure	Actual Revenue	Actual Net Cost Surplus/ (Deficit)	Budget Net Cost Surplus/ (Deficit)
	\$000			
Leadership	2,736	2,845	109	(44)
Roads & Footpaths	14,813	15,702	889	1,921
Water Supply	5,674	4,803	(871)	1,070
Sewage Treatment & Disposal	4,146	3,031	(1,115)	1,985
Stormwater Drainage	3,683	3,251	(432)	(141)
Solid Waste	5,530	6,242	712	286
Environmental Sustainability	1,928	1,866	(62)	91
Community Safety	3,472	3,056	(416)	21
District Growth	2,178	3,745	1,567	1,850
Recreation & Community Services	15,412	11,207	(4,205)	(1,532)
Corporate & District Activities	3,992	3,370	(622)	(53)
Council Controlled Organisations	199	238	39	(32)
<b>Operational Cost of Service Delivery Surplus/(Deficit)</b>	<b>63,763</b>	<b>59,356</b>	<b>(4,407)</b>	<b>5,421</b>
Internal Interest	(1,733)	(1,733)	-	1,863
Rates Remissions	(371)	(371)	-	-
<b>Total Council Surplus /(Deficit) Before Tax</b>	<b>61,659</b>	<b>57,252</b>	<b>(4,407)</b>	<b>7,284</b>

Note: Values are rounded to the nearest thousand dollars(\$000), some rounding variance may occur in the activity tables.

Expenditure and revenue in the table includes different reclassification from interdepartmental transfers compared to the Statement of Comprehensive Revenue and Expense.

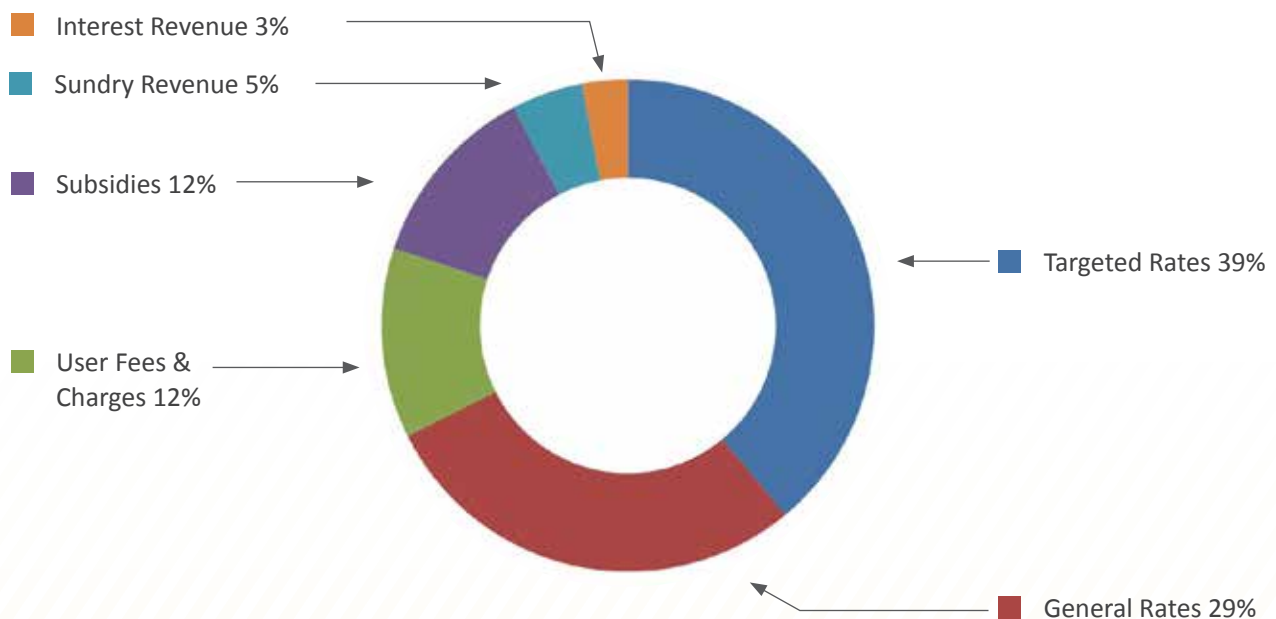
Budget differs from Corporate & District Activity table as budget for vested assets and gain on investment property is not included in activity table.

# Rates accounted for 68% of our revenue this year

Affordability is a major focus in our planning. Wherever possible, we aim to secure funding from sources other than rates to help make Council services and facilities affordable. In the 2015/16 year, rates made up 68% of our revenue, with 32% coming from other sources. These other sources included subsidies and grants from the New Zealand Transport Agency, the Ministry of Health, the Lotteries Commission, local sponsorship and others.

Thanks to this external funding, for every \$10 of rates collected, we are able to deliver around \$15 of services.

Figure 2: Where operating revenue came from in 2015/16



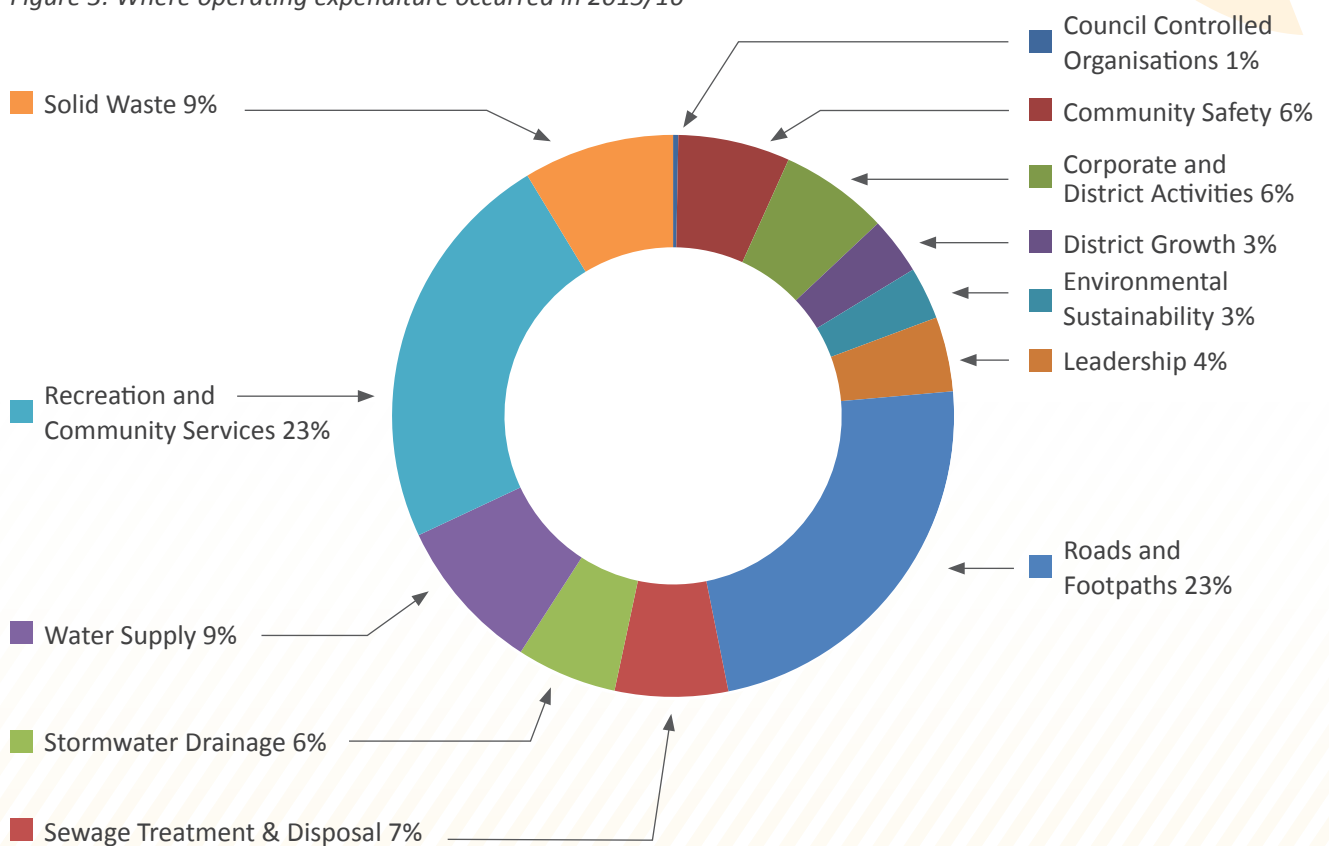


# Most of our operating expenditure was on core services

Operating expenditure funds the day-to-day costs of delivering our services, maintaining existing assets, or other expenditure that does not buy or build a new asset.

The Council's total operating expenditure for the 2015/16 financial year was \$65.03 million. Our 'core services' - Water Supply, Sewage Treatment and Disposal, Stormwater, Roads and Footpaths, and Waste - accounted for the biggest spend, making up around 52% of total operating expenditure for the year.

Figure 3: Where operating expenditure occurred in 2015/16



# Our capital expenditure was \$16.2 million

*Capital expenditure is the cost of buying or building a new asset, renewing an existing asset, or improving an asset to deliver a better service. We refer to these kinds of projects as 'capital projects.'*

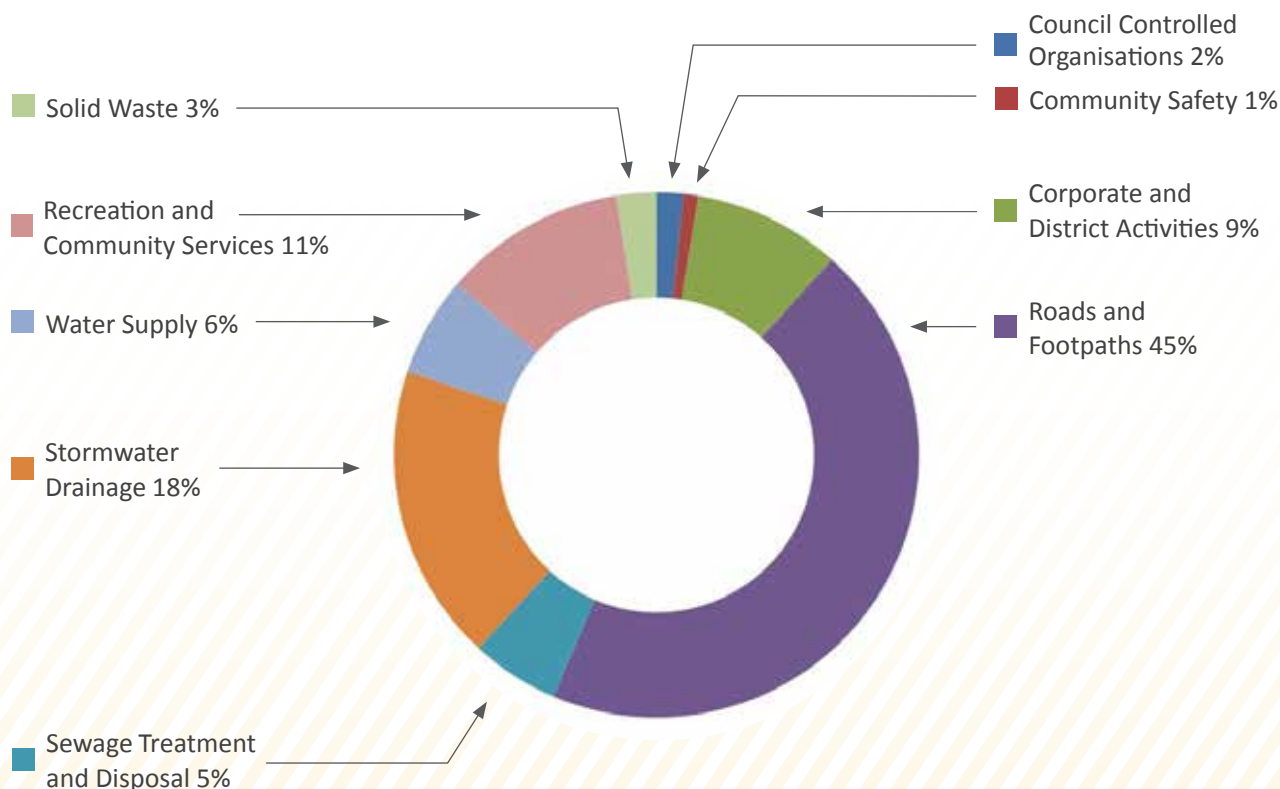
Over the 2015/16 financial year, \$16.2 million was spent on capital projects. This is substantially lower than the year's Long Term Plan budget of \$31 million. Most of our capital expenditure is committed to maintaining or improving the Council's core services. For example, 63% (\$10.2 million) of capital expenditure for 2015/16, was on Roads and Footpaths and Stormwater Drainage. Capital expenditure on Water Supply and Sewage Treatment and Disposal contributed a further 12% (almost \$1.9 million).

Our renewals programme (replacing assets at the end of their life span) for Roads and Footpaths was the biggest focus of our capital expenditure for 2015/16. Other major projects included the final stage of the Gorge Road cycle way; development of a greenwaste processing facility; improvements to Wainui Road; and upgrades to the stormwater systems for the Apanui and Wainui te Whara catchments.

Only around half of the capital works budget was spent in the 2015/16 year because a number of projects did not progress as expected or started behind schedule. In particular, a number of Water Supply, Wastewater, and Stormwater projects were delayed during the year. Many of these projects are of a very complex nature and challenges with planning, obtaining the necessary consents, and securing partnership funding were key reasons for delays.

Information about progress on specific capital projects can be found in the 'Our Work in Detail' chapter.

Figure 4: Where capital expenditure occurred in 2015/16



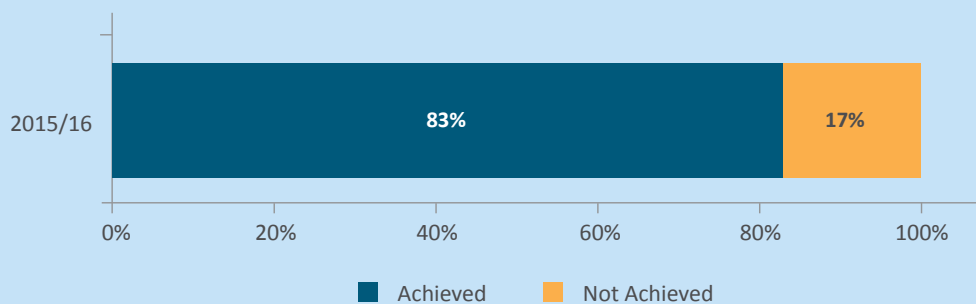
# We achieved **83%** of our performance targets

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, made up of both technical measures, like the number of days taken to process a building consent, and perception measures monitored through community satisfaction surveys. For the 2015/16 year, we set out 93 targets. A number of these are new targets which means we do not have the previous year's results available to compare against.

Of the 93 performance targets, we achieved 83%, or 77 targets, and did not achieve 16 targets.

Of the 16 measures that were not achieved, some showed relatively high, but below target, levels of community satisfaction. For example, satisfaction with roads in the District was 84%, but failed to meet our 89% target. Several measures that were not achieved were within 5% of the target range, including the time taken to start work on urgent water call-outs, and the proportion of telephone calls answered by the Customer Services team within 30 seconds.

Figure 5: Performance against level-of-service targets 2015/16





# Satisfaction with Council services continues to improve

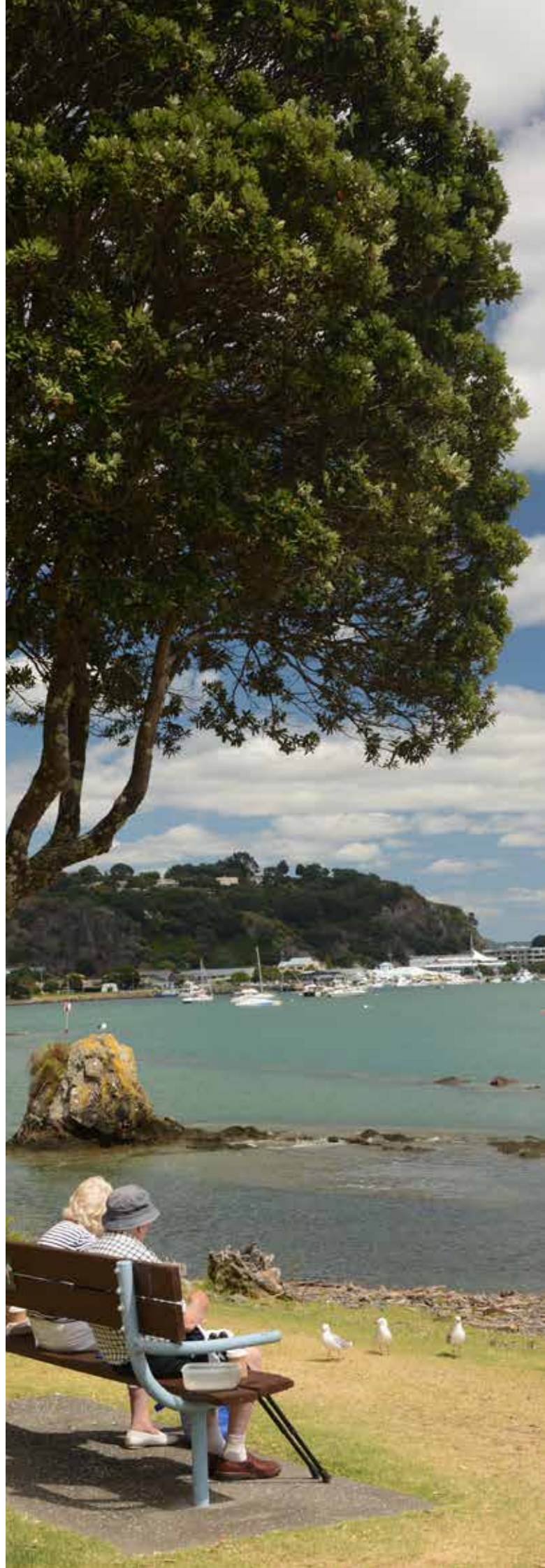
Every year, we survey of a random sample of 300 residents from our District to help gauge how satisfied people are with our services. This survey is called 'Communitrak' and is conducted on our behalf by an independent survey provider.

The latest Communitrak results (August 2016) show an improvement across many of the services and facilities we deliver, continuing a positive trend from the previous two surveys. The average score across all services and facilities covered by the survey was 78% in 2016 (78% of people very or fairly satisfied with the services or facilities). This compares to 77% for 2015 and 75% for 2014. The biggest improvements over the past three years have been for business and economic development related activities, stormwater services and engagement and consultation related factors.

In 2016, nine services and facilities ranked with a level of satisfaction over 90%. Amongst others this includes 'front desk customer service' (97% very/fairly satisfied), 'playgrounds' (94% very/fairly satisfied), 'Whakatāne Exhibition Centre' (94% very/fairly satisfied) and 'sewerage systems' (91% very/fairly satisfied). The services and facilities showing the highest levels of dissatisfaction in 2016 were stormwater services, business promotion, dog control and the quality of drinking water.

The survey continues to indicate that the community considers economic development related outcomes and services to be a priority for the Council. The survey also continues to indicate that the Whakatāne District has quality of life that is substantially better than the national average.

For more information, the results of the Whakatāne Residents Survey are available on our website.







# OUR WORK IN DETAIL

*Ngā mahinga whānui*







# Introduction to Our Work in Detail

## *Groups of activities*

The services and facilities we deliver are set out as activities, which are organised into different groups of activities. We review our activity structure each time we produce a Long Term Plan. This is the first Annual Report under the Long Term Plan 2015-25. As such, the following chapter reports back on the 37 activities and 11 groups of activities set out in that document. The groups of activities are:

- Leadership
- Roads & Footpaths
- Water Supply
- Sewage Treatment & Disposal
- Stormwater Drainage
- Solid Waste
- Environmental Sustainability
- Community Safety
- District Growth
- Recreation & Community Services
- Corporate & District Activities

## *Council Controlled Organisations*

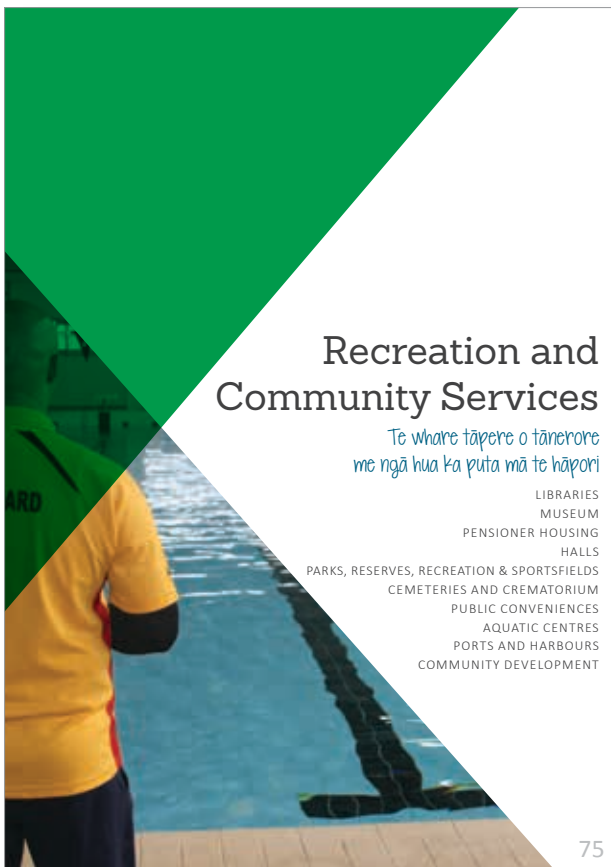
Council is also a shareholder or partner in four Council Controlled Organisations. These produce their own Annual Reports for each financial year, but summarised information is available in this chapter.

- Whakatāne Airport
- Bay of Plenty Local Authority Shared Services Limited (BoPLASS)
- Local Government Funding Agency (LGFA)

# What is in this chapter?



For each group of activities



## COVER PAGE

The cover page for each group of activities provides the name of the group and the activities undertaken within that group.

## FUNDING IMPACT STATEMENT

The Funding Impact Statement for each group of activities shows the budgeted and actual costs for the activities during the 2015/16 year. It also describes how the group of activities were funded, and includes information about our internal borrowing movements for the activities in 2015/16. An explanation of the categories used in these statements can be found later in this introduction.

### What these activities cost and how they were paid for

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – RECREATION AND COMMUNITY SERVICES

	LTP 2014/15 \$000*	LTP 2015/16 \$000	ACTUAL 2015/16 \$000		
<b>OPERATIONAL</b>					
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charges, rates penalties	9,151	9,001	8,377		
Targeted rates	35	16	14		
Subsidies and grants for operating purposes	285	458	361		
Fees and charges	1,265	1,339	1,394		
Internal charges and overheads recovered	1,749	1,012	1,069		
Local authorities fuel tax, fines, infringement fees, and other receipts	151	169	959		
<b>Total operating funding (A)</b>	<b>12,636</b>	<b>11,985</b>	<b>12,174</b>		
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	6,310	6,756	7,038		
Finance costs	765	688	603		
Internal charges and overheads applied	5,135	4,290	4,219		
Other operating funding applications	-	-	-		
<b>Total applications of operating funding (B)</b>	<b>12,210</b>	<b>11,744</b>	<b>11,860</b>		
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>426</b>	<b>251</b>	<b>314</b>		
<b>CAPITAL</b>					
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	37	382	166		
Development and financial contributions	87	-	(46)		
Increase (decrease) in debt	(4,658)	68	(3)		
Gross proceeds from sale of assets	5,294	625	2,500		
Lump sum contributions	-	-	-		
Other dedicated capital funding	-	-	-		
<b>Total sources of capital funding (C)</b>	<b>760</b>	<b>1,075</b>	<b>2,617</b>		
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure	-	279	250		
- to meet additional demand	-	-	-		
- to improve level of service	667	1,727	493		
- to replace existing assets	1,496	1,009	1,189		
Increase (decrease) in reserves	(977)	(1,689)	999		
Increase (decrease) of investments	-	-	-		
<b>Total applications of capital funding (D)</b>	<b>1,186</b>	<b>1,326</b>	<b>2,931</b>		
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(426)</b>	<b>(251)</b>	<b>(314)</b>		
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>OPENING 1 JULY 2015 \$</b>	<b>FUNDS BORROWED \$</b>	<b>FUNDS REPAID \$</b>	<b>CLOSING 30 JUNE 2016 \$</b>	<b>INTEREST \$</b>
Internal Borrowing	11,482,364	434,229	436,669	11,479,924	597,992

\*Figures for 2014/15 differ from those in the Long Term Plan 2012-22 as Council's activity structure was reviewed through the Long Term Plan 2015-15

# For each activity

## A YEAR IN REVIEW

This section outlines highlights and major developments for each activity in 2015/16, including the main projects that the activity delivered. Information about why we carry out that activity and what is planned for the next nine years can be found in the Long Term Plan 2015-25.

### Parks, Reserves, Recreation and Sportsfields

#### A year in review

**Tāneatua playground officially opens**  
In March 2016, Tāneatua's upgraded playground, at the Jack Knowles Reserve, was officially opened. A joint Tōhōe - Te Uru Taumatua and Whakatāne District Council project, the playground provides a great new family recreation asset for the Tāneatua and Rūdōki area. Key features include barbecue and picnic facilities, a climbing frame and play equipment for younger children and teen-focused activities such as a basketball half-court. Inspiration for the development came initially from Ngāi Tōhōe, who wished to use donations received after the 2007 police raids on the Rūdōki area to create a lasting and positive resource for those affected – especially local children.

**Reserve recognises former Mayor**  
In May 2016, the public space to the east of the Seascap subdivision at Port Ōhōpe was named the Bob Byrne Reserve, in recognition of former Mayor and Councillor Bob Byrne's significant contributions to the community. Bob Byrne was a Councillor on the former Whakatāne Borough Council from 1971 to 1976, including three years as Deputy Mayor. He then served as an elected member of the District Council from 1976 till 1989, the final three years as Mayor.

**Focus on volunteers**  
Over 2015/16, this activity has placed a strong focus on the efforts of volunteers. A Green Fingers Expo was held in April 2016, where around 60 people gathered in the Whakatāne Rose Gardens to listen to representatives from local care groups and Council staff talk about their work. After the expo, thirty new volunteers signed up for budding projects in our District.

**Key projects progress**  
A refresh of the Whakatāne CBD this year included the replanting of gardens and installation of new street furniture. The mural on the corner of Kakahono Drive and The Strand was also redeveloped. The Whakatāne Heritage Hiko, which aims to connect and celebrate significant cultural sites throughout Whakatāne, continued to progress during the year, and sections of the Ngā Tapawawe o Teo walkway linking Whakatāne and Ōhōpe were upgraded.

**Wairaka Centennial Park funding**  
In March 2016, the fundraising effort for the long-awaited Wairaka Centennial Park redevelopment reached the threshold required to get the project under way. The \$870,000 project aims to see the area developed into a major, family-friendly recreation destination.

**Freedom camping**  
A review of the Council's Public Places Bylaw this year resulted in the inclusion of camping provisions in line with the permissive approach taken by the Freedom Camping Act 2011. The Bylaw now permits overnight parking by self-contained vehicles except for in specified areas in which overnight parking is specifically restricted or prohibited.

The Bylaw identifies four areas that encourage overnight parking by self-contained vehicles: Maratotara Reserve, Port Ōhōpe Reserve, West End Reserve and car park (late December to end March) and the Muckster Street car park. Anihenua Reserve in Galatia remains an approved area for both self-contained and non-self contained camping.

For further information, please refer to the Public Places Bylaw, which is available on our website at [www.whakatane.govt.nz](http://www.whakatane.govt.nz).

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## COST OF SERVICE

In the Long Term Plan, a budget was set for the 2015/16 financial year for each of Council's activities. This table compares the budgeted cost and the actual cost of the activity for 2015/16, and explains any major variations between the two. An explanation of the categories used in these tables can be found later in this introduction.

### Community Outcomes

#### Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000	MAJOR VARIANCE EXPLANATION
Expenditure	3,581	3,539	42	Variance within 10% or \$20,000
Revenue	3,285	3,046	(239)	Variance within 10% or \$20,000
Net Cost of Service (Surplus/Deficit)	(296)	(493)	(197)	
Capital Expenditure	1,481	525	956	Wairaka Centennial Park project works commenced but not completed

Key: \$1 = Favourable \$2 = Unfavourable

#### Update on major capital projects

PROJECT	LTP 2015/16 BUDGET \$000	REVISED BUDGET \$000	ACTUAL SPEND \$000	PROGRESS
Walking and cycling projects	75	146	70	Projects and outside funding being finalised.
Harbour beautification	50	65	32	Behind schedule. Works programmed for 2016/17.
Coastal land acquisition	100	100	0	Project deferred to 2016/17.
Wairaka Centennial Park improvements	870	870	100	Detailed designwork completed and resource consent granted from Whakatāne District Council. Bay of Plenty Regional Council consent expected in 2016/17. Tendering process initiated. Total funding received by 30 June 2016 was \$170,000.
Dog park	50	50	2	Behind schedule. Fundraising required due to refinement of plan. Works programmed for 2016/17.

#### What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Assets are well maintained throughout all parks and recreational facilities to provide a high standard of appearance and functionality	User satisfaction with parks and reserves in the Whakatāne District	87-91% survey result	ACHIEVED 91% satisfaction (2014/15 result: 94%)
Adequate playgrounds are provided to meet the needs of users and are kept to a professional standard	User satisfaction with playgrounds in the Whakatāne District	85-89% survey result	ACHIEVED 94% satisfaction (2014/15 result: 89%)
Adequate sports fields/grounds are provided to meet the needs of users	User satisfaction with sports fields in the Whakatāne District	88-92% survey result	ACHIEVED 90% satisfaction (2014/15 result: 91%)
	Amount of active recreation space available in the District per 1,000 people	1.5 hectares	ACHIEVED 1.6 hectares per person (2014/15 result: 1.5 hectares)

\*Result provided for comparison only. Reporting methodology revised under the Long Term Plan 2015-25.  
\*\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.

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## 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 our budget and summarises the reasons for any major variances.

## WHAT WE DELIVERED

This section provides the results of our 93 performance targets for the year. Performance measures and targets were reviewed through the Long Term Plan 2015-25 (LTP), resulting in an increase in the number of reportable targets this year when compared to 2014/15, when there were 59. Some of the new measures are mandatory for all councils to report on, and were set by the Department of Internal Affairs.

Several performance measures relate to our annual 'Communitrak' perception survey. Unless noted, results are based on the percentage of respondents that are either 'very' or 'fairly' satisfied with a service or facility. If we are reporting on a perception measure for the first time under the LTP and thus do not have data for 2014/15, this is noted. In cases where results are available for the 2014/15, figures are provided for comparative purposes only. The results for two performance measures (in the Environmental Management – Consents and Building activities) are taken from a different annual survey. Results are based on a score out of one-hundred that represents the average level of satisfaction reported by respondents. You can find out more about both surveys on our website: [www.whakatane.govt.nz](http://www.whakatane.govt.nz).



# Explanation of categories in the Funding Impact Statements

Funding Impact Statements break 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.

## WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR - OPERATIONAL

### *Sources of Operating Funding (Revenue)*

General rates, uniform annual general charges, rates penalties	Revenue 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	Rates where the benefit or use of a service can be assigned to specific households or communities, such as water, 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 and charges	Includes admission charges for Council facilities and regulatory fees e.g. permits and dog registration.
Internal charges and overheads recovered	Charges 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 revenue from other sources generally not of a significant nature e.g. local authority petrol tax.
<b>Total Operating Funding</b>	<b>Total revenue from the day to day operation of this activity.</b>

### *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.
<b>Total Applications of Operating Funding</b>	<b>Total operating expenditure for this activity.</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>Total revenue less total expenditure.</b>



## WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR - 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.
<b>Total Sources of Capital Funding</b>	<b>Total capital funding for this activity.</b>


### 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 funds 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.
<b>Total Applications of Capital Funding</b>	<b>Total capital expenditure for this activity.</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>Sources of capital funding less applications of capital funding.</b>
<b>Funding Balance</b>	<b>Net operating funding less net capital funding.</b>

## 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	Revenue 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 below icons show the variance between the actual cost of each activity against what was budgeted 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

If variances for an activity are greater than 10% and \$20,000 of the Long Term Plan budget for 2015/16, an explanation will be provided.

Expenditure and revenue in the table includes different reclassification from interdepartmental transfers compared to the Statement of Revenue and Expense.

# Funding Impact Statement for Whole of Council

YEAR ENDED 30 JUNE 2016

	AP 2014/15 \$000	ACTUAL 2014/15 \$000	LTP 2015/16 \$000	ACTUAL 2015/16 \$000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charges, rates penalties	16,219	16,214	17,440	17,425
Targeted rates	23,075	20,173	23,158	23,005
Subsidies and grants for operating purposes	3,203	3,385	3,521	3,198
Fees and charges	7,825	9,974	6,986	7,020
Interest and dividends from investments	15	50	40	58
Local authorities fuel tax, fines, infringement fees, and other receipts	2,226	2,658	2,226	2,374
<b>Total operating funding (A)</b>	<b>52,563</b>	<b>52,454</b>	<b>53,370</b>	<b>53,080</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	38,122	40,047	39,380	40,736
Finance costs	2,470	2,268	2,645	2,099
Other operating funding applications	950	669	870	706
<b>Total applications of operating funding (B)</b>	<b>41,542</b>	<b>42,984</b>	<b>42,895</b>	<b>43,541</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>11,021</b>	<b>9,470</b>	<b>10,475</b>	<b>9,539</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	7,957	3,950	10,997	4,037
Development and financial contributions	465	492	87	(169)
Increase (decrease) in debt	6,300	(5,501)	9,951	(696)
Gross proceeds from sale of assets	500	21	625	2,595
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>15,222</b>	<b>(1,038)</b>	<b>21,660</b>	<b>5,766</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure				
- to meet additional demand	804	728	2,114	916
- to improve level of service	15,830	6,601	18,469	7,014
- to replace existing assets	8,765	9,184	10,446	8,260
Increase (decrease) in reserves	844	(8,081)	1,106	(855)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>26,243</b>	<b>8,432</b>	<b>32,135</b>	<b>15,305</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(11,021)</b>	<b>(9,470)</b>	<b>(10,475)</b>	<b>(9,539)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Leadership

*Te poumanukura*

GOVERNANCE  
COMMUNITY SUPPORT  
STRATEGY AND POLICY



# What these activities cost and how they were paid for

## FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – LEADERSHIP

	LTP 2014/15 \$000	LTP 2015/16 \$000	ACTUAL 2015/16 \$000		
<b>OPERATIONAL</b>					
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charges, rates penalties	2,468	2,521	2,333		
Targeted rates	281	318	312		
Subsidies and grants for operating purposes	-	-	-		
Fees and charges	-	-	-		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	3	2	200		
<b>Total operating funding (A)</b>	<b>2,752</b>	<b>2,841</b>	<b>2,845</b>		
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	1,732	1,867	1,749		
Finance costs	6	6	5		
Internal charges and overheads applied	965	966	935		
Other operating funding applications	-	-	-		
<b>Total applications of operating funding (B)</b>	<b>2,703</b>	<b>2,839</b>	<b>2,689</b>		
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>49</b>	<b>2</b>	<b>156</b>		
<b>CAPITAL</b>					
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-		
Development and financial contributions	-	-	-		
Increase (decrease) in debt	(6)	(6)	(6)		
Gross proceeds from sale of assets	-	-	-		
Lump sum contributions	-	-	-		
Other dedicated capital funding	-	-	-		
<b>Total sources of capital funding (C)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>		
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	-		
- to improve level of service	-	-	-		
- to replace existing assets	-	-	-		
Increase (decrease) in reserves	43	(4)	150		
Increase (decrease) of investments	-	-	-		
<b>Total applications of capital funding (D)</b>	<b>43</b>	<b>(4)</b>	<b>150</b>		
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(49)</b>	<b>(2)</b>	<b>(156)</b>		
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>OPENING 1 JULY 2015 \$</b>	<b>FUNDS BORROWED \$</b>	<b>FUNDS REPAID \$</b>	<b>CLOSING 30 JUNE 2016 \$</b>	<b>INTEREST \$</b>
Internal Borrowing	93,757	-	5,515	88,242	4,832

# Governance



## A year in review

### Supporting decision making

In 2015/16, this activity facilitated Council, Committee and Community Board meetings, ensured that agendas were published and publicly available on time, and prepared for the election.

### Planning for the future

Over the 2015/16 year, both as a full Council and as delegated Committees, the Mayor and Councillors made decisions on some major capital and strategic projects. Many of these were related to infrastructure options, like the Matatā wastewater project. Others, like the Awatarariki debris flow risk programme, aim to improve community resilience. Important decisions were also made in regards to future development in the District, especially relating to the Piripai land block and the District Plan. More information about decisions made this year is available in the 'Making Decisions' section of this Annual Report, and throughout this chapter.

### Representation review completed

In March 2016, the Local Government Commission ruled that the separate Community Boards for Whakatāne and Ōhope Beach should combine into a single board made up of eight members elected by the community, plus two appointed members of Council representing the ward. As a result, after the

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,683	1,685	(2)	\$	Variance within 10% or \$20,000
Revenue	1,683	1,676	(7)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	(9)	(9)	\$	

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
The Council makes decisions in an open, inclusive and transparent manner that supports the sustainable development and needs of the community	Satisfaction with the performance of the Mayor and Councillors	79-83% Survey Results	<b>X</b> <b>NOT ACHIEVED</b> 75% satisfaction (2014/15 result 77%*)

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.

2016 local government elections, the District will have four Community Boards, one for each ward. Existing subdivision arrangements for the Murupara Community Board were also confirmed.

### Community Board highlights

Community Boards granted \$144,000 to 65 applicants in 2015/16, as well as supporting their communities in a range of other ways. Highlights include:

**Rangitāiki Community Board** – recognised over 200 volunteers in the community by asking residents to nominate a volunteer to receive a voucher for a coffee and muffin from a local café.

**Murupara Community Board** – supported the new shared-use hall at the Murupara Area School, the playground at Aniwhenua Reserve and resident requests to close alleyways in Murupara to make the community safer.

**Ōhope Beach Community Board** – provided exercise equipment at Maraetōtara Reserve, financially supported the National Surf Lifesaving Championships and the Whakatāne-Ōhope walk and cycle way, and established a popular Facebook page.

**Whakatāne Community Board** – supported the representation review process to combine the Whakatāne and Ōhope Beach Community Boards, financially supported the Gorge Road section of the Whakatāne-Ōhope walk and cycle way, the Christmas Lighting Trail, and the Wairaka Centennial Park project.

**Tāneatua Community Board** – continued to hold meetings on a rotating basis at Tāneatua, Waimana, Rūātoki and Wainui, and financially supported the Tāneatua Christmas in the Park event.





## A year in review

### Delivering community events

Each year, the Community Support activity delivers events to support and celebrate the community. In 2015/16, 69 people received citizenship at four citizenship ceremonies held at the Civic Centre. In October 2015, 221 Young Achievers were recognised for their outstanding local, national, and international achievements. The Over 80s Morning Tea was held in December 2015. In April 2016, ANZAC Day commemorations were held across the District, with representative Councillors attending each event on behalf of the Council. Attendance at ANZAC commemorations has remained strong after last year's centennial commemoration. The Council's annual volunteer recognition evening in June 2016 saw 200 individuals or groups recognised for their outstanding contributions.

### Navy comes to town

In April 2016, the Royal New Zealand Navy's Littoral Warfare Unit (LWU) was granted the Freedom of the Whakatāne District Charter, which made Whakatāne the Unit's home port. This LWU provides hydrographic, 'clearance diving' and mine counter measure activities to ensure that harbours and inshore waters in New Zealand, and anywhere New Zealand Defence Forces are deployed, can be safely accessed. Another high profile speciality is the dive team's underwater search and rescue activities. Whakatāne will see regular visits from the LWU for a range of activities, including for important civic ceremonies such as the annual ANZAC Day commemorations.

### Granting community funding

In 2015/16, the Council provided \$50,000 to community groups providing a voluntary social service to residents of the District. Just under half of the total funding was granted to 13 groups who will receive annual grants for a three-year period, in line with the Long Term Plan.

The Council also granted \$60,000 over three years to water safety groups. Bay of Plenty Surf Lifesaving received the bulk of this, with \$48,000 allocated for a paid lifeguard service over the busy holiday period. The Whakatāne Surf Lifesaving Club and Whakatāne Coastguard also received \$6,000 each. In 2015/16, the Council provided \$83,000 to community groups leasing Council-owned property, to assist with payment of market rental costs.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	159	151	8	\$	Variance within 10% or \$20,000
Revenue	165	166	1	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	6	15	9	\$	

Key: \$ = Favourable    \$ = Unfavourable



## A year in review

### New-look Annual Plan adopted

Following public consultation, the Council adopted the Annual Plan for 2016/17 (Annual Budget Update 2016/17) in June 2016. About a third of the people who made submissions chose to do so via the Council's social media channels. Some of the key projects included in the Annual Plan are works to improve the water supply to Edgecumbe and Te Teko; the reinstatement of funding for Toi Economic Development Agency; major stormwater upgrades in Whakatāne; improvements to Tāneatua Road to reduce flooding; the redevelopments of Wairaka Centennial Park, the Whakatāne Museum, and the Commercial Wharf; and investigations into extended berthage for the Quay Street Wharf. The average rates increase for 2016/17 was reduced to 2.8%. The new look Annual Plan, Council's first since amendments were made to the Local Government Act in 2014, is publicly available on the Council website, [www.whakatane.govt.nz](http://www.whakatane.govt.nz). Hard copies are available at Council offices and libraries throughout the District.

### Fluoridation a hot topic

In February 2016, after intense debate, the Policy Committee voted to revoke a previous decision to stop fluoridating the Whakatāne and Ōhope water supply and not extend fluoridation to other community water schemes. Fluoride (in the form of hydrofluorosilicic acid) had been added to the Whakatāne and Ōhope water supply since 1972. In April 2016, Central Government decided to transfer decision-making about the fluoridation of drinking water supplies to District Health Boards.

### Gambling Policy reviewed

The Council's Gambling Policy was reviewed in 2015/16. The revised policy was adopted in May 2016, along with an updated social impact assessment of gambling in the Whakatāne District. A key change to the Gambling Policy is the addition of maps outlining permitted areas for new or relocating class 4 gambling venues. The policy also includes a new relocation clause, and sets a cap of 141 licensed gambling machines (pokies) in the District. This cap prevents the establishment of any new venues, or increases in the number of pokies at existing venues, until the number of licensed machines in the District falls below 141.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,044	900	144	☐	Salaries expense lower than expected due to vacancies
Revenue	994	1,003	9	☐	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(50)	104	154	☐	

Key: ☐ = Favourable ☐ = Unfavourable





# Roads and Footpaths

*Ngā huarahi ara rau*

TRANSPORT NETWORKS  
PARKING ENFORCEMENT

## What these activities cost and how they were paid for

### FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – ROADS & FOOTPATHS

	LTP 2014/15 \$000*	LTP 2015/16 \$000	ACTUAL 2015/16 \$000		
<b>OPERATIONAL</b>					
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charges, rates penalties	-	(14)	(13)		
Targeted rates	8,355	7,510	7,553		
Subsidies and grants for operating purposes	2,709	3,012	2,753		
Fees and charges	48	91	510		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	588	844	1,211		
<b>Total operating funding (A)</b>	<b>11,700</b>	<b>11,443</b>	<b>12,014</b>		
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	5,965	6,311	6,370		
Finance costs	674	639	548		
Internal charges and overheads applied	1,809	1,486	1,372		
Other operating funding applications	-	-	-		
<b>Total applications of operating funding (B)</b>	<b>8,449</b>	<b>8,436</b>	<b>8,290</b>		
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,252</b>	<b>3,007</b>	<b>3,724</b>		
<b>CAPITAL</b>					
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	4,117	5,917	3,766		
Development and financial contributions	73	-	(78)		
Increase (decrease) in debt	(1,094)	359	21		
Gross proceeds from sale of assets	-	-	-		
Lump sum contributions	-	-	-		
Other dedicated capital funding	-	-	-		
<b>Total sources of capital funding (C)</b>	<b>3,096</b>	<b>6,276</b>	<b>3,709</b>		
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	6		
- to improve level of service	2,883	3,460	3,225		
- to replace existing assets	4,780	6,124	4,030		
Increase (decrease) in reserves	(1,315)	(301)	172		
Increase (decrease) of investments	-	-	-		
<b>Total applications of capital funding (D)</b>	<b>6,348</b>	<b>9,283</b>	<b>7,433</b>		
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,252)</b>	<b>(3,007)</b>	<b>(3,724)</b>		
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>OPENING 1 JULY 2015 \$</b>	<b>FUNDS BORROWED \$</b>	<b>FUNDS REPAID \$</b>	<b>CLOSING 30 JUNE 2016 \$</b>	<b>INTEREST \$</b>
Internal Borrowing	10,193,212	863,067	841,829	10,214,451	547,616

\*Figures for 2014/15 differ from those in the Long Term Plan 2012-22 as Council's activity structure was reviewed through the Long Term Plan 2015-25





## A year in review

### Up and over!

A dual walk and cycle path between Whakatāne and Ōhope was completed in November 2015, following the widening of the Gorge Road section of the route. The five kilometre path provides a safer and more comfortable surface for walking, running and cycling between Whakatāne and Ōhope. It is hoped that the track will promote a more active and healthy community. The project began in 2013, and was carried out with funding support from Grassroots Trust, the Whakatāne and Ōhope Beach Community Boards, Nova Energy and the New Zealand Transport Agency.

### Street lighting projects

This year, work began on the installation of new LED lighting in the O'Rourke Place and Pyne Street car parks, a safety measure for people using these facilities outside of daylight hours. A successful, joint street-light maintenance contract with Nova Energy and the Kawerau District Council has been extended for another two years.

### Improvements to Wainui Road

Several improvements were completed on Wainui Road this year, continuing a program of works that started in 2014/15. The road surface was raised at the Cheddar Valley S-bends and four electronic curve warning signs were installed in the vicinity of Te Kooti road. The Council will partner with the New Zealand Transport Agency in 2016/17 to continue improvements in this area.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	15,064	14,499	565	Ⓢ	Variance within 10% or \$20,000
Revenue	16,951	15,453	(1,498)	Ⓢ	Subsidies and grants not received for capital projects that were not commenced in 2015/16
Net Cost of Service Surplus/(Deficit)	1,887	954	(933)	Ⓢ	
Capital Expenditure	9,584	7,262	2,322	Ⓢ	Re-prioritising and rescheduling of various projects. Expected funding for resilience improvements project not received.

Key: Ⓢ = Favourable Ⓢ = Unfavourable

### New signage for schools

A rural school signage upgrade project was completed this year at Otakiri, Waiohau, Thornton, Waimana, Paroa, and Rūātoki. Galatea and Te Teko schools were completed last year as part of an initial trial. In addition to new road signs, painted thresholds on the approaching traffic lanes display the word 'SCHOOL' or 'KURA.' New electronic 'School Zone' signs have also been installed for Allandale School and St Joseph's School in Whakatāne.

### Pedestrian crossing renewals

As part of a refresher of the Whakatāne Central Business District, five raised pedestrian crossings on The Strand were renewed this year. The work project for each crossing was designed to minimise the impact on pedestrians and traffic movement over each five-day period.

### Murupara footpath project successful








A complete survey of the footpaths in Murupara was undertaken this year at a cost of almost \$22,000. After footpath faults in the urban area were identified manually, an electronic assessment was undertaken to confirm the quality of the footpath network. The electronic assessment confirmed that the initial manual survey programme had been successful, identifying 99% of the faults in the network.

## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Cycle Facilities - Gorge Road	1,161	1,161	1,401	Works completed November 2015. Unexpected ground conditions caused overspend on this project.
Resilience Improvements - Financially Assisted (Hillcrest Slumps)	510	510	126	Budget carried forward to 2016/17. Tender awarded this year and physical works commenced in June 2016. Completion expected August 2016.
Sealed Road Resurfacing	1,993	1,993	1,676	Works completed. Costs under budget due to favourable contract prices.
Unsealed Road Metalling	738	738	783	Works completed. Overspend offset by savings in other projects.
Replacement or Upgrading of Bridge Related Assets	133	133	124	Works completed.

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Provide safe and reliable local transport networks to enable efficient and affordable transportation of people and goods	Satisfaction with roads in the District, excluding State Highways	89-93% Survey Results		<b>NOT ACHIEVED</b> 84% satisfaction (2014/15 result 89%)
	Average quality of ride on a sealed local road network – Smooth Travel Exposure**	89-93%		<b>ACHIEVED</b> 92% (2014/15 result: 93%)
	Percentage of sealed local road network that is resurfaced***	6-8% annually		<b>ACHIEVED</b> 6.3% resurfaced (2014/15 result: new measure)
	Percentage of footpaths within the Whakatāne District that fall within the level of service or service standard for the condition of footpaths set out in the Activity Management Plans***	100% of qualifying footpath faults will be scheduled for repair		<b>ACHIEVED</b> 100% scheduled for repair (2014/15 result: new measure)
	Percentage of customer service requests relating to roads and footpaths responded to within timeframes specified in the Long Term Plan***	100% of emergency requests responded to within two hours		<b>NOT ACHIEVED</b> 94.9%. Eight out of 158 calls were not recorded as being responded to within 2 hours. (2014/15 result: new measure)
		100% of urgent requests responded to within one day		<b>NOT ACHIEVED</b> 95.6%. Four out of 91 calls were not recorded as being responded to within one day. (2014/15 result: new measure)
		100% of non-urgent requests responded to within seven days		<b>ACHIEVED</b> 100% (2014/15 result: new measure)

\* Result provided for comparison only. New measure under the Long Term Plan 2015-25.

\*\* Smooth Travel Exposure indicates the ride quality experienced by motorists and shows the percentage of vehicle kilometres travelled on smooth, sealed roads.

\*\*\* Mandatory measure.

# Parking Enforcement



## A year in review

### Parking limits extended

During the 2015/16 year, some 128 parking places on Richardson Street, the northern end of Commerce Street and the car park to the west of the Civic Centre were changed from one-hour to two-hour parking. A further 66 all-day car parks on Pyne Street had a two-hour limit introduced. These changes are part of a series of Central Business District improvement projects.

In addition to the changes in parking restrictions, a '60-minute Parking Zone' has been introduced for The Strand and the adjoining areas where 60-minute restrictions remain. High profile signage has been installed at entry points to the parking zone and on-street signage minimised.

### Infringement reasons vary

A total of 2540 infringement notices were issued by Council's parking wardens in 2015/16, with 48% being for parking-related offences. The most common reasons for receiving a parking-related infringement were for parking over the time limit (798 infringements), parking on a broken yellow line (225 infringements), and using a disability park without a permit (61 infringements).

The remaining 52% of infringements issued this year were for Warrant of Fitness or registration-related offences, targeting unsafe cars on our roads.

Overall, around 500 less infringements were issued this year than in 2014/15.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	375	313	62	\$	General savings in all costs
Revenue	409	249	(160)	\$	Fines and parking fees lower than budgeted
Net Cost of Service Surplus/(Deficit)	34	(64)	(98)	\$	

Key: \$ = Favourable    \$ = Unfavourable

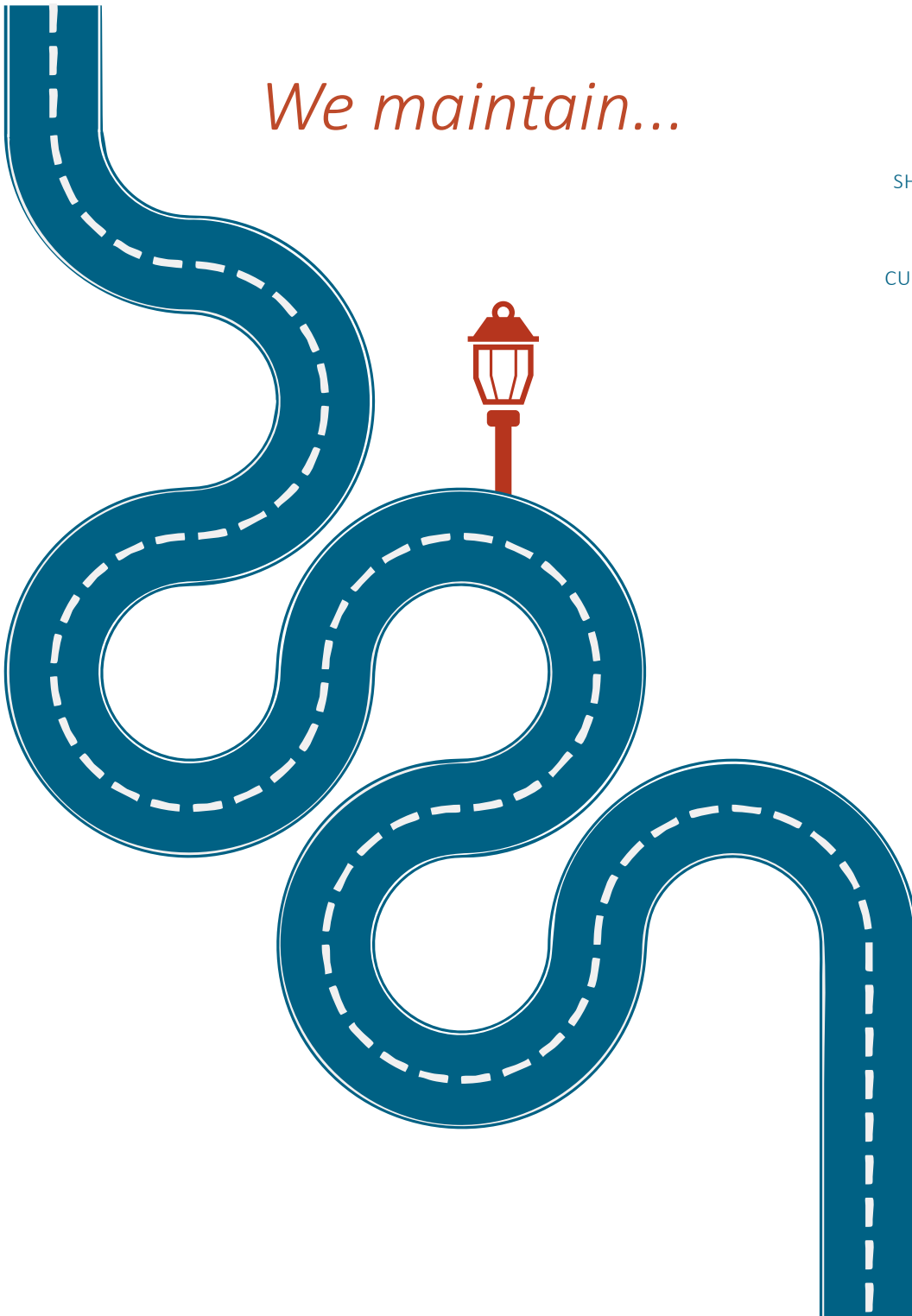
## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Parking enforcement maximises the availability of parking spaces and ensures vehicles are safe	Regular patrols are carried out in Whakatāne CBD	Two patrols per working day	<p><b>ACHIEVED</b> 2 patrols delivered each day (2014/15 result: new measure)</p>

# DID YOU KNOW?

*We maintain...*



908 km  
TOTAL ROAD NETWORK

702 km  
SEALED ROAD

206 km  
UNSEALED ROAD

8 km  
SHARED USE PATHWAYS

4720  
CULVERTS AND CESSPITS

3434  
STREETLIGHTS

192 km  
FOOTPATHS

259 km  
KERB AND CHANNEL

8240  
ROAD SIGNS

183  
BRIDGES

The image is a composite graphic. The top-left portion is a solid blue triangle. The bottom-left portion is a photograph of a water supply facility. In the foreground, there is a large, rusty metal handwheel for a valve, mounted on a metal post. The handwheel has a white circular label in the center with some text and a logo. In the background, there is a body of water, possibly a reservoir or a dam, with a concrete structure and some pipes visible. The far bank is covered in green grass and trees under a clear blue sky.

# Water Supply

*Ngā puna wai*

WATER SUPPLY



## What these activities cost and how they were paid for

### FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – WATER SUPPLY

	LTP 2014/15 \$000	LTP 2015/16 \$000	ACTUAL 2015/16 \$000		
<b>OPERATIONAL</b>					
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charges, rates penalties	-	1	1		
Targeted rates (other than a targeted rate for water supply)	2,219	5,005	4,790		
Subsidies and grants for operating purposes	-	-	-		
Fees, charges, and targeted rates for water supply	3,445	259	182		
Internal charges and overheads recovered	179	155	155		
Local authorities fuel tax, fines, infringement fees, and other receipts	12	23	3		
<b>Total operating funding (A)</b>	<b>5,855</b>	<b>5,443</b>	<b>5,131</b>		
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	1,582	1,714	1,641		
Finance costs	521	454	396		
Internal charges & overheads applied	2,115	1,940	1,936		
Other operating funding applications	-	-	-		
<b>Total applications of operating funding (B)</b>	<b>4,218</b>	<b>4,108</b>	<b>3,973</b>		
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,637</b>	<b>1,335</b>	<b>1,158</b>		
<b>CAPITAL</b>					
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	914	1,832	(188)		
Development and financial contributions	27	17	14		
Increase (decrease) in debt	(255)	448	(40)		
Gross proceeds from sale of assets	-	-	-		
Lump sum contributions	-	-	-		
Other dedicated capital funding	-	-	-		
<b>Total sources of capital funding (C)</b>	<b>686</b>	<b>2,297</b>	<b>(214)</b>		
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	44	50	49		
- to improve level of service	1,075	2,966	272		
- to replace existing assets	562	1,026	650		
Increase (decrease) in reserves	642	(410)	(27)		
Increase (decrease) of investments	-	-	-		
<b>Total applications of capital funding (D)</b>	<b>2,323</b>	<b>3,632</b>	<b>944</b>		
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,637)</b>	<b>(1,335)</b>	<b>(1,158)</b>		
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>OPENING 1 JULY 2015 \$</b>	<b>FUNDS BORROWED \$</b>	<b>FUNDS REPAYED \$</b>	<b>CLOSING 30 JUNE 2016 \$</b>	<b>INTEREST \$</b>
Internal Borrowing	7,498,064	400,601	441,258	7,457,407	395,642

# Water Supply



## A year in review

### Did you know?

There are 12,530 connections to the Council's networked water reticulation system.

### Edgecumbe and Te Teko water supply upgrades

In May 2016, the Council approved a water supply upgrade which will link the Edgecumbe and Te Teko community reticulation systems and ensure that their supplies meet national drinking water standards. The project will also allow both communities' water reticulation systems to be isolated from the Braemar Springs and Johnson Road bore sources. Works scheduled to begin in the 2015/16 year have been deferred to 2016/17.

A project to replace the water connections in Edgecumbe also commenced during the year. Through the adoption of the Annual Plan in June 2016, Council decided that water meters will be installed in Edgecumbe as part of this project.

### Learning about our water supply

In 2015/16, a number of school groups and Whakatāne Probus visited the Whakatāne water treatment plant, where they learned about the process of collecting, treating, and delivering water.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	6,067	5,673	394	\$	Variance within 10% or \$20,000
Revenue	7,137	4,802	(2,335)	\$	Subsidies not received for capital projects not commenced in 2015/16
Net Cost of Service Surplus/(Deficit)	1,071	(871)	(1,942)	\$	
Capital Expenditure	4,042	995	3,047	\$	Supply main from Paul Road rebudgeted for 2016/17

Key: \$ = Favourable \$ = Unfavourable

### New filtration system for Te Mahoe

In June 2016, a Te Mahoe water supply treatment upgrade was completed. A new, larger water filter system was installed inside a portable pump shed to provide better water quality and higher volumes. Funding assistance for this project was provided by the Ministry of Health.

### Safe water intake area established

This year, an agreement was reached with the Bay of Plenty Regional Council to establish a rock groin and flood protection around the emergency raw water intake for the Whakatāne Water Treatment Plant. The emergency intake is crucial during periods of drought and high salinity and is approximately 1.5 kilometres upstream of the treatment plant. In December 2015, during a large flood, the embankment was badly eroded. This compromised safe access to the barge and pump site for maintenance staff. A modified system for raw water intake will be under development in 2016/17.

## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Extension of water main for Shaw/Huna Road Residential Development	50	50	0	Planning undertaken. Works deferred to 2016/17.
Mill Road Development	150	150	67	Detailed design work completed. Works deferred to 2016/17.
Edgecumbe water supply - Supply Main from Paul Road bore	1,661	1,661	2	Preferred option finalised following public consultation. Rebudgeted for 2016/17.

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Provide safe and clean water to all properties within the District's water boundaries	<b>Safe drinking water -</b> a) percentage of the time drinking water supply complies with Part 4 of the Drinking Water Standards for all of the specified supplies (bacteria compliance criteria)*	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Plains / Te Mahoe	✓	<b>ACHIEVED</b> 98% for Tāneatua, 100% for all other schemes (2014/15 result 90%)
	<b>Safe drinking water -</b> b) percentage of the time drinking water supply complies with Part 5 of the Drinking Water Standards for all of the specified supplies (protozoal compliance criteria)*	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā	✓	<b>ACHIEVED</b> 100% for all schemes (2014/15 result 90%)
	<b>Customer satisfaction -</b> Total number of complaints, per 1,000 connections to the Council's networked reticulation system, received by the Council about –			
	a) drinking water clarity*	a) Less than 30 complaints per 1,000 connections	✓	<b>ACHIEVED</b> 1.92 complaints about drinking water clarity per 1,000 connections (2014/15 result: new measure)
	b) drinking water taste*	b) Less than 30 complaints per 1,000 connections	✓	<b>ACHIEVED</b> 0.32 complaints about drinking water taste per 1,000 connections (2014/15 result: new measure)
	c) drinking water odour*	c) Less than 30 complaints per 1,000 connections	✓	<b>ACHIEVED</b> 0.16 complaints about drinking water odour per 1,000 connections (2014/15 result: new measure)
	Satisfaction with the water supply	77-81% survey results	✓	<b>ACHIEVED</b> 82% satisfaction (2014/15 result: 85%**)
Provide incentives and opportunities for the community to reduce unnecessary consumption of water	Average consumption of drinking water per day per resident in the District*	280 litres per day per resident for metered areas	✓	<b>ACHIEVED</b> Average 270 litres per day per resident (2014/15 result: new measure)
	Average consumption of drinking water per day per resident in the District*	450 litres per day per resident for unmetered areas	✓	<b>ACHIEVED</b> Average 435 litres per day per resident (2014/15 result: new measure)

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Provide a continuous, appropriate and safe water system throughout the District's urban, residential and commercial areas	<b>Maintenance of reticulation -</b> Percentage of real water loss from our networked reticulation system*	Metered schemes – less than 20%	✓ <b>ACHIEVED</b> 19.6% (2014/15 result: new measure)
		Unmetered schemes – less than 50%	✓ <b>ACHIEVED</b> 48% (2014/15 result: new measure)
	<b>Fault response times:</b>		
	a) Median response time to attend urgent call-outs*	a) 80% < 1 hour	✗ <b>NOT ACHIEVED</b> 75.5% attended in less than 1 hour, median time from job received to work started 12 minutes (2014/15 result: new measure)
	b) Median response time to resolve urgent call-outs*	b) 80% < 10 hours	✓ <b>ACHIEVED</b> 89% resolved in less than 10 hours, median time from job received to job completed 4 hours 1 minute (2014/15 result: new measure)
	c) Median response time to attend non-urgent call-outs*	c) 80% < 4 days	✓ <b>ACHIEVED</b> 96.5% attended in less than 4 days, median time from job received to work started 37 minutes (2014/15 result: new measure)
	d) Median response time to resolve non-urgent call-outs*	d) 80% < 5 days	✓ <b>ACHIEVED</b> 80.9% resolved within 5 days, median time from job received to job completed 25 hours 34 minutes (2014/15 result: new measure)
	<b>Customer satisfaction -</b> Total number of complaints received, per 1,000 connections to the Council's networked reticulation system, by the Council about -		
	a) drinking water pressure or flow*	a) Less than 50 complaints per 1,000 connections	✓ <b>ACHIEVED</b> 4.55 complaints about drinking water pressure or flow per 1,000 connections (2014/15 result: new measure)
	b) continuity of supply*	b) Less than 50 complaints per 1,000 connections	✓ <b>ACHIEVED</b> 7.82 complaints about continuity of drinking water supply per 1,000 connections (2014/15 result: new measure)
	c) the local authority's response to any of these issues*	c) Less than 2 complaints per 1,000 connections	✗ <b>NOT ACHIEVED</b> 2.47 complaints about the Council's response per 1,000 connections (2014/15 result: new measure)
	Percentage of water supply systems (excluding Plains, Rūātoki and Edgecumbe) with adequate flow and pressure for firefighting purposes for urban residential properties, as defined by the firefighting standards	90%	✓ <b>ACHIEVED</b> 98% (2014/15 result: new measure)

\*Mandatory measure.

\*\*Result provided for comparison only. Reporting methodology revised under the Long Term Plan 2015-25.



## Compliance with specified New Zealand Drinking Water Standards by scheme

SCHEME	TOTAL COMPLIANCE - PART 4*	TOTAL COMPLIANCE - PART 5**	COMMENTARY	
Matatā	100%	100%	✓	<b>ACHIEVED</b> bacterial compliance criteria. <b>ACHIEVED</b> protozoal compliance criteria.
Rūātoki	100%	100%	✓	<b>ACHIEVED</b> bacterial compliance criteria. <b>ACHIEVED</b> protozoal compliance criteria.
Tāneatua	98%	100%	✓	<b>ACHIEVED</b> bacterial compliance criteria. <b>ACHIEVED</b> protozoal compliance criteria.
Te Mahoe	100%	100%	✓	<b>ACHIEVED</b> bacterial compliance criteria. <b>ACHIEVED</b> protozoal compliance criteria.
Waimana	100%	100%	✓	<b>ACHIEVED</b> bacterial compliance criteria. <b>ACHIEVED</b> protozoal compliance criteria.
Edgecumbe	100%	100%	✓	<b>ACHIEVED</b> bacterial compliance criteria. <b>ACHIEVED</b> protozoal compliance criteria.
Murupara	100%	-	✓	<b>ACHIEVED</b> bacterial compliance criteria. Not treated for protozoal compliance due to high level of water source quality.
Plains	100%	-	✓	<b>ACHIEVED</b> bacterial compliance criteria. Protozoal compliance not included as this is a primarily rural supply scheme.
Ōhope	100%	100%	✓	<b>ACHIEVED</b> bacterial compliance criteria. <b>ACHIEVED</b> protozoal compliance criteria.
Whakatāne	100%	100%	✓	<b>ACHIEVED</b> bacterial compliance criteria. <b>ACHIEVED</b> protozoal compliance criteria.

Results are based on monthly compliance with New Zealand Drinking Water Standards for micro-biological and protozoa limits.

\* Bacteria compliance criteria.

\*\* Protozoal compliance criteria.





# Sewage Treatment and Disposal

*Te tukuhanga o ngā parapara*

SEWAGE TREATMENT AND DISPOSAL

## What these activities cost and how they were paid for

### FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – SEWAGE TREATMENT AND DISPOSAL

	LTP 2014/15 \$000	LTP 2015/16 \$000	ACTUAL 2015/16 \$000		
<b>OPERATIONAL</b>					
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charges, rates penalties	15	23	21		
Targeted rates	2,673	2,687	2,692		
Subsidies and grants for operating purposes	-	-	-		
Fees and charges	196	147	100		
Internal charges and overheads recovered	152	63	84		
Local authorities fuel tax, fines, infringement fees, and other receipts	188	175	104		
<b>Total operating funding (A)</b>	<b>3,224</b>	<b>3,095</b>	<b>3,001</b>		
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	987	871	1,687		
Finance costs	398	479	347		
Internal charges and overheads applied	944	843	842		
Other operating funding applications	-	-	-		
<b>Total applications of operating funding (B)</b>	<b>2,329</b>	<b>2,193</b>	<b>2,876</b>		
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>895</b>	<b>902</b>	<b>125</b>		
<b>CAPITAL</b>					
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	3,603	2,509	120		
Development and financial contributions	181	44	(7)		
Increase (decrease) in debt	2,565	2,725	74		
Gross proceeds from sale of assets	-	-	-		
Lump sum contributions	-	-	-		
Other dedicated capital funding	-	-	-		
<b>Total sources of capital funding (C)</b>	<b>6,349</b>	<b>5,278</b>	<b>187</b>		
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	1,285	186		
- to improve level of service	6,210	4,613	331		
- to replace existing assets	469	650	363		
Increase (decrease) in reserves	565	(368)	(568)		
Increase (decrease) of investments	-	-	-		
<b>Total applications of capital funding (D)</b>	<b>7,244</b>	<b>6,180</b>	<b>312</b>		
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(895)</b>	<b>(902)</b>	<b>(125)</b>		
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>OPENING 1 JULY 2015 \$</b>	<b>FUNDS BORROWED \$</b>	<b>FUNDS REPAID \$</b>	<b>CLOSING 30 JUNE 2016 \$</b>	<b>INTEREST \$</b>
Internal Borrowing	6,331,898	270,120	196,467	6,405,552	347,258

# Sewage Treatment and Disposal



## A year in review

### Did you know?

There are 8,850 connections to the Council's sewerage system.

### Matatā wastewater project

In May 2015, the Environment Court declined the Council's resource consent application for a sewage treatment plant on a proposed site in Matatā. The Council decided not to appeal this decision, but instead to reassess alternative options in 2015/16. The preferred solution identified through that process is to pump raw sewage from Matatā to Edgecumbe; upgrade the Edgecumbe treatment ponds; pump the combined treated wastewater from both towns to the Whakatāne oxidation ponds (where UV treatment would be introduced); and to dispose of the treated wastewater via the Whakatāne scheme's existing ocean outfall. The estimated cost of this option is \$32 million, with the Matatā proportion being \$21 million. These figures include the \$3.2 million project cost to date. Committed funding to the project by external parties is \$6.7 million from the Ministry of Health and \$1.88 million from the Bay of Plenty Regional Council. A Business Case is being undertaken and is due to be completed by the end of 2016. Analysis to support the Business Case has reinforced the integrated option outlined above as being the best wastewater solution for Matatā. The results of the Business Case will determine the next step of the project, including options for additional external funding.

### Shaw/Huna and Mill Road projects

Plans to extend the Whakatāne sewage reticulation scheme to Shaw/Huna and Mill Roads this year have been deferred to 2016/17, and will now also include the installation of a 1330-metre water main pipe from around 31 Mill Road to the intersection of State Highway 30 and Huna Road. Water main works will also be undertaken at the eastern end of Mill Road.

### Treatment plant upgrades

Works commenced this year for the upgrade of sewage treatment plants in Ōhope, Whakatāne, and Edgecumbe. This included implementing measures for reducing odour, and the installation of a new screen in Whakatāne to increase the discharge rate. Investigations also began this year for options to upgrade the sewage treatment system in Tāneatua.

### Health and safety improvements

As part of a health and safety review during 2015/16, procedures and protocols at wastewater pump stations in the District have been modified for the safety of staff, contractors and the public. Other health and safety-related measures undertaken over the year include the installation of new walkways at Ōhope, Whakatāne and Edgecumbe.



## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,599	4,145	(546)	\$	Matatā wastewater project costs transferred to operational expenditure
Revenue	5,584	3,031	(2,553)	\$	Matatā wastewater subsidy not received
Net Cost of Service Surplus/(Deficit)	1,985	(1,114)	(3,099)	\$	
Capital Expenditure	6,548	880	5,668	\$	Matatā wastewater project transferred to operational expenditure

Key: \$ = Favourable    \$ = Unfavourable

## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Mill Road Development	150	150	67	Detailed design completed in 2015/16. Remainder of works deferred to 2016/17.
Matatā Wastewater Project - Treatment Plant & Reticulation	4,455	4,455	490	Project delayed by the Environment Court procedure. The Environment Court decision has meant the scope of the project is under review.
Shaw/Huna Road Development	50	50	0	Awaiting developer's proposal. Funds deferred to 2017/18 for completion of the project.
Upgrade Whakatāne Treatment Plant	10	10	26	Urgent works completed.
Upgrade Ōhope Treatment Plant and Pump Replacements	112	473	49	Pump replacements complete. Budget balance to be carried forward to 2016/17.



## What we delivered

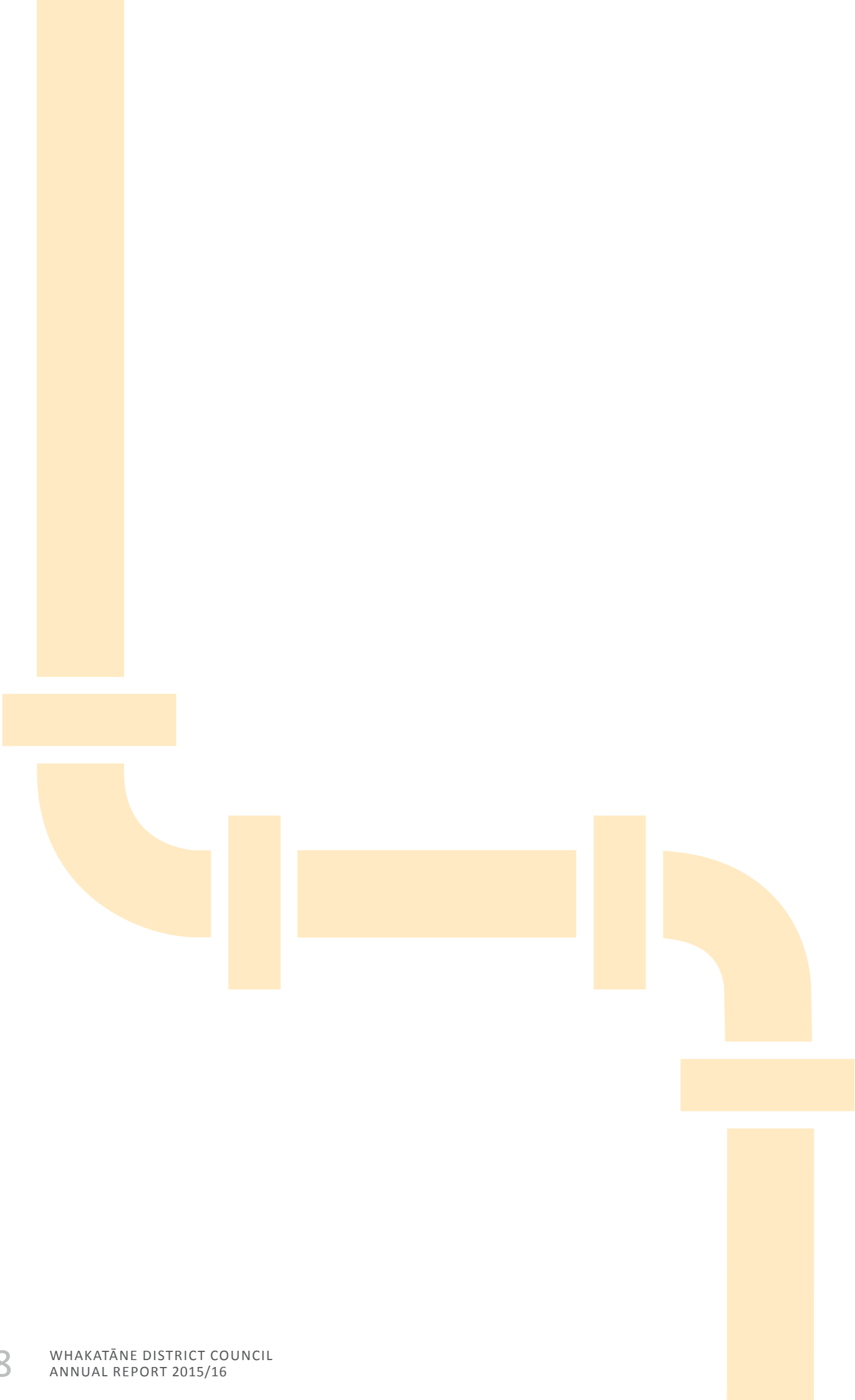
How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
To provide high quality, efficient and reliable sewerage systems that are affordable and meet the reasonable needs of the urban and commercial communities	User satisfaction with the sewage system	90-95% Survey Results	✓	<b>ACHIEVED</b> 91% satisfaction (2014/15 result: 83%*)
	Number of complaints received, per 1000 connections to the Council's sewerage system, about:			
	a) sewage odour**	a) Less than 25 complaints per 1,000 connections	✓	<b>ACHIEVED</b> 1.47 complaints about sewage odour per 1,000 connections (2014/15 result: new measure)
	b) sewerage system faults**	b) Less than 20 complaints per 1,000 connections	✓	<b>ACHIEVED</b> 13.67 complaints about sewerage system faults per 1,000 connections (2014/15 result: new measure)
	c) sewerage system blockages**	c) Less than 25 complaints per 1,000 connections	✓	<b>ACHIEVED</b> 6.67 complaints about sewerage system blockages per 1,000 connections (2014/15 result: new measure)
	d) the Council's response to issues with our sewerage system**	d) Less than 2 complaints per 1,000 connections	✓	<b>ACHIEVED</b> 0.45 complaints received about the Council's response per 1,000 connections (2014/15 result: new measure)
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system**	90% < 3 hours	✗	<b>NOT ACHIEVED</b> 70.3% attended within 3 hours, median time between job received and time work started 20 minutes (2014/15 result: new measure)
Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system**	90% < 10 hours	✗	<b>NOT ACHIEVED</b> 64.9% resolved within 10 hours, median time between job received and time work started 4 hours (2014/15 result: new measure)	
Reduce the environmental impact of sewage through an efficient and uninterrupted sewerage system	Number of dry weather sewerage overflows from the Council's sewerage system per 1,000 connections**	Less than 25 overflows per 1,000 connections	✓	<b>ACHIEVED</b> 21 dry weather overflows, equating to 2.37 overflows per 1,000 connections (2014/15 result: new measure)
	Number of:			
	a) abatement notices**	a) zero notices received	✓	<b>ACHIEVED</b> Zero notices received (2014/15 result: zero notices)
	b) infringement notices**	b) zero notices received	✓	<b>ACHIEVED</b> Zero notices received (2014/15 result: zero notices)
	c) enforcement orders**	c) zero orders received	✓	<b>ACHIEVED</b> Zero orders received (2014/15 result: zero orders)
d) convictions**	d) zero convictions received	✓	<b>ACHIEVED</b> Zero convictions received (2014/15 result: zero convictions)	
	received by the Council in relation to the resource consents for discharge from our sewerage systems.			

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.

\*\* Mandatory measure.







# Stormwater Drainage

*Te wai āwhiowhio me ōna rītenga*

STORMWATER DRAINAGE

## What these activities cost and how they were paid for

### FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – STORMWATER DRAINAGE

	LTP 2014/15 \$000	LTP 2015/16 \$000	ACTUAL 2015/16 \$000
<b>OPERATIONAL</b>			
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	408	341	317
Targeted rates	2,421	2,848	2,863
Subsidies and grants for operating purposes	-	-	50
Fees and charges	-	-	-
Internal charges and overheads recovered	2,102	1,096	1,221
Local authorities fuel tax, fines, infringement fees, and other receipts	215	193	59
<b>Total operating funding (A)</b>	<b>5,146</b>	<b>4,478</b>	<b>4,510</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	1,705	1,788	2,287
Finance costs	1,003	1,130	913
Internal charges and overheads applied	1,568	612	644
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,276</b>	<b>3,530</b>	<b>3,844</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>870</b>	<b>948</b>	<b>666</b>
<b>CAPITAL</b>			
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	123	26	(39)
Increase (decrease) in debt	1,387	3,522	3,933
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,510</b>	<b>3,548</b>	<b>3,894</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	3,129	4,890	2,088
- to replace existing assets	-	251	881
Increase (decrease) in reserves	(749)	(645)	1,591
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,380</b>	<b>4,496</b>	<b>4,560</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(870)</b>	<b>(948)</b>	<b>(666)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

	OPENING 1 JULY 2015 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2016 \$	INTEREST \$
Internal Borrowing	14,613,292	4,602,242	669,253	18,546,280	912,904

# Stormwater Drainage



## A year in review

### Did you know?

There are 9,510 connections to the Council's stormwater system.

### Apanui catchment upgrades

A major upgrade to the McAlister stormwater pump station commenced this year. New pumps will increase the station's pumping capacity by approximately 60 percent. In addition to this upgrade, a bypass culvert has been installed through the stop bank to convey water when the river level is low. This will reduce the flooding risk in the Apanui Catchment.

A new culvert at the western end of The Strand has also been completed. The drainage channel on both sides of the new culvert – between Pyne Street to the south and the McAlister pump station on the riverbank – will be widened in 2016/17 to increase the system's stormwater capacity. During the 2015/16 year, a number of swamp cypress trees growing in the Apanui canal reserve were removed in preparation for this work.

### Wainui Te Whara Stream flood mitigation works

A new 6-metre by 2.8-metre box culvert at the Douglas Street Bridge over the Wainui Te Whara Stream was completed this year. This work is part of a major project to reduce the risk of the stream overtopping and flooding nearby urban areas during extreme rainfall events. To date, this work has included the replacement of the Douglas Street and King Street culverts, the installation of sheet piling along a 140-metre section of the stream, and the replacement of five privately-owned bridges with new and longer single span bridges. Most of the stream's urban channel will be deepened and re-graded in the 2016/17 year.

### Tāneatua stormwater pipes targeted

In 2015/16, an ongoing focus for the Stormwater Drainage activity was the identification of blocked stormwater pipes in the Tāneatua area. These were cleared to reduce the risk of ponding and flooding in heavy rain events.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,548	3,683	(135)	\$	Variance within 10% or \$20,000
Revenue	3,407	3,251	(156)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(141)	(432)	(291)	\$	
Capital Expenditure	5,141	2,969	2,172	\$	Wainui Te Whara and Ōhope stormwater projects incomplete

Key: \$ = Favourable \$ = Unfavourable

## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Stormwater upgrades for Shaw/Huna Road development	50	50	0	Awaiting proposal from developers for stormwater disposal. Project deferred to 2017/18.
Wainui Te Whara - Flood Mitigation	2,420	2,420	1,470	Douglas Street culvert installed. Works on King Street culvert and sheet piling of stream bank sections commenced. Five private bridges replaced. Widening and deepening of channel will commence in 2016/17. Remaining funds carried forward to 2016/17.
Stormwater upgrades in Apanui catchment.	1,800	1,800	1,083	This project has two stages. The first stage is to install a bypass culvert on the eastern side of the pump station, and the second stage is to upgrade the pump station structure and pumps. Both stages will be completed in 2016/17. Remaining funds have been carried forward to 2016/17.
Pohutukawa Avenue/Harbour Road upgrades	500	500	17	Project expected to be completed in 2016/17.
Ōhope Stormwater Upgrade (Millers Stream)	150	150	0	Resource Consent application submitted. Physical works to be completed in 2016/17 under roading budget.

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Provide safe and reliable urban stormwater systems throughout Whakatāne District's urban areas, to protect properties and transport links from flooding	Number of flooding events in the District, and for each event, number of habitable floors affected*	Less than 4 events. Less than 10/1000 habitable floors affected per event.	✓	<b>ACHIEVED</b> Zero flooding events affecting habitable floors (2014/15 result: new measure)
	The median response time to attend a flooding event*	80% < 3 hours	✗	<b>NOT ACHIEVED</b> 73.9% attended within 3 hours, median time from job received to work started 25 minutes (2014/15 result: new measure)
	Number of complaints received about the performance of the stormwater system per 1,000 connections to the Council's stormwater system*	Less than 10 complaints per 1,000 connections	✗	<b>NOT ACHIEVED</b> 11.36 complaints about the performance of the stormwater system per 1,000 connections (2014/15 result: new measure)
Reduce the environmental impact of stormwater through an efficient and uninterrupted urban stormwater system	Number of:			
	a) abatement notices*	a) zero notices	✓	<b>ACHIEVED</b> Zero notices received (2014/15 result: zero notices)
	b) infringement notices*	b) zero notices	✓	<b>ACHIEVED</b> Zero notices received (2014/15 result: zero notices)
	c) enforcement orders*	c) zero orders	✓	<b>ACHIEVED</b> Zero orders received (2014/15 result: zero orders)
	d) convictions* received by the Council in relation to the resource consents for discharge from our stormwater system	d) zero convictions	✓	<b>ACHIEVED</b> Zero convictions received (2014/15 result: zero convictions)

\* Mandatory measure.



# Solid Waste

*Ngā parapara*

SOLID WASTE



## What these activities cost and how they were paid for

### FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – SOLID WASTE

	LTP 2014/15 \$000	LTP 2015/16 \$000	ACTUAL 2015/16 \$000		
<b>OPERATIONAL</b>					
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charges, rates penalties	517	989	921		
Targeted rates	3,779	4,342	4,346		
Subsidies and grants for operating purposes	107	-	34		
Fees and charges	1,438	800	706		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	76		
<b>Total operating funding (A)</b>	<b>5,841</b>	<b>6,131</b>	<b>6,083</b>		
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	4,498	4,932	4,649		
Finance costs	272	227	196		
Internal charges and overheads applied	775	705	647		
Other operating funding applications	-	-	-		
<b>Total applications of operating funding (B)</b>	<b>5,545</b>	<b>5,864</b>	<b>5,492</b>		
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>296</b>	<b>267</b>	<b>591</b>		
<b>CAPITAL</b>					
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	100	173		
Development and financial contributions	9	-	(13)		
Increase (decrease) in debt	(218)	(239)	(239)		
Gross proceeds from sale of assets	-	-	-		
Lump sum contributions	-	-	-		
Other dedicated capital funding	-	-	-		
<b>Total sources of capital funding (C)</b>	<b>(209)</b>	<b>(139)</b>	<b>(79)</b>		
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	210	263		
- to improve level of service	16	50	136		
- to replace existing assets	-	-	-		
Increase (decrease) in reserves	71	(132)	113		
Increase (decrease) of investments	-	-	-		
<b>Total applications of capital funding (D)</b>	<b>87</b>	<b>128</b>	<b>512</b>		
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(296)</b>	<b>(267)</b>	<b>(591)</b>		
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>OPENING 1 JULY 2015 \$</b>	<b>FUNDS BORROWED \$</b>	<b>FUNDS REPAID \$</b>	<b>CLOSING 30 JUNE 2016 \$</b>	<b>INTEREST \$</b>
Internal Borrowing	3,800,382	-	238,785	3,561,597	195,878



## A year in review

### Did you know?

You can drop off your recycling at either of the Council's transfer stations for no charge.

### Greenwaste processing site complete

Capital works on the new Keepa Road greenwaste composting site were completed by the end of 2015/16, and the facility has subsequently become fully operational. In the past, greenwaste was collected and then sent to Kawerau for composting. The new facility will allow greenwaste to be processed within the District, saving around \$90,000 a year in transport costs.

### New contract secured

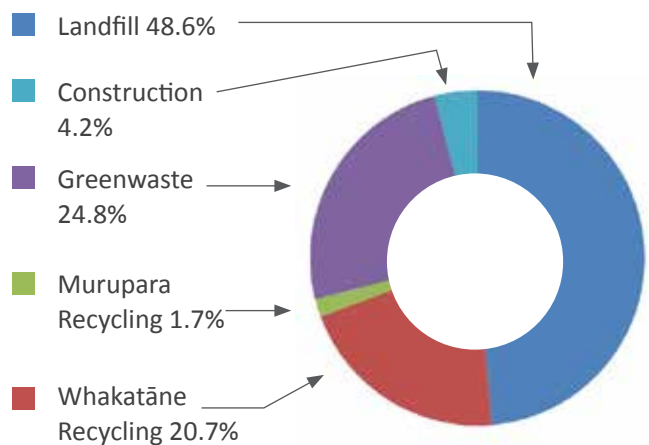
A new contract with Waste Management Limited was finalised this year, and will take effect on 1 October 2016. The contract will see the Solid Waste activity achieving better environmental and service outcomes, and result in a total saving of around \$250,000 a year.

Key benefits of the new contract include the transport of recyclables from the Murupara transfer station as part of kerbside collection operations, improved odour control at the Whakatāne transfer station, diversion of untreated wood-waste from landfill to be used as fuel, and school recycling being collected free of charge. A change to a two-stream, 'glass out' recycling system will also see existing 60-litre recycling crates used only for glass and a new 240-litre wheelie bin supplied to households for all other recyclables, including grade 1-7 plastics (previously only grades 1 and 2 were recycled). Under this contract, for the first time, Council will receive revenue from recycled materials.

Procurement of the new contract involved both the Rotorua Lakes Council and the Kawerau District Council. From 1 October 2016, at least one truck will be shared with Kawerau, reducing costs for both councils.

## Major recycling milestone reached

For the 2015/16 year, recycling made up more than 50% of the District's total solid waste (by weight) for the first time. That meant less than half (48.6%) of all solid waste was sent to landfill, a major achievement. The amount of waste sent to landfill each year has been progressively reducing, and in 2014/15 was 51.6%. Further improvements in this area are expected as a result of the new Waste Management contract.



## School waste programme popular

In partnership with Waste Education NZ Ltd., a school waste education programme was implemented this year. Funded by the Council through the Ministry of Environment Waste Levy Fund, the programme sees tutors visiting schools to deliver age-appropriate waste education. Thirteen schools received the programme this year and around 20 more have registered interest.

## Waste Management and Minimisation Plan charges ahead

In June 2015, the Waste Management and Minimisation Plan set a range of tasks for the Solid Waste activity to complete over six years. Many of these have already been actioned in 2015/16, including a review of services in line with Local Government Act requirements, implementing an agricultural hazardous waste recovery system, and work towards developing bylaws under regional partnerships.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	5,945	5,530	415	\$	Variance within 10% or \$20,000
Revenue	6,231	6,243	12	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	286	713	427	\$	
Capital Expenditure	260	399	(139)	\$	Tender for greenwaste processing plant higher than expected

Key: \$ = Favourable \$ = Unfavourable

## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Greenwaste Processing Plant	200	200	346	Capital works completed. External funding secured which has offset additional expenditure as well as reducing original budgeted project cost.

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Waste Minimisation is actively promoted within the community	Decrease in the amount of Council controlled solid waste that is sent to landfill	11,000 tonnes sent to landfill	✓	<b>ACHIEVED</b> 10,152 tonnes sent to landfill (2014/15 result: new measure)
The community has access to affordable kerbside collection, waste disposal and recycling facilities	User satisfaction with refuse disposal (transfer station facilities)	85-87% survey result	✓	<b>ACHIEVED</b> 85% user satisfaction (2014/15 result: 86%*)
	User satisfaction with the kerbside waste collection service	89-93% survey result	✓	<b>ACHIEVED</b> 89% user satisfaction (2014/15 result: 89%*)

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.





# Environmental Sustainability

*Te pūtaiao*

RESOURCE MANAGEMENT – POLICY  
RESOURCE MANAGEMENT – CONSENT



## What these activities cost and how they were paid for

### FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – ENVIRONMENTAL SUSTAINABILITY

	LTP 2014/15 \$000	LTP 2015/16 \$000	ACTUAL 2015/16 \$000
<b>OPERATIONAL</b>			
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	1,771	1,579	1,470
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	448	275	262
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	157	101	134
<b>Total operating funding (A)</b>	<b>2,376</b>	<b>1,955</b>	<b>1,866</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	1,429	1,017	1,134
Finance costs	155	185	161
Internal charges and overheads applied	607	618	589
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,191</b>	<b>1,820</b>	<b>1,884</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>185</b>	<b>135</b>	<b>(18)</b>
<b>CAPITAL</b>			
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(136)	(241)	(241)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(136)</b>	<b>(241)</b>	<b>(241)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	49	(106)	(259)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>49</b>	<b>(106)</b>	<b>(259)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(185)</b>	<b>(135)</b>	<b>18</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

	OPENING 1 JULY 2015 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2016 \$	INTEREST \$
Internal Borrowing	3,129,899	-	241,468	2,888,431	161,320

# Resource Management – Policy

## Community Outcomes



Leadership

Roads and Footpaths

Water Supply

Sewage Treatment and Disposal

Stormwater Drainage

Solid Waste

Environmental Sustainability

Community Safety

District Growth

Recreation and Community Services

Corporate and District Activities

Council Controlled Organisations

## A year in review

### District Plan revision advances

On 4 December 2015, Council made decisions on the Proposed District Plan. From this date, staff considered resource consent applications against both the Operative Plan and the Proposed District Plan ('Amended by Decisions' version). Those who had previously made submissions on the proposed changes had until 5 February 2016 to appeal the decisions to the Environment Court, if they wished to do so. As of June 30 2016, mediation is continuing on a small number of appeals.

In March 2016, the Environment Court released an interim decision rejecting an appeal to overturn the District Plan Hearing Commissioners' findings relating to the subdivision and development of land at Piripai. The Court has since confirmed that its interim decision is final, allowing sale and development opportunities for the land to be advanced.

### Town Vision Plan reviewed

This year, a review of the Town Vision Plan for Whakatāne was initiated. The Town Vision Plan provides a strategic, long-term vision for how the Whakatāne Town Centre might look in the future. The review will ensure that existing and future project plans align with this vision, and will inform future council decisions on property management. The project will be completed in 2016/17.

## Cost of service

	LTP 2015/16 \$'000	ACTUAL 2015/16 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	899	1,093	(194)	\$	District Plan project over budget due to consultants and legal fees.
Revenue	991	996	5	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	92	(97)	(189)	\$	

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Growth and development is planned while our natural and physical resources are managed in a sustainable manner	Status of second generation Whakatāne District Plan	Decisions released October 2015	<p><b>NOT ACHIEVED</b></p> <p>Decisions released on 4 December, 2015. Delay occurred to give sufficient time to ensure accuracy throughout decision documents. (2014/15 result: hearings in progress)</p>

# Resource Management – Consents



## A year in review

### Resource consent applications

The Resource Management team made decisions on 131 resource consent applications during 2015/16. This included 60 consents for subdivisions. Several applications for residential development have been approved for the Coastlands area, and an eight lot industrial subdivision has been approved on Mill Road. No judicial review requests have been received on any applications processed this year. Relatively low numbers of resource consent applications have been noted since the global economic recession, however there has been an increase in the number of consents received this year when compared to 2014/15.

### Providing planning advice

As well as processing resource consents, this activity provides the community with information and advice on planning issues through a 'duty planner' system. Customers are encouraged to phone in to the council or visit the Civic Centre in Whakatāne to speak to a duty planner in the early stages of planning their project. The duty planner will ensure that any resource consent requirements are clear, or alternatively advise ways in which the project could progress without the need for a resource consent. In most cases there is no charge for this service.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	965	835	130	\$	Salaries and recoverable expenses under budget
Revenue	965	870	(95)	\$	Expense recoveries under budget
Net Cost of Service Surplus/(Deficit)	-	35	35	\$	

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Resource Management Act (RMA) administrative services are provided to facilitate environmentally sustainable development within the Whakatāne District	User satisfaction with Council's resource consent process (Customer Satisfaction Index score sourced from targeted postal survey)	61-65/100	✓	<b>ACHIEVED</b> 79.3/100 (2014/15 result 61.7/100)
	Time for processing non-notified land-use resource consents	15 days	✓	<b>ACHIEVED</b> 10.08 days average (2014/15 result 17.2 days)
	Time for processing non-notified subdivision resource consents	20 days	✓	<b>ACHIEVED</b> 12.37 days average (2014/15 result 4.4 days)
	Land use consents granted in the previous financial year are monitored for compliance with conditions of consent	100%	✓	<b>ACHIEVED</b> 100% monitored (2014/15 result: 100%)



# Community Safety

*Te whakamaru o tū*

LICENSING (ALCOHOL AND GAMBLING)  
ENVIRONMENTAL HEALTH  
REGULATION MONITORING  
BUILDING  
ANIMAL CONTROL  
EMERGENCY MANAGEMENT

## What these activities cost and how they were paid for

### FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – COMMUNITY SAFETY

	LTP 2014/15 \$000*	LTP 2015/16 \$000	ACTUAL 2015/16 \$000
<b>OPERATIONAL</b>			
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	1,312	1,640	1,526
Targeted rates	-	-	-
Subsidies and grants for operating purposes	66	5	-
Fees and charges	1,278	1,075	1,043
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	522	400	470
<b>Total operating funding (A)</b>	<b>3,177</b>	<b>3,120</b>	<b>3,039</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	1,868	1,851	2,257
Finance costs	2	-	-
Internal charges and overheads applied	968	1,144	1,104
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,838</b>	<b>2,995</b>	<b>3,361</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>339</b>	<b>125</b>	<b>(322)</b>
<b>CAPITAL</b>			
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(5)	(2)	(2)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(5)</b>	<b>(2)</b>	<b>(2)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	19	16
- to replace existing assets	-	-	-
Increase (decrease) in reserves	333	104	(340)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>333</b>	<b>123</b>	<b>(324)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(338)</b>	<b>(125)</b>	<b>322</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

	OPENING 1 JULY 2015 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2016 \$	INTEREST \$
Internal Borrowing	5,526	-	1,736	3,790	285

Figures for 2014/15 differ from those in the Long Term Plan 2012-22 as Council's activity structure was reviewed through the Long Term Plan 2015-25



# Licensing (Alcohol and Gambling)

Community Outcomes



Leadership

Roads and Footpaths

Water Supply

Sewage Treatment and Disposal

Stormwater Drainage

Solid Waste

Environmental Sustainability

Community Safety

District Growth

Recreation and Community Services

Corporate and District Activities

Council Controlled Organisations

## A year in review

### Local Alcohol Policy comes into effect

The joint Local Alcohol Policy (LAP) of the Kawerau, Ōpotiki and Whakatāne District Councils came into effect on 18 March 2016. The LAP aims to reduce alcohol-related harm across the three districts while balancing the economic benefits that the alcohol industry provides to the Eastern Bay of Plenty. The Local Alcohol Policy applies to any licensing application made to a District Licensing Committee in the Eastern Bay of Plenty region.

Included in the LAP are; maximum hours for off-licence and on-licence premises, mandatory host responsibility policies for all on-licence premises, a requirement for the District Licensing Committee to consider the proximity of any sensitive locations to a proposed licenced venue, and a number of discretionary conditions that the Committee may consider when issuing or renewing licenses.

### License application numbers on the rise

In 2015/16, the District Licensing Committee received 306 applications, an increase from 288 applications received in 2014/15. Decisions were made on 295 applications. While there were changes of ownership over the year constituting a new license, there were no licenses granted for completely new premises. There are currently 90 licensed premises in the District, and 267 people hold manager's certificates.

There were no public hearings regarding licensed premises in 2015/16. Although a hearing was planned for June 2016 regarding an off-licence application in Murupara, this did not eventuate and the application was withdrawn.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	192	173	19	\$	Variance within 10% or \$20,000
Revenue	192	191	(1)	\$	Variance within t10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	18	18	\$	

Key: \$ = Favourable \$ = Unfavourable

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Licensed premises comply with the Sale and Supply of Alcohol Act 2012	Regular inspection of licenced premises	100% annually	<b>ACHIEVED</b> 100% of licensed premises inspected (2014/15 result: 100%)
	Regular controlled purchase operations are conducted	2 operations annually	<b>NOT ACHIEVED</b> No operations were initiated (2014/15 result: 2 operations)



## A year in review

### Legislative change for the food industry

The Food Act 2014 came into force on 1 March 2016, bringing with it new requirements for all businesses that make, sell, grow, transport or trade in food, and to businesses that serve food, such as school canteens or clubs. Further legislation, the Food Regulations 2015, also came into force on 1 March 2016. These changes have resulted in a major transition for the food industry. By February 2019, all food premises will be required to be operating specific, risk-management based systems to ensure food is safe and suitable for human consumption. The way in which premises are licensed, regulated and charged has also changed. Council is committed to working through the impact of this legislation with food premises in the District by facilitating education and upskilling over the transition period. An associated increase in the workload for the Environmental Health activity has resulted in a need for further staff resourcing, and a new Environmental Health Officer will be appointed in 2016/17. This role will be shared with Kawerau District Council, and will work with Council's regional partners.

### Contaminated sites

Over the year, Council met with the Bay of Plenty Regional Council to discuss plans for more active management of sites in the District which do not meet national environmental soil standards. This includes the stabilisation of Council-owned contaminated sites. These meetings will continue over the next financial year.

### Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	254	242	12	\$	Variance within 10% or \$20,000
Revenue	273	269	(4)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	19	27	8	\$	
Capital Expenditure	19	16	3	\$	Variance within 10% or \$20,000

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Community Environmental Health values are maintained or enhanced	After hours excessive noise complaints responded to promptly*	87%	<b>ACHIEVED</b> 98.3% of complaints responded to promptly (2014/15 result: 93.6%**)
	Environmental health complaints (excluding noise) responded to in a timely manner	100% within 2 working days	<b>NOT ACHIEVED</b> 81% - additional staff resource will assist to improve this figure in future (2014/15 result: new measure)
	Food premises are regularly inspected and registrations are issued	100% annually	<b>ACHIEVED</b> 100% of food premises inspected (2014/15 result: new measure)

\* Promptly is defined as responding to excessive noise complaints within the following timeframes:

AREA	DEFINITION OF AREA	TIME
Area 1	Ōhope, Whakatāne, Tāneatua, Coastlands, Awakeri, Thornton Road to Golf Links Road	< 60 minutes
Area 2	Edgecumbe, Matatā, Ōtamarākau, Manawahe, Otakiri, Onepū, Te Teko, Te Mahoe and Wainui to the Ōpōtiki intersection	< 100 minutes
Area 3	Murupara, Galatea & Environs	< 120 minutes

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.



## A year in review

### Illegal dumping continues

The illegal dumping of rubbish – or ‘fly tipping’ – continues to be an issue in our District. This can result in considerable clean-up costs for the Council, when contractors are involved in rubbish removal. Where possible, the Regulation Monitoring activity utilises Corrections crews to collect dumped rubbish and dispose of it properly at the Whakatāne or Murupara transfer stations. This results in no cost to Council and provides a positive community outcome. Over one two-week period in 2015/16, three truckloads of rubbish were collected from around the District and disposed of by Corrections crews. In fly-tipping cases where there is a clear indication of who the rubbish belongs to, Council follows up and issues fines or invoices the dumpers for the cost of cleaning up the mess.

### Enforcing bylaws

Over the year, Council has continued to respond to concerns raised by the community about breaches of Council bylaws. Most commonly, these involve the encroachment of vegetation onto footpaths, overgrown properties presenting a fire risk, stock control, and abandoned vehicles. The number of abandoned vehicles in the District has increased slightly in 2015/16, possibly due to a reduction in the value of scrap steel.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	51	57	(6)	\$	Variance within 10% or \$20,000
Revenue	51	54	3	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	(3)	(3)	\$	

Key: \$ = Favourable \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
The Council administers and enforces bylaws to deal with issues that create nuisance to the community	Time taken to respond to complaints relating to abandoned cars, litter, or general bylaw offences	100% within 2 working days	<b>ACHIEVED</b> 100% responded to within 2 working days (2014/15 result: 100% within 2 working days)



## A year in review

### Consent numbers increase

During the 2015/16 year, the Building team issued 480 building consents for work with a total value of over \$43 million. Of those consents, 86 were for new or relocated dwellings. While the number of building consents issued in 2015/16 was higher than in 2014/15, the value of work was far higher in 2014/15, due to a number of high-cost developments.

As well as processing building consents for the Whakatāne District, Building Control Officers undertook 1,834 inspections in our District, and provided building services to the Kawerau District Council.

### Earthquake-prone buildings project

Due to uncertainties around the legislative provisions and assessment methodologies relating to earthquake-prone buildings, this year the Council largely placed on hold seismic assessments of building stock in the District, including its own buildings. Additional geotechnical investigations were carried out for the Civic Centre, water treatment plant building, and the Whakatāne Airport to support the detailed seismic assessments of these structures. The Awakeri Hall also had a detailed seismic assessment.

Parliament recently passed amendments to the earthquake-prone building provisions of the Building Act and, in particular, the requirement for the Ministry of Business, Innovation and Employment (MBIE) to develop methodologies for the assessment of the seismic capacity of existing buildings. MBIE has two years to release the approved methodologies. Some revisions have been made to existing assessment methodologies and these are being made available as they are completed. The revised methodologies offer significant savings in the cost of strengthening solutions. The Council wishes to take advantage of this and will continue to monitor further development of the methodologies before applying them to inform asset investment decisions.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,565	1,752	(187)	\$	Unbudgeted expenditure funded out of operational reserve
Revenue	1,565	1,522	(43)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	(230)	(230)	\$	

Key: \$ = Favourable \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
High quality outcomes for building consent and code compliance applications are provided in a timely and professional manner	User satisfaction with the process Council used for your building consent (Customer Satisfaction Index score sourced from targeted postal survey)	74-78/100	✓	<b>ACHIEVED</b> 83.1/100 (2014/15 result: 75.0/100)
	Time for processing building consents	15 working days	✓	<b>ACHIEVED</b> 7.64 working days (2014/15 result: 8.10 working days)
	Retain accreditation as a Building Consent Authority	Retained	✓	<b>ACHIEVED</b> Accreditation retained (2014/15 result: accreditation retained)



## A year in review

### Did you know?

The Whakatāne District Council re-homed 25 dogs to members of our community in 2015/16. To see if there are any dogs available for adoption, check out our Facebook page at [www.facebook.com/whakatanedistrictcouncil](http://www.facebook.com/whakatanedistrictcouncil), or our website, [www.whakatane.govt.nz](http://www.whakatane.govt.nz).

### Pound services centralised

In April 2016, the Council centralised its dog pound services, resulting in the closure of the Murupara pound facility. Centralisation had been carried out earlier on a trial basis and proved to be successful. All pound services and animal control responses are now centred in Whakatāne. Whakatāne District Council impounds approximately 700 dogs per year and receives around 2,700 dog-related complaints. Most dogs are impounded due to their owners' failure to keep them contained or controlled.

### Wandering stock warnings

Funded by Council's Road Safety activity, new road signs have been installed in Rūātoki and Ruatāhuna warning of wandering stock. This is a common problem on our rural roads; the Council received 185 reports of wandering stock in 2015/16. Following consultation with Tūhoe, the sign in Rūātoki is in Te Reo Māori.

## Cost of service

	LTP 2015/16 \$'000	ACTUAL 2015/16 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	627	596	31	\$	Variance within 10% or \$20,000
Revenue	627	578	(49)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	(18)	(18)	\$	

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Public safety and comfort is protected	Aggressive/threatening dogs and roaming stock complaints responded to immediately	100% < 1 hour	✓	<b>ACHIEVED</b> 100% responded to < 1 hour (2014/15 result: new measure)
	All other Animal Control complaints responded to in a timely manner	100% < 2 working days	✓	<b>ACHIEVED</b> 100% responded to < 2 working days (2014/15 result: new measure)





## A year in review

### Local delivery of services

From 1 July 2015, many local Civil Defence functions have been delivered by Emergency Management Bay of Plenty, a new regional entity with two staff based in the Eastern Bay. Planning and work programme development is coordinated at a regional level and is consistent with the Bay of Plenty Civil Defence Emergency Management Group Plan. Delivery is undertaken locally with a strong emphasis on building community resilience and preparedness for an emergency.

### Rural fire service authority enlarged

On 1 July 2015, the rural fire service began operating under an enlarged regional rural fire authority, called Pumicelands Rural Fire Authority. This has meant a change to the geographic area that the Council administers.

### Marae Preparedness Toolkit launched

This year, the Bay of Plenty Civil Defence Emergency Management Group (BOP CDEM Group) were awarded funding from the Ministry of Civil Defence and Emergency Management to develop a marae preparedness toolkit. The toolkit guides Civil Defence staff in their engagement with marae, with the ultimate aim being that marae-centric communities are prepared for disaster events, understand and manage their risks and have good relationships with Civil Defence. The toolkit was developed through collaboration between Te Puni Kōkiri, Bay of Plenty District Health Board and BOP CDEM Group. It was piloted with six marae in the Eastern Bay of Plenty and formally launched at a national hui in Whakatāne in June 2016.

### ShakeOut a great success

The ShakeOut national earthquake drill was held in October 2015. Across the District, 11,157 people registered to take part, including over 460 business employees and more than 9,300 preschool, school and tertiary students. Nationally, the Bay of Plenty region was second overall for participant numbers, with an 11.5% increase in participation from the 2012 event.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	410	652	(242)	\$	Over budget due to instalments for Bay of Plenty Civil Defence Group not being included in Long Term Plan budget
Revenue	411	442	31	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	1	(210)	(211)	\$	

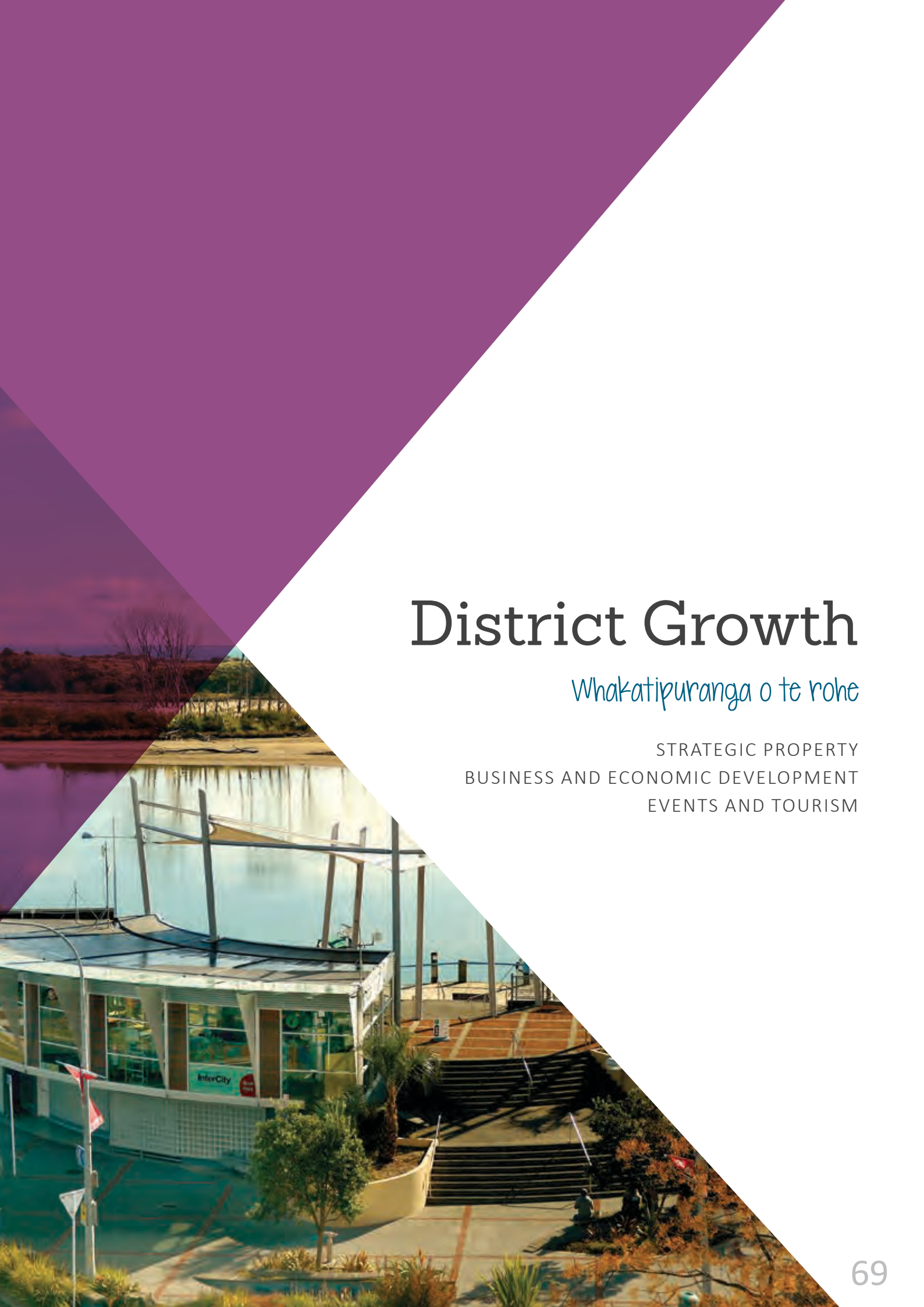
Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Council is ready to respond to a Civil Defence Emergency and is able to function for as long as required during an emergency	Roles have been identified and staffed for 24 hour operation of the Emergency Operation Centre/ Emergency Communications Centre and staff are trained to the appropriate level agreed by the Civil Defence Emergency Management Group	85% of roles filled	<b>ACHIEVED</b> 94% of roles filled (2014/15 result: 100% of roles filled*)
		85% of staff trained	<b>NOT ACHIEVED</b> 84% of staff were trained. Only one more person requires training in order to reach target. (2014/15 result: 85% of staff trained*)
Council actively engages with the wider community to increase the level of awareness, preparedness and resilience	Initiatives delivered to promote community resilience and safety	8 initiatives delivered per annum	<b>ACHIEVED</b> 8 initiatives delivered (2014/15 result: 14 initiatives delivered*)

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.



# District Growth

*Whakatipuranga o te rohe*

STRATEGIC PROPERTY  
BUSINESS AND ECONOMIC DEVELOPMENT  
EVENTS AND TOURISM

# What these activities cost and how they were paid for

## FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – DISTRICT GROWTH

	LTP 2014/15 \$000*	LTP 2015/16 \$000	ACTUAL 2015/16 \$000		
<b>OPERATIONAL</b>					
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charges, rates penalties	583	931	866		
Targeted rates	451	431	434		
Subsidies and grants for operating purposes	-	46	-		
Fees and charges	2,591	2,443	2,357		
Internal charges and overheads recovered	-	199	194		
Local authorities fuel tax, fines, infringement fees, and other receipts	89	28	88		
<b>Total operating funding (A)</b>	<b>3,714</b>	<b>4,078</b>	<b>3,939</b>		
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	893	1,322	1,359		
Finance costs	30	6	8		
Internal charges and overheads applied	618	747	751		
Other operating funding applications	-	-	-		
<b>Total applications of operating funding (B)</b>	<b>1,540</b>	<b>2,075</b>	<b>2,118</b>		
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,174</b>	<b>2,003</b>	<b>1,821</b>		
<b>CAPITAL</b>					
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-		
Development and financial contributions	-	-	-		
Increase (decrease) in debt	(8)	(7)	(7)		
Gross proceeds from sale of assets	7,517	-	-		
Lump sum contributions	-	-	-		
Other dedicated capital funding	-	-	-		
<b>Total sources of capital funding (C)</b>	<b>7,509</b>	<b>(7)</b>	<b>(7)</b>		
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	-		
- to improve level of service	-	-	-		
- to replace existing assets	35	90	25		
Increase (decrease) in reserves	9,649	1,906	1,789		
Increase (decrease) of investments	-	-	-		
<b>Total applications of capital funding (D)</b>	<b>9,683</b>	<b>1,996</b>	<b>1,814</b>		
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,174)</b>	<b>(2,003)</b>	<b>(1,821)</b>		
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>OPENING 1 JULY 2015 \$</b>	<b>FUNDS BORROWED \$</b>	<b>FUNDS REPAYED \$</b>	<b>CLOSING 30 JUNE 2016 \$</b>	<b>INTEREST \$</b>
Internal Borrowing	151,454	-	7,356	144,098	7,806

\*This group of activities was created as part of a review of the Council's activity structure through the Long Term Plan 2015-25.

# Strategic Property



## A year in review

### Harbour Lease Land Project

In November 2015, the Council's Policy Committee decided to implement a Harbour Lease Land Project, as proposed by the Grow Whakatāne Advisory Board. The project will see an analysis carried out on whether a moratorium on harbour land sales in the CBD, which has been in place since 2002, is the most appropriate stance for the Council to have on land vested by the former Whakatāne Harbour Board. The project will also review and update work carried out in 2012 by property management consultants The Property Group, for the then-Town Vision Advisory Board.

The Council has administered land on behalf of the Harbour Endowment Fund since 1976. This includes 132 ground leases in the Whakatāne town centre. A number of lessees have expressed interest in purchasing properties to create freehold titles, but the moratorium has meant that sales have not been considered.

### Piripai sale advances

Following the Environment Court Decision in March 2016 regarding the planning provisions applicable to the Council's Piripai landholding, preparatory work is being undertaken to facilitate a potential sale of the land. It is anticipated that the block will be taken to market in late-2016.

See the Resource Management – Policy section of this Annual Report for further information about the Environment Court decision.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	492	592	(100)	\$	Piripai costs and depreciation over budget
Revenue	2,457	2,384	(73)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	1,965	1,792	(173)	\$	
Capital Expenditure	90	25	65	\$	Expenditure on strategic property capital renewals. Budgeted harbour leased land capital projects not commenced.

Key: \$ = Favourable    \$ = Unfavourable

# Business and Economic Development



## A year in review

### Promoting the District

New 'Everything under the sun' branding was rolled out this year to promote the District as a great place to live, work, play and invest. The brand aims to lift the District's profile, attract potential residents and businesses, and develop community pride.

A 'Do The Maths' campaign targeted key markets in Auckland, Waikato and the wider Bay of Plenty, incentivising people to visit the District with the aim of converting them into investors and residents. The Council's district promotion website, [www.whakatane.com](http://www.whakatane.com), was updated with information on 'Live, Work, Play' opportunities.

### Providing Business Support

In 2015/16, Council provided support for new local businesses via its Business Services team and through content in *Plenty* magazine. A Retail Strategy has also been developed in conjunction with the Chamber of Commerce. Council has held regular meetings with the Chamber and has kept members informed about projects and events via an e-newsletter.

### Driving economic growth

Increased funding allowed additional economic growth and activities to be undertaken in 2015/16, including event support, marketing and promotional campaigns and facilitating the transition from Air New Zealand to Air Chathams as the District's air service provider. In a joint venture between Air Chathams and the Council, in December 2015 an Air Chathams Metroliner was rebranded as part of the 'Everything under the sun' campaign, aiming to help promote the District to Auckland and beyond.

This year, Council has been involved in the Toi Moana Regional Growth Study, which has identified nine areas of potential development for the Bay Of Plenty. These include the Visitor Economy, Aquaculture – where Council is providing support to the Ōpōtiki mussel farm development – and Water and Agribusiness, including honey and water bottling.

### Grow Whakatāne Advisory Board

In 2015/16, the Grow Whakatāne Advisory Board has provided Council with advice and guidance on the Piripai Development, Harbour Projects, the Commercial and Quay Street Wharf projects, dredging trails, independent privately owned projects, and reviews of the Council moratorium of Harbour Endowment Land and Council's involvement and role within Toi-EDA. In May 2016, the Council agreed to resume Toi-EDA funding.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	356	362	(6)	\$	Variance within 10% or \$20,000
Revenue	356	359	3	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	(3)	(3)	\$	

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Facilitate a thriving and vibrant local community with a prosperous economy	Satisfaction with Council's efforts to attract and expand business in your area	34-38% survey results	✓	<b>ACHIEVED</b> 51% satisfied (2014/15 result: 52%*)
	Satisfaction with Council's efforts to attract and retain residents into the District	44-48% survey results	✓	<b>ACHIEVED</b> 57% satisfied (2014/15 result: 51%*)

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.



# Events and Tourism



## A year in review

### Did you know?

For the year ending April 2016, tourism delivered \$125 million into the Whakatāne-Kawerau economy. International visitors contributed \$28 million, and domestic tourists \$97 million.

### District a rising destination

Accommodation statistics have confirmed an upswing in the popularity of the Whakatāne-Kawerau area as a tourism destination, particularly with overseas visitors. For the year ending May 2016, total guest nights rose 12.2% to 253,082, while international guest nights rose 34% to 45,221, with an average stay of 2.27 nights. Web-based interest in the District has also risen steadily. A strong partnership with Tourism Bay of Plenty over the past four years has contributed to an increased awareness of Whakatāne attractions – particularly Whakaari/White Island - with Tourism New Zealand and offshore tourism markets.

### A full calendar of events

A strong focus for Council in 2015/16 was driving economic development through successful events. The District hosted a number of high profile events which attracted strong local support as well as national and international visitors. These included the National Summercross, National Touch Tournament, National Beach Volleyball Tour and National Surf Lifesaving Championship. New events such as the Local Wild Food Challenge and Sunshine and a Plate festival drew large crowds and established local events including Toi's Challenge and the Ōhope Express continued to gain momentum. It is estimated that key events delivered some 10,000 extra visitor nights and approximately \$10 million to the local economy this year. A strong focus has been placed on encouraging events in off-peak months, as this is one of the most successful ways of increasing visitor numbers during periods when the District has spare accommodation capacity.

### Walking for a cause

After ten years in Taupō, the Oxfam Trailwalker came to Whakatāne in April 2016. The Council was a major sponsor of the event and was involved in aspects of event coordination, including trail planning and mapping, promotion and PR, and liaising with Iwi and other key stakeholders. The event attracted 1,084 participants, 1,000 support crew and 300 volunteers. 39% of participants and 46% of supporters had never been to Whakatāne before. In total, the event raised \$980,748 for Oxfam's work, and had an economic impact of \$1.9 million on the local economy.

## Cost of service

	LTP 2015/16 \$'000	ACTUAL 2015/16 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	1,181	1,224	(43)	\$	Variance within 10% or \$20,000
Revenue	1,065	1,003	(62)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(116)	(221)	(105)	\$	

Key: \$ = Favourable \$ = Unfavourable

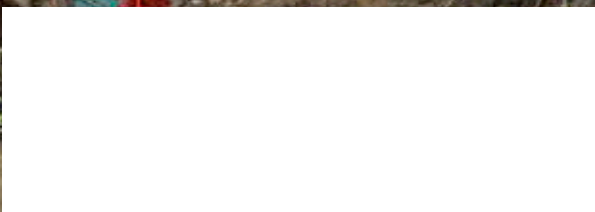
## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Promotions that encourage increased numbers of international and domestic visitors, while local events create a vibrant District	Satisfaction with the efforts the Council makes to attract visitors or tourists to the area	67-71% survey results	✓	<b>ACHIEVED</b> 75% satisfied (2014/15 result: 70%*)
	Satisfaction with Council's efforts to enable and promote events	61-65% survey results	✓	<b>ACHIEVED</b> 73% satisfied (2014/15 result: 71%*)

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.









# Recreation and Community Services

*Te whare tāpere o tānerore  
me ngā hua ka puta mā te hāpori*

LIBRARIES

MUSEUM

PENSIONER HOUSING

HALLS

PARKS, RESERVES, RECREATION & SPORTSFIELDS

CEMETERIES AND CREMATORIUM

PUBLIC CONVENIENCES

AQUATIC CENTRES

PORTS AND HARBOURS

COMMUNITY DEVELOPMENT

## What these activities cost and how they were paid for

### FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – RECREATION AND COMMUNITY SERVICES

	LTP 2014/15 \$000*	LTP 2015/16 \$000	ACTUAL 2015/16 \$000
<b>OPERATIONAL</b>			
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	9,151	9,001	8,377
Targeted rates	35	16	14
Subsidies and grants for operating purposes	285	458	361
Fees and charges	1,265	1,339	1,394
Internal charges and overheads recovered	1,749	1,012	1,069
Local authorities fuel tax, fines, infringement fees, and other receipts	151	169	959
<b>Total operating funding (A)</b>	<b>12,636</b>	<b>11,995</b>	<b>12,174</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	6,310	6,756	7,038
Finance costs	765	698	603
Internal charges and overheads applied	5,135	4,290	4,219
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>12,210</b>	<b>11,744</b>	<b>11,860</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>426</b>	<b>251</b>	<b>314</b>
<b>CAPITAL</b>			
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	37	382	166
Development and financial contributions	87	-	(46)
Increase (decrease) in debt	(4,658)	68	(3)
Gross proceeds from sale of assets	5,294	625	2,500
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>760</b>	<b>1,075</b>	<b>2,617</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	279	250
- to improve level of service	667	1,727	493
- to replace existing assets	1,496	1,009	1,189
Increase (decrease) in reserves	(977)	(1,689)	999
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,186</b>	<b>1,326</b>	<b>2,931</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(426)</b>	<b>(251)</b>	<b>(314)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

	OPENING 1 JULY 2015 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2016 \$	INTEREST \$
Internal Borrowing	11,482,364	434,229	436,669	11,479,924	597,992

\*Figures for 2014/15 differ from those in the Long Term Plan 2012-22 as Council's activity structure was reviewed through the Long Term Plan 2015-25



## A year in review

### Public programmes popularity continues

The District's libraries ran a series of increasingly popular public programmes in 2015/16, with over 2,700 children and families attending events during the year. These included the District wide Summer Reading Programme; school visits; and the April 2016 school holiday programme at Te Kōputu in Whakatāne, which focused on Street Dance workshops and a Leonardo Da Vinci craft session. Over 800 challenge booklets were picked up by children and their families during the school holidays. Amongst the most popular programmes in Whakatāne were the Matariki events, which included a Matariki show; a ukulele show; and a bus tour to sites of significance for local Māori, which attracted 230 children and their families.

Three author visits to Te Kōputu added new engagement opportunities for literature buffs and were delivered in partnership with Friends of the Whakatāne District Libraries and Paper Plus. The Library Doodle Club, a colouring-in group for adults, commenced at Te Kōputu in November 2015 and is open to colour enthusiasts every Sunday. Other events included a Poetree evening, a visit from storyteller duo Mary Kippenberger and Peter Charlton, New Zealand Music Month, Library Dogs, and Love Your Library.

Book-a-boo in Whakatāne remains highly popular, with over 1,200 children and their caregivers attending weekly story-time sessions during term time this year. Ika-Boo, for the Murupara community, was a new programme introduced for school-aged children and has been popular and well supported by the local community. Weekly reading programmes were trialled in Edgecumbe and Ōhope this year, but have been discontinued for now due to low attendance.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,939	2,055	(116)	\$	Variance within 10% or \$20,000
Revenue	1,996	2,008	12	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	57	(47)	(104)	\$	
Capital Expenditure	100	105	(5)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
The Council ensures all members of the community have ready access to a wide range of resources for information, education, leisure and cultural enrichment	User satisfaction with public libraries	83-87% survey result	<b>ACHIEVED</b> 92% satisfaction (2014/15 result: 92%*)
	Number of people utilising Te Kōputu a te Whanga-a-Toi Whakatāne Library and Exhibition Centre (includes foot traffic only)	220,000 people	<b>NOT ACHIEVED</b> 215,521 physical visitors. Access to online digital information has increased this year. (2014/15 result: new measure)

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.



# Museum

## *A year in review*

### *Museum redevelopment project*

This year, detail design was completed and a building consent application lodged for the vital redevelopment of the Whakatāne Museum and Research Centre on Boon Street. The project also received major funding boosts following confirmation of a \$400,000 grant by the Lottery Grants Board and \$103,000 from the Eastern Bay Energy Trust. The Council has also committed \$1.5 million towards the project. The Museum continues to seek support from national and regional funding agencies, service clubs, individual benefactors, the community and local businesses to raise the remaining funding required for the estimated \$4.5 million project. The redevelopment will transform the existing building into a purpose-built research and collection storage facility, which will address long standing issues of storage, climate control, access and building integrity. For more information on this important community project, visit [www.whakatanemuseum.org.nz](http://www.whakatanemuseum.org.nz).

### *Exhibitions and programmes inspire*

The 2015/16 year was a busy one for the Museum with the delivery of 16 inspiring exhibitions, mostly at Te Kōputu a te Whanga-a-Toi, the Whakatāne Library and Exhibition Centre. One highlight was *Ngā Taonga o te Whakatōhea: taonga from Te Amoamo Te Riaki Whānau collection*. This was an opportunity for the community to view for the first time an important collection of Whakatōhea taonga (on loan to the Museum) that embodied a tangible connection to their ancestors and land. The exhibition also included taonga from the Horiwia Te Ihurakau whanau collection. From November 2015 to January 2016, items drawn from The Fletcher Trust Collection (one of New Zealand's largest corporate collections, established in 1962 by Sir James Fletcher) were displayed. This exhibition was made up of over 30 paintings, including works by prominent artists Charles Blomfield, John Tole, Gordon Walters, Colin McCahon, Michael Smither and Bill Hammond, and illustrated the development of New Zealand art from 1860 to the present day.

A broad range of public programmes and events were delivered this year, including over 30 artist talks, lectures, holiday programmes and workshops. In January 2016, the Museum co-ordinated the creation of public murals by tape art artists Erica Duthry and Struan Ashby in support of the Whakatāne Summer Arts Festival. The artists also hosted two drop-in workshops and gave a floor talk. In April and May 2016, the Museum co-ordinated *Box City* in the Sheaff Family Gallery, where children created a city of boxes and explored their ideas of urban space.



## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,202	1,376	(174)	\$	Unbudgeted depreciation and salaries higher than budgeted
Revenue	1,177	1,230	53	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(25)	(146)	(121)	\$	
Capital Expenditure	-	16	(16)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
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	User satisfaction with the Exhibition Centre	86-90% survey result	<p><b>ACHIEVED</b> 94% satisfaction (2014/15 result: 88%*)</p>

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.

# Pensioner Housing



## A year in review

### Pensioner housing units sold

In October 2015, ownership of the Whakatāne District Council's 79 pensioner housing units was transferred to Tawanui Community Housing, a Bay of Plenty-based, registered community housing provider. All existing tenancy arrangements continued under the same terms and conditions. The intention to sell the units was confirmed through the Council's 2015-25 Long Term Plan following an earlier community consultation process and direct communication with tenants and other stakeholders.

Additional background information and detail on the sale of Council's pensioner housing units can be found on our website at [www.whakatane.govt.nz](http://www.whakatane.govt.nz).


## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3	1,970	(1,967)	\$	Loss on pensioner housing transfer
Revenue	20	87	67	\$	Greater than budgeted rental and lease costs received prior to transfer
Net Cost of Service Surplus/(Deficit)	17	(1,883)	(1,900)	\$	

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Affordable, safe and secure pensioner housing is provided to people who meet the Whakatāne District Council eligibility criteria	Number of Council Pensioner Units provided	0 units*	 <b>ACHIEVED</b> 0 units - units sold (2014/15 result: 79 units)

\* The Council transferred its Pensioner Housing to an approved Community Housing Provider in 2015/16.



## A year in review

### Community halls popular

A diverse range of groups continued to use the District's community halls in 2015/16. In the Whakatāne War Memorial complex, over 200 bookings were received for the Little Theatre, more than 450 for the Stadium, and over 190 for the Reception Lounge. There were 52 bookings received for the Ōhope Hall, and use of the Te Teko hall for fitness classes increased over the year.

### Awakeri War Memorial Hall

The potential sale of the Awakeri Hall was deferred for further consideration this year, pending the results of a Detailed Seismic Assessment report. This report and options for the future of the Awakeri War Memorial Hall will be presented to the Council in the 2016/17 financial year.

### Te Mahoe Pavilion demolished

Due to concerns around vandalism and lack of use, the Te Mahoe Pavilion was demolished during the year.

### Murupara shared use hall complete

Construction of a new shared-use school and community hall/gymnasium was completed in Murupara this year. Led by the Ministry of Education, the project was initially limited to the provision of a building to replace the Murupara School hall. In order to provide a larger facility for shared community use, the Council joined the project and provided further funding, much of which was secured through applications submitted to external grant agencies. The ageing town hall, which no longer met the needs of the community, will be demolished in the 2016/17 financial year. A landscape concept plan for the site will also be developed in 2016/17.

### Seismic assessment complete

A seismic assessment was completed for the Whakatāne War Memorial Complex this year, and is now going through a review process. The review will inform the proposed future development of the complex into a multi-sports events centre.

## Cost of service

	LTP 2015/16 \$'000	ACTUAL 2015/16 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	850	1,251	(401)	\$	Higher depreciation than budgeted
Revenue	652	608	(44)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(198)	(643)	(445)	\$	
Capital Expenditure	102	168	(66)	\$	Overspend for Whakatāne War Memorial Complex upgrade investigation

Key: \$ = Favourable    \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
The community is provided with sufficient community halls and pavilions that are functional, affordable and available	User satisfaction with public halls	76-80% survey result	<b>ACHIEVED</b> 86% satisfaction (2014/15 result: 83%*)

\*Result provided for comparison only. Reporting methodology revised under the Long Term Plan 2015-25.

# Parks, Reserves, Recreation and Sportsfield

## *A year in review*

### *Tāneatua playground officially opens*

In March 2016, Tāneatua's upgraded playground, at the Jack Knowles Reserve, was officially opened. A joint Tūhoe - Te Uru Taumatua and Whakatāne District Council project, the playground provides a great new family recreation asset for the Tāneatua and Rūātoki area. Key features include barbecue and picnic facilities, a climbing frame and play equipment for younger children and teen-focused activities such as a basketball half-court. Inspiration for the development came initially from Ngāi Tūhoe, who wished to use donations received after the 2007 police raids on the Rūātoki area to create a lasting and positive resource for those affected – especially local children.

### *Reserve recognises former Mayor*

In May 2016, the public space to the east of the Seascope subdivision at Port Ōhohe was named the Bob Byrne Reserve, in recognition of former Mayor and Councillor Bob Byrne's significant contributions to the community. Bob Byrne was a Councillor on the former Whakatāne Borough Council from 1971 to 1976, including three years as Deputy Mayor. He then served as an elected member of the District Council from 1976 till 1989, the final three years as Mayor.

### *Focus on volunteers*

Over 2015/16, this activity has placed a strong focus on the efforts of volunteers. A Green Fingers Expo was held in April 2016, where around 60 people gathered in the Whakatāne Rose Gardens to listen to representatives from local care groups and Council staff talk about their work. After the expo, thirty new volunteers signed up for budding projects in our District.

### *Key projects progress*

A refresh of the Whakatāne CBD this year included the replanting of gardens and installation of new street furniture. The mural on the corner of Kakahoroa Drive and The Strand was also redeveloped. The Whakatāne Heritage Hikoi, which aims to connect and celebrate significant cultural sites throughout Whakatāne, continued to progress during the year, and sections of the Ngā Tapuwae o Toi walkway linking Whakatāne and Ōhohe were upgraded.

### *Wairaka Centennial Park funding*

In March 2016, the fundraising effort for the planned Wairaka Centennial Park redevelopment reached the threshold required to get the project under way. The \$870,000 project aims to see the area developed into a major, family-friendly recreation destination.

### *Freedom camping*

A review of the Council's Public Places Bylaw this year resulted in the inclusion of camping provisions in line with the permissive approach taken by the Freedom Camping Act 2011. The Bylaw now permits overnight parking by self-contained vehicles except for in specified areas in which overnight parking is specifically restricted or prohibited.

The Bylaw identifies four areas that encourage overnight parking by self-contained vehicles; Maraetotara Reserve, Port Ōhohe Reserve, West End Reserve and car park (late December to end March) and the McAlister Street car park. Aniwhenua Reserve in Galatea remains an approved area for both self-contained and non-self contained camping.

For further information, please refer to the Public Places Bylaw, which is available on our website at [www.whakatane.govt.nz](http://www.whakatane.govt.nz).





## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,581	3,539	42	\$	Variance within 10% or \$20,000
Revenue	3,285	3,046	(239)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(296)	(493)	(197)	\$	
Capital Expenditure	1,481	525	956	\$	Wairaka Centennial Park project works commenced but not completed

Key: \$ = Favourable \$ = Unfavourable

## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Walking and cycling projects	75	146	70	Projects and outside funding being finalised.
Harbour beautification	50	65	32	Behind schedule. Works programmed for 2016/17.
Coastal land acquisition	100	100	0	Project deferred to 2016/17.
Wairaka Centennial Park improvements	870	870	100	Detailed designwork completed and resource consent granted from Whakatāne District Council. Bay Of Plenty Regional Council consent expected in 2016/17. Tendering process initiated. Total funding received by 30 June 2016 was \$270,000.
Dog park	50	50	2	Behind schedule. Fundraising required due to refinement of plan. Works programmed for 2016/17.

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Assets are well maintained throughout all parks and recreational facilities to provide a high standard of appearance and functionality	User satisfaction with parks and reserves in the Whakatāne District	87-91% survey result	✓	<b>ACHIEVED</b> 91% satisfaction (2014/15 result: 94%*)
Adequate playgrounds are provided to meet the needs of users and are kept to a professional standard	User satisfaction with playgrounds in the Whakatāne District	85-89% survey result	✓	<b>ACHIEVED</b> 94% satisfaction (2014/15 result: 90%**)
Adequate sports fields/grounds are provided to meet the needs of users	User satisfaction with sports fields in the Whakatāne District	88-92% survey result	✓	<b>ACHIEVED</b> 90% satisfaction (2014/15 result: 91%**)
	Amount of active recreation space available in the District per 1,000 people	1.5 hectares	✓	<b>ACHIEVED</b> 1.5 hectares per person (2014/15 result: 1.5 hectares)

\*Result provided for comparison only. Reporting methodology revised under the Long Term Plan 2015-25.

\*\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.

# Cemeteries and Crematorium

Community Outcomes



## A year in review

### Did you know?

The Council manages six cemeteries throughout the District, and one crematorium.

### Hillcrest Cemetery RSA section extended

This year, both the burial and ash sections in the Returned Services Association section of the Hillcrest Cemetery were extended. Funding for the extensions was provided by New Zealand Veterans' Affairs.

### Supporting private cremations

In May 2016, the Council adopted new guidelines which will allow cremations and funerals to be arranged privately, without engaging a funeral director's services. Staff consulted widely to confirm practices currently applying elsewhere in New Zealand and the policy guidelines which would be needed to meet legislative requirements, industry best practice and the practicalities of managing a cemetery and crematorium facility. Council staff will provide the required forms and advice to families who wish to arrange a cremation or funeral privately.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	472	525	(53)	\$	Parks maintenance reallocated costs higher than budget
Revenue	493	519	26	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	21	(6)	(27)	\$	
Capital Expenditure	22	24	(2)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Appropriate and sufficient cemetery and crematorium services are available to residents	User satisfaction with cemeteries including maintenance of cemeteries	86-90% survey result	✓ <b>ACHIEVED</b> 96% satisfaction (2014/15 result: 94%*)
	User satisfaction with crematorium facility	83-88%	✓ <b>ACHIEVED</b> 93% satisfaction (2014/15 result: 90%*)

\*Result provided for comparison only. Reporting methodology revised under the Long Term Plan 2015-25.

# Public Conveniences



## A year in review

### Did you know?

The Council owns and operates 41 public conveniences, 14 drinking fountains, and 7 public showers for the use of the general community.

### Maintaining our facilities

During 2015/16, the Council has continued to operate and maintain 41 public conveniences across the District. These are located in parks, reserves, and at popular recreational locations.

### Using our resources responsibly

Over the past year, auto-flushes and half flushes have been installed in public conveniences across the District, resulting in a reduction in water usage of at least 50%.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	557	617	(60)	\$	Variance within 10% or \$20,000
Revenue	422	425	3	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(135)	(192)	(57)	\$	
Capital Expenditure	24	27	(3)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable \$ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Adequate public conveniences will be provided where required in the community	User satisfaction with public toilets in the Whakatāne District	69-73% survey result	<p><b>ACHIEVED</b> 72% satisfaction (2014/15 result: 69%*)</p>

\*Result provided for comparison only. Reporting methodology revised under the Long Term Plan 2015-25.

# Aquatic Centres

## A year in review

### UV water treatment a success

The commissioning of UV (ultraviolet) water treatment at the Whakatāne Aquatic and Fitness Centre in August 2016 saw immediate benefits for users and staff alike, with a noticeable improvement in air and water quality in the centre's indoor facilities.

UV disinfection treatment provides disinfection and destroys chlorine resistant micro-organisms and chloramines (a by-product of body organics and free chlorine), which provides water quality, air quality and health benefits. Immediate feedback from customers and staff after the treatment was that the chlorine smell in the air had been virtually eliminated. Many comments were also received noting the improvement in water quality.

### Engaging with users

Community engagement through user group forums has proved a valuable way to understand and build relationships with Aquatic and Fitness Centre users this year. A forum was held for key users in May 2016, providing an opportunity to share information, ideas and plans to enable user needs to be met. Staff used this opportunity to outline plans for improving the booking process and to talk about planned maintenance works. All participants provided positive

feedback on this initiative. Over the year there has also been a focus on increasing engagement through the Whakatāne Aquatic and Fitness Centre Facebook page, including providing regular updates around pool bookings and targeted engagement campaigns.

### Green prescription a positive step

A Green Prescription (GRx) is a health professional's written advice to a patient to be physically active as part of their health management. This year, tailored gym memberships were made available at the Whakatāne Aquatic and Fitness Centre for GRx recipients and as a result, Fitness Centre membership numbers have risen considerably over the year. The GRx programme has been extremely positive for the community; with staff aware of success stories from clients including increased mobility, self-esteem and weight loss. Continued engagement from Green Prescription instructors, Sports Bay of Plenty, and Aquatic and Fitness Centre staff contributed immensely to these success stories.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,175	2,256	(81)	\$	Variance within 10% or \$20,000
Revenue	2,500	2,414	(86)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	325	158	(167)	\$	
Capital Expenditure	570	291	279	\$	Whakatāne Aquatic Centre solar heating project cancelled

Key: \$ = Favourable    \$ = Unfavourable



## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne Aquatic Centre - Pool solar heating	150	150	10	After detailed analysis via an expressions of interest and tender process, the Council decided in December 2015 not to proceed with this project. This related partly to the cost; the unsuitability of the centre's roof design; and the potential effect of that structure on the centre's moisture barrier and roof maintenance access. Council is monitoring any advances which might make retrofitting economically feasible and will also ensure that solar energy generation capability is designed into new buildings in future.
Whakatāne Aquatic Centre - UV water treatment	115	115	152	Project complete. The UV (ultraviolet) disinfection system and plant automation was commissioned in mid August 2015.
Whakatāne Aquatic Centre - Redesign of reception, entrance, and office	175	175	16	\$155,000 rebudgeted for 2016/17.

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Quality, affordable and safe aquatic facilities will be provided in Whakatāne and Murupara	User satisfaction with public swimming pools in the Whakatāne District	73-77%	✓	<b>ACHIEVED</b> 85% satisfaction (2014/15 result: 82%*)
	Numbers of admissions at the Aquatic Centres	100,000 per year	✓	<b>ACHIEVED</b> 106,174 admissions (2014/15 result: new measure)

\*Result provided for comparison only. Reporting methodology revised under the Long Term Plan 2015-25.



# Ports and Harbours

## *A year in review*

### *Sharing resources*

In conjunction with the Bay of Plenty Regional Council (BOPRC), a review of the delivery of maritime services was undertaken this year, resulting in the creation of a new, shared Senior Maritime Officer position. Employed by the Maritime Unit of BOPRC, the Officer is responsible for Navigation and Safety in the Eastern Bay of Plenty, along with the day-to-day operation of the Council's port and harbour facilities in Thornton, Ōhope and Whakatāne.

### *Supporting regional growth*

The increasing development of the aquaculture industry in the Eastern Bay of Plenty will have a huge impact on economic growth and wellbeing in the area. In 2015/16, use of the Whakatāne Port was requested in order to access the Ōpōtiki mussel farm for servicing and harvesting, until such time as the Ōpōtiki harbour development is completed. This has resulted in increased pressure on facilities and has added to local demand for additional berthage.

### *Encouraging the safe use of facilities*

Over summer, a jumping platform was installed at the Port Ōhope Wharf to provide an area for people to enjoy jumping from the wharf away from moving vessels and other hazards. At the Whakatāne Boat Ramp and Game Wharf, Māori Wardens helped to educate swimmers and ensure that boats, vehicles and swimmers maintained a safe separation in what is a busy and congested area during the summer. The District Council, BOPRC, and significant harbour users have continued to collaborate on the operation and development of port and harbour facilities through regular meetings of the Harbour Users Group.

### *Port Ōhope concept plan approved*

In April 2016, an updated concept plan and estimated costs for the development of the Port Ōhope wharf area were approved by the Projects and Services Committee. Targeted consultation will be undertaken in 2016/17 with key stakeholders and the community. Key components of the plan include new walkways and public conveniences, parking upgrades, a nautical-themed public plaza, and terraced seating.

### *Planning for critical infrastructure*

The provision of port facilities is an essential part of our economy. The Commercial Wharf in Whakatāne is an aged structure which will become unsafe if not replaced in the near future. Over 2015/16, Council performed six-monthly inspections of the wharf to check for risks, purchased three premises partially located on the wharf site and undertook preliminary consideration of development options for the planned replacement structure.

In a separate project, a proposed new 100-metre long Quay Street Wharf is required to address long-term requirements for additional commercial berthage in Whakatāne, and to support the Ōpōtiki aquaculture mussel barge. In the shorter term, the facility would provide berths for vessels which currently use the Commercial Wharf and will need to relocate while that structure is rebuilt. This will ensure that vessels do not need to relocate to another port, which could have a severe economic impact on the District. Pre-consultation for this project was carried out in 2015/16, and revisions made to a previously submitted resource consent application.

### *Maintaining our assets*

2015/16 was a busy year for weather events, requiring extensive work to manage debris, remove silt, and repair navigational markers and facilities damaged by high river flows and severe winds. At Thornton River, a new timber facing was installed on the downriver jetty to address sand deposit issues. Dredging at the Whakatāne harbour entrance was undertaken over summer by both vessel-based and land-based dredging. While these methods are effective, Council continues to investigate new and improved ways of dredging the river entrance, as well as around facilities in the Whakatāne Harbour.

Health and safety was a major focus at port and harbour facilities this year. Several minor works were completed, including replacing piles at the Port Ōhope Wharf, new signage and upgraded facilities in Ōhope, Thornton and Whakatāne, and the successful trial of a road sweeping device to reduce slipperiness on boat ramps. Council met with BOPRC to review hazard information and procedures for working with contractors, berth-holders and vessel owners to ensure effective communication, consultation and cooperation around health and safety.



## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,437	1,189	248	\$	Savings in dredging contracts and consultants fees for Port Ōhope
Revenue	195	190	(5)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(1,242)	(999)	243	\$	
Capital Expenditure	735	645	90	\$	Work for Quay Street Wharf project not yet completed

Key: \$ = Favourable \$ = Unfavourable

## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne Commercial Wharf replacement	430	430	385	Purchase of 2 The Strand completed in January 2016. Geotechnical report commissioned in 2015/16.
Quay Street Wharf construction	250	250	2	Geotechnical work completed. Physical works to commence in 2016/17. Budget carried forward.
Port Ōhope Wharf	0	0	12	Physical works budgeted for 2016/17 through LTP. Concept plan and legal costs incurred in 2015/16.

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Provide safe access to rivers and coastal water within the general vicinity of the Whakatāne CBD, Ōhiwa Harbour and Thornton Domain	Satisfaction with harbour facilities including the port	71-75% survey result	<p><b>ACHIEVED</b> 75% satisfaction (2014/15 result: 75%*)</p>

\*Result provided for comparison only. Measure not achieved in 2014/15 under previous performance framework.

# Community Development

## *A year in review*

### *Supporting the District's youth*

Run by the Whakatāne District Youth Council, the District's first ever Colour Rush was held on 11 October 2015, and was a resounding success. The event attracted over 700 participants who took part in a family-friendly fun run/walk along the Warren Cole Walkway, punctuated by bursts of environmentally-friendly coloured powder. Profits from the event were put towards work with youth gangs.

After winning the Supreme Award at the fourth annual Trustpower Whakatāne District Community Awards, the Murupara Youth Leadership Project Team represented the District at the national Trustpower Awards in Dunedin in March 2016. The team won the new Whetū Mātaiata Award, which recognises and supports a promising new volunteer group. The prize included \$3,500 of mentoring from Kerri Tilby-Price of Exuit, a company which helps not-for-profit organisations grow.

This year, in partnership with the Ministry of Youth Development, Council continued to support Wahine Toa, a multi-agency programme to provide a residential camp and mentorship to vulnerable young women. In collaboration with Inspiring Stories Charitable Trust, Council helped to select and support two young women to attend the *Future Leaders* programme, which aims to develop social entrepreneurship and leadership skills.

### *Healthier homes in Murupara*

A programme to promote healthy homes in the Murupara area commenced this year, with a project coordinator and maintenance officer recruited to the project. The Ngāti Manawa Charitable Trust, Whakatāne District Council, Bay of Plenty District Health Board, Bay Trust and the Eastern Bay Energy Trust have provided financial contributions or help in overseeing the programme. A DIY workshop was held to teach attendees how to fix their own windows. This event was well-supported by the community.

### *Encouraging safety on our roads*

In partnership with the New Zealand Transport Agency (NZTA), New Zealand Police, Department of Corrections and Iwi, including Ngāti Awa Social Health Services, three extremely successful programmes were delivered to repeat drink driving offenders this year. The programmes aimed to improve decision-making, foster alcohol and drug awareness, and identify local support systems for those involved. As of 30 June 2016, of the approximately 60 people referred to the programme by the Department of Corrections, none had received subsequent drink driving convictions. These programmes will continue in the future.

The District's first Road Safety Winter Pit Stop was held in June 2016, inviting people to receive a free winter once-over of their vehicle. Qualified technicians gave about 80 vehicles a TWIRL check (Tyres, Windscreens, Indicators, Rust, Lights), and about 30% were found to have issues, most commonly with their tyres or park/headlights. The event was made possible by several partners, including the Bay of Plenty Regional Council, NZTA and Waiariki Institute of Technology.

Eastern Bay Road Safety's successful *#DontJimiThat* social media campaign continued in 2015/16, and the series of YouTube videos has now been viewed over 3 million times. The campaign was entered into the 'Innovation in Council-Community Relations' category of the Society of Local Government Managers Excellence Awards in April 2016. In May 2016, the *Jimi Jackson Legend* campaign - the third instalment of the *#DontJimiThat* project - scooped one silver and two bronze awards at the Axis Advertising Awards.



## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	700	634	66	\$	Variance within 10% or \$20,000
Revenue	645	681	36	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(55)	47	102	\$	
Capital Expenditure	-	132	(132)	\$	CCTV Project overspent - offset by grant funding

Key: \$ = Favourable    \$ = Unfavourable

## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
CCTV Phase 2 - Expansion of camera network and renewals	0	51	124	Overspend completely offset by community grant funding received from Eastern Bay Energy Trust and Southern Trust.

## What we delivered

How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Social well-being is improved in the District through a range of strategies, policies and projects	Perception of safety in the District	91-95% survey result	<p><b>ACHIEVED</b> 96% of survey respondents rate the District as 'definitely' or 'mostly' safe (2014/15 result: 93%*)</p>
	Change in the number of fatalities and serious injury crashes on the local road network per annum**	<10	<p><b>ACHIEVED</b> 7 crashes - 14 less than previous financial year (2014/15 result: 21)</p>

\*Result provided for comparison only. New measure under the Long Term Plan 2015-25.

\*\* Mandatory measure.







# Corporate and District Activities

*Ngā mahinga matakite ā rohe*

CUSTOMER SERVICES  
PUBLIC AFFAIRS  
HUMAN RESOURCES  
FINANCE  
CORPORATE INFORMATION  
CORPORATE PROPERTY

## What these activities cost and how they were paid for

### FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 – CORPORATE AND DISTRICT ACTIVITIES

	LTP 2014/15 \$000*	LTP 2015/16 \$000	ACTUAL 2015/16 \$000
<b>OPERATIONAL</b>			
<b>SOURCES OF OPERATING FUNDING</b>			
General rates, uniform annual general charges, rates penalties	208	278	1,536
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	269	353	347
Internal charges and overheads recovered	11,640	11,539	11,087
Local authorities fuel tax, fines, infringement fees, and other receipts	417	326	(921)
<b>Total operating funding (A)</b>	<b>12,534</b>	<b>12,496</b>	<b>12,049</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	10,308	10,726	10,495
Finance costs	234	665	622
Internal charges and overheads applied	415	610	687
Other operating funding applications	451	870	706
<b>Total applications of operating funding (B)</b>	<b>11,408</b>	<b>12,871</b>	<b>12,510</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,126</b>	<b>(375)</b>	<b>(461)</b>
<b>CAPITAL</b>			
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	257	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(624)	1,044	749
Gross proceeds from sale of assets	-	-	95
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(624)</b>	<b>1,301</b>	<b>844</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	255	122
- to improve level of service	281	740	341
- to replace existing assets	1,203	1,290	1,006
Increase (decrease) in reserves	(982)	(1,359)	(1,086)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding (D)</b>	<b>502</b>	<b>926</b>	<b>383</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,126)</b>	<b>375</b>	<b>461</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>

	OPENING 1 JULY 2015 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2016 \$	INTEREST \$
Internal Borrowing	1,581,263	1,125,324	375,832	2,330,755	604,147

\*Figures for this year differ from those in the Long Term Plan 2012-22 as Council's activity structure was reviewed through the Long Term Plan 2015-25.

# Customer Services

## A year in review

### Serving our community

The Customer Services team answered 69,958 phone calls in 2015/16, averaging more than 280 calls a day. Over the year, the team logged 6,763 service requests on behalf of the community. The most common service request types were property file orders (1,396), noise complaints (454), reports of leaking water meters or toby taps (419), and issues relating to the condition of roads (418).

### System improvements implemented

The Council's telephone system was upgraded this year, and Apresa call recording software was implemented, allowing phone calls to be recorded for training purposes.

### Responding to changing needs

The Council continues to deliver a 24-hour service to residents of the Whakatāne District. As the Customer Services team is often the only point of contact with Council, a major focus for this activity is to understand and respond to evolving customer needs, especially around online services. Demand for these services is continuing to grow. Currently, land and water rates, dog registrations, parking and dog infringements, and sundry invoices can be paid via the website by credit card, or by internet banking. More services will be added to the online payment system in the future.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	497	511	(14)	\$	Variance within 10% or \$20,000
Revenue	497	511	14	\$	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	PERFORMANCE MEASURE	TARGET		RESULT
The community has access to Council's activities through fully competent and efficient Service Centres	Proportion of customers' telephone calls are answered within 30 seconds	81%	X	<b>NOT ACHIEVED</b> 78% of calls answered in 30 seconds (2014/15 result: 80.1%)
	User satisfaction with the overall service from Council's front desk	90-95% survey result	✓	<b>ACHIEVED</b> 97% satisfied (2014/15 result: 92%)

# Public Affairs

## A year in review

### Website tops national rankings again

Whakatāne District Council's website was judged the supreme winner among the 78 local government websites evaluated in the 2016 Association of Local Government Information Management (ALGIM) rankings. This is the second year in a row that the Council's website has taken the top spot, which is unprecedented in the history of the ALGIM rankings. The assessment evaluates all city, district, and regional council websites based on their adherence to Web standards, information accessibility testing done by the Royal New Zealand Foundation of the Blind, accessibility on mobile devices, and response times to queries sent via both email and Facebook.

### Social media engagement increases

A major focus for 2015/16 for the Public Affairs activity has been growing social media engagement. The Whakatāne District Council website, [www.whakatane.govt.nz](http://www.whakatane.govt.nz), experienced a 44% increase in New Zealand-based visitors this year, while the District Council Facebook page received a 139% increase in 'likes.' The district promotion website, [www.whakatane.com](http://www.whakatane.com), had 36% more visitors this year than in 2014/15, with 5,266 visits to the page being referrals from social media.

### Keeping the community informed

The Public Affairs activity provides a comprehensive media release service, which proactively shares news about Council activities with local and national media organisations. Over the 2015/16 year, the Council produced and distributed more than 160 media releases, which are all available on the Council website. The Public Affairs activity also produced the Council's *Ko Konei – Our Place* newsletter, which was published monthly (except in January) as a centrespread in the free-delivery Bay Weekend publication.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	488	421	67	☐	Underspend in consultants and salaries due to work completed in house
Revenue	488	421	(67)	☐	Recoveries less than budget per above
Net Cost of Service Surplus/(Deficit)	-	-	-	☐	

Key: ☐ = Favourable ☐ = Unfavourable

## What we delivered

### How we performed against our targets for the year

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
The community has access to information and feels well informed	Satisfaction with Council's provision of information	69-73% survey result	✓	<b>ACHIEVED</b> 72% of survey respondents rate information provided as 'more than enough' or 'enough' (2014/15 result: 65%*)
	Website users receive a satisfactory experience and remain engaged**	75% survey result	✓	<b>ACHIEVED</b> 81.1% satisfied (2014/15 result: new measure)

\*Result provided for comparison only. Reporting methodology revised under the Long Term Plan 2015-25.

\*\*Performance derived from the 'bounce rate', which indicates how many users are disengaging from the site because they are unable to quickly find the information they are seeking

## A year in review

### Ensuring compliance with Health and Safety standards

On 4 April 2016, the Health and Safety at Work Act 2015 came into force. A large focus for the Human Resources activity this year has been the transition to this legislation, and ensuring compliance with the resulting responsibilities. Ensuring that all staff understand the legislation, are safe, and have the resources to do their jobs well, results in healthier and more efficient employees, ultimately benefiting both the Council and the wider community.

### Recognising staff achievement

Recognising and celebrating the achievements of staff is an important function of the Human Resources activity. Two Council projects were entered into the National SOLGM Excellence Awards in April 2016, and the annual Hautipua and Kotahitanga awards recognised the efforts and achievements of staff throughout Council activities.

### Providing training opportunities

The 2015/16 year saw a focus on providing training for Council's third and fourth tier managers. This was part of a wider Council emphasis on management and leadership development.

### Personal and professional development

In March 2016, a group of staff participated in the annual Society of Local Government Managers (SOLGM) Management Challenge. The Challenge is designed to enhance skills of managers and staff working in local government. Also in March 2016, several staff began an 18-week Te Reo Māori course offered fee-free through the Waiariki Institute of Technology. The course focused on pronunciation and speaking, grammar and writing, basic translation to and from Te Reo Māori, and listening comprehension.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	862	931	(69)	\$	Variance within 10% or \$20,000
Revenue	862	931	69	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	-	-	\$	

Key: \$ = Favourable    \$ = Unfavourable



## A year in review

### Did you know?

Each financial year, the Rates Rebates Scheme provides a rebate for low income earners who were paying rates for the home in which they were living on 1 July that year. To find out if you are eligible, check out the rates rebate calculator on our website, [www.whakatane.govt.nz](http://www.whakatane.govt.nz).

### Supporting Council activities

In 2015/16, the Finance activity continued to provide financial, rating and treasury support to all activities within the Council. This activity is responsible for the provision and development of effective monitoring and reporting on our financial performance. Other responsibilities include budgeting, managing the payroll, charging and collecting rates and answering rates queries.

### New budgeting system provides improvements

The first phase of a new budgeting and forecasting system was implemented this year. The new system produces monthly financial reports for managers and Council reporting, and will be used to produce financial data for future corporate documents, such as the Annual Plan, Annual Report and Long Term Plan. The system provides greatly improved access to financial information for both finance staff and budget managers, and allows for better informed decision making. The second phase of the project is expected to be completed in 2016/17.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,000	2,664	336	☐	Savings on insurances, bad debt expenses lower than budget
Revenue	3,000	2,664	(336)	☐	Recoveries less per above
Net Cost of Service Surplus/(Deficit)	-	-	-	☐	

Key: ☐ = Favourable ☐ = Unfavourable

## A year in review

### Keeping up with changing demands

The Council has continued to update systems and processes to keep up with the pace of technological change and advances in information technology. This is crucial for the day-to-day operations of all Council services, and the ability to provide the level of service our community requires. The integration of new systems has required comprehensive preparation and testing throughout the year. In 2015/16, several major internal systems were upgraded to ensure they remain up to date and secure. Staff also proactively and successfully monitored malware threats which are increasing in volume and aim to damage corporate information. Also this year, technology at the Whakatāne Airport was improved, with new screens now displaying flight arrival and departure information by linking to the Air Chathams website. The airport is also now connected to free wireless internet.

### Online maps

The Council's GIS (Geographic Information System) team launched an open data portal during the year, providing better public access to Council's mapping data. The portal allows users to download data to use with their own mapping applications, a level of access to information that is not yet common in New Zealand councils, but is overseas. The portal is available via our website, at [www.whakatane.govt.nz](http://www.whakatane.govt.nz). Cemetery mapping has also been updated, and enables users to more easily search for cemetery information and locate plots. Staff also built a tool to enable streamlined information gathering for Land Information Memoranda. Mapping staff provided crucial support to the Oxfam Trailwalker event by mapping out the route and providing detailed geographic information digitally to teams mapping the trail.

### Managing information in the digital age

In February 2016, the Council initiated a project which will see more than 20,000 hard copy property and subdivision files converted into a digital format. A tender process was commenced in order to find a suitable vendor to carry out this project, and it is anticipated that a contract will be awarded in September 2016, with a pilot commencing shortly thereafter. Digitising files will allow access to information by multiple users, and will also support the future digitisation of building and resource consents. It is expected that the digitisation project will be completed in 2018/19.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,907	3,542	365	☒	Digitisation project underspent, budget carried forward to 2016/17
Revenue	3,393	3,364	(29)	☒	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(514)	(178)	336	☒	
Capital Expenditure	775	787	(12)	☒	Enterprise Resource Planning development and asset management system delayed

Key: ☒ = Favourable ☒ = Unfavourable

# Corporate Property

## A year in review

### Did you know?

The Council is responsible for 22 properties which provide essential services to the community. These include the Civic Centre, District libraries, the Whakatāne Airport terminal building, various workshops and depots, and the dog pound.

### Increased security measures

Over the year, increased security measures have been implemented at the Council's public-facing sites. These include the installation of duress alarms and a new fob system for more secure entry to the Civic Centre.

### Atrium receives a refresher

In May 2016, a special morning tea recognised the Eastern Bay of Plenty Bromeliad and Orchid Club and Council ground-staff for their efforts in transforming the Civic Centre's atrium into a sub-tropical oasis. Along with a small group of enthusiastic Council Open Spaces ground-staff, the Club planted more than 150 rare and unusual plants from the Bromeliad family and other subtropical species. The morning tea was preceded by a tour of some of the newly-established gardens around the Civic Centre, which are being refreshed for the first time in 20 years. This also marked the start of a rejuvenation project for the District's central business district areas, which is expected to be completed by the end of 2016.

## Cost of service

	LTP 2015/16 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,175	1,936	239	\$	Variance within 10% or \$20,000
Revenue	2,123	1,890	(233)	\$	Subsidies and grants not received for Museum redevelopment project
Net Cost of Service Surplus/(Deficit)	(52)	(46)	6	\$	
Capital Expenditure	1,477	683	794	\$	Museum redevelopment project delayed, funds being sourced

Key: \$ = Favourable    \$ = Unfavourable

## Update on major capital projects

PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Museum and Research Centre (Boon Street) Redevelopment	300	300	220	Project staff finalising detailed design for the project in 2015/16. The emphasis for 2016/17 is on seeking funding to support the redevelopment.



# Council Controlled Organisations

*Ngā mahinga matakite ā rohe*

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 engages in this form of partnership where it provides advantages for a more effective, efficient and financially viable means of delivering services.

The entities covered in this chapter are reportable CCOs under the Local Government Act 2002, and legislatively must produce their own 'Statement of Intent' and 'Annual Report' each year. The Annual Report for each CCO provides a greater level of information than contained in this chapter. Each entity also has their own website providing contact information and regular updates.

The Whakatāne District Council is a shareholder in four CCOs. This chapter gives a summary of the performance of three of these, Whakatāne Airport, Bay of Plenty Local Authority Shared Services Limited (BoPLASS), and the Local Government Funding Agency (LGFA).

The Council is also a settlor of Toi-Economic Development Agency (Toi-EDA) however was not a funding partner in 2015/16. Toi-EDA is not covered here for that reason, and because it is an exempt CCO.

# Whakatāne Airport

## About the Whakatāne Airport

The Whakatāne Airport provides facilities for scheduled passenger transport, and general commercial and recreational aviation. The Whakatāne Airport was formed as a CCO in 2006. It is a valued community asset, which contributes to residents' quality of life and is considered crucial to the economic well-being of the District and the wider Eastern Bay of Plenty. The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatāne District Council, with each party owning a 50% share. 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 delivered services in accordance with the 'objectives' and 'nature and scope of activities' as set out in the Statement of Intent for 2015/16. The airport has also continued to make progress on the goals of the Whakatāne Airport 10 Year Business Plan, which was adopted in 2013. Actions undertaken include; working with White Island Tours to relocate their check-in office to a more visible location, rebranding the airport terminal check-in area, implementing booking facilities for Air Chathams at the Whakatāne i-Site, and replacing the approach light system and terminal apron lights. Billboard advertising spaces have also been provided, and new flat screen televisions display arrival and departure information by linking to the Air Chathams website.

Through the Annual Budget Update in June, the Council adopted a new model for general aviation landing fees at the Whakatāne Airport. This resulted in increased flat fees for local users and the removal of fees for non-local users. The intention behind the fee review was to boost general aviation traffic and reduce administration costs. The new fees apply from 1 July 2016 and are listed in the Council's Fees and Charges Schedule, which is available on our website, [www.whakatane.govt.nz](http://www.whakatane.govt.nz).

June 30, 2015 marked the end of the first full financial year of Air Chathams providing air services to the Whakatāne District. Over the year, Air Chathams carried a total of 19,810 passengers. In December 2016, the Air Chathams metroliner was branded with Council's 'Everything under the sun' district brand campaign, becoming a 'flying billboard' of what the district has to offer. As well as providing regular flights between Auckland and Whakatāne on the metroliner, in 2015/16 Air Chathams began offering customers the chance to enjoy the first scheduled DC-3 passenger flights in New Zealand since 1974.



## Performance targets

The following performance targets for the past year were set through the Whakatāne Airport Statement of Intent 2014/15:

TARGET	RESULT	
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.	X	<b>NOT ACHIEVED</b> Operational expenditure finished outside of the budget due to reduced user fees and charges.
No non-compliance reports are received.	✓	<b>ACHIEVED</b> No non-compliance reports were received.
Spot inspection of runway and components are conducted monthly and results actioned.	✓	<b>ACHIEVED</b> Inspections have been conducted monthly and required actions undertaken.
Less than five environmentally related complaints are received in a year.	✓	<b>ACHIEVED</b> No environmentally related complaints were received relating to the operation of the airport.
The Airport is maintained as a CAR Part 139 Certificated aerodrome in accordance with CAA aerodrome design for all aircraft undertaking Air Transport Operations and aircraft above 5,700 kg Maximum Combined Take-Off Weight (MCTOW).	✓	<b>ACHIEVED</b> The Airport was maintained as a CAR Part 139 certificated aerodrome.

*More information is available in the Whakatāne Airport Annual Report*

The full Whakatāne Airport Annual Report for the 2015/16 year, along with further information about this CCO, can be found on our website: [www.whakatane.govt.nz](http://www.whakatane.govt.nz).





BoP LASS Ltd

# Bay of Plenty Local Authority Shared Services Limited (BoPLASS)

## About BoPLASS

Bay of Plenty Local Authority Shared Services Limited (BoPLASS) 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 BoPLASS Limited alongside the other eight councils that constitute the Bay of Plenty and Gisborne regions.

The services, projects and initiatives of BoPLASS 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

This year has seen continued financial savings provided to all BoPLASS councils through new and existing joint procurement initiatives. A greater emphasis has been put into developing cross-regional services with a number of initiatives established with other local authority shared services or councils outside of the BoPLASS region. BoPLASS has also reviewed projects outside of the back-of-office services, with opportunities for collaboration in solid waste services currently under review. The sharing of the BoPLASS Collaboration Portal and the rapid uptake of the portal by councils from outside the region has opened opportunities for greater cross-regional collaboration. BoPLASS councils, and other councils, are now able to have visibility of other councils' work streams and identify project partners or share information. This has directly resulted in a number of project partnerships being established and a reduction in duplication of effort.

## Performance targets

The following performance targets for the past year were set through the BoPLASS Statement of Intent 2015/16:

TARGET	RESULT	
Investigate new joint procurement initiatives for goods and services for BOPLASS councils. A minimum of four new procurement initiatives investigated. Initiatives provide financial savings and/or improved service levels to the participating councils.	✓	ACHIEVED
Provide support to BOPLASS councils that are managing or investigating shared services projects. 0.25 FTE resource and expertise assigned to assist councils in shared services developments and projects.	✓	ACHIEVED
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration. All New Zealand councils are made aware of the Collaboration Portal and its benefits. Portal is operational outside of the BOPLASS group with a minimum of five additional councils having utilised the portal.	✓	ACHIEVED
Ensure appointed vendors remain competitive and continued best value is returned to shareholders. Contracts due for renewal are tested for competitiveness in the marketplace. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors.	✓	ACHIEVED
Review governance performance and structure to ensure it supports BOPLASS' strategic direction. Positive feedback received from shareholding councils at least annually.	✓	ACHIEVED
Communicate with each shareholding council at appropriate levels. At least one meeting per year.	✓	ACHIEVED
Ensure current funding model is appropriate. Performance against budgets reviewed quarterly. Company remains financially viable.	✓	ACHIEVED

The full BoPLASS Annual Report for the 2015/16 year, along with further information about this CCO can be found on their website: [www.bopllass.co.nz](http://www.bopllass.co.nz).

## 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.

## Overview of services delivered

Over 2015/16 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 the LGFA Statement of Intent for 2015/16. The Statement of Intent can be accessed at the LGFA website, [www.lgfa.co.nz](http://www.lgfa.co.nz).

## Performance targets

The following performance targets for the past year were set through the LGFA Statement of Intent 2015/16:

TARGET	RESULT	
LGFA's average cost of funds on debt issued relative to the average cost of funds for New Zealand Government Securities for the 12 month period to 30 June 2016 will be less than 0.50% higher.	X	<b>NOT ACHIEVED</b> 0.74%*
The average base margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to 30 June 2016 will be no more than 0.10%	X	<b>NOT ACHIEVED</b> 0.11%*
LGFA's annual issuance and operating expenses for the period to 30 June 2016 will be less than \$5.94 million.	X	<b>NOT ACHIEVED</b> \$5.97 million*
Total lending to participating Local Authorities at 30 June 2016 will be at least \$5,885 million.	✓	<b>ACHIEVED</b> \$6,350 million*

\*As reported in LGFA's Quarterly Report for period ending 30 June 2016. (At the time of going to print LGFA's Annual Report was not available.)

Further information about this CCO can be found on the LGFA website: [www.lgfa.co.nz](http://www.lgfa.co.nz). The full LGFA Annual Report for the 2015/16 year will be available on the LGFA website by 30 September 2016.





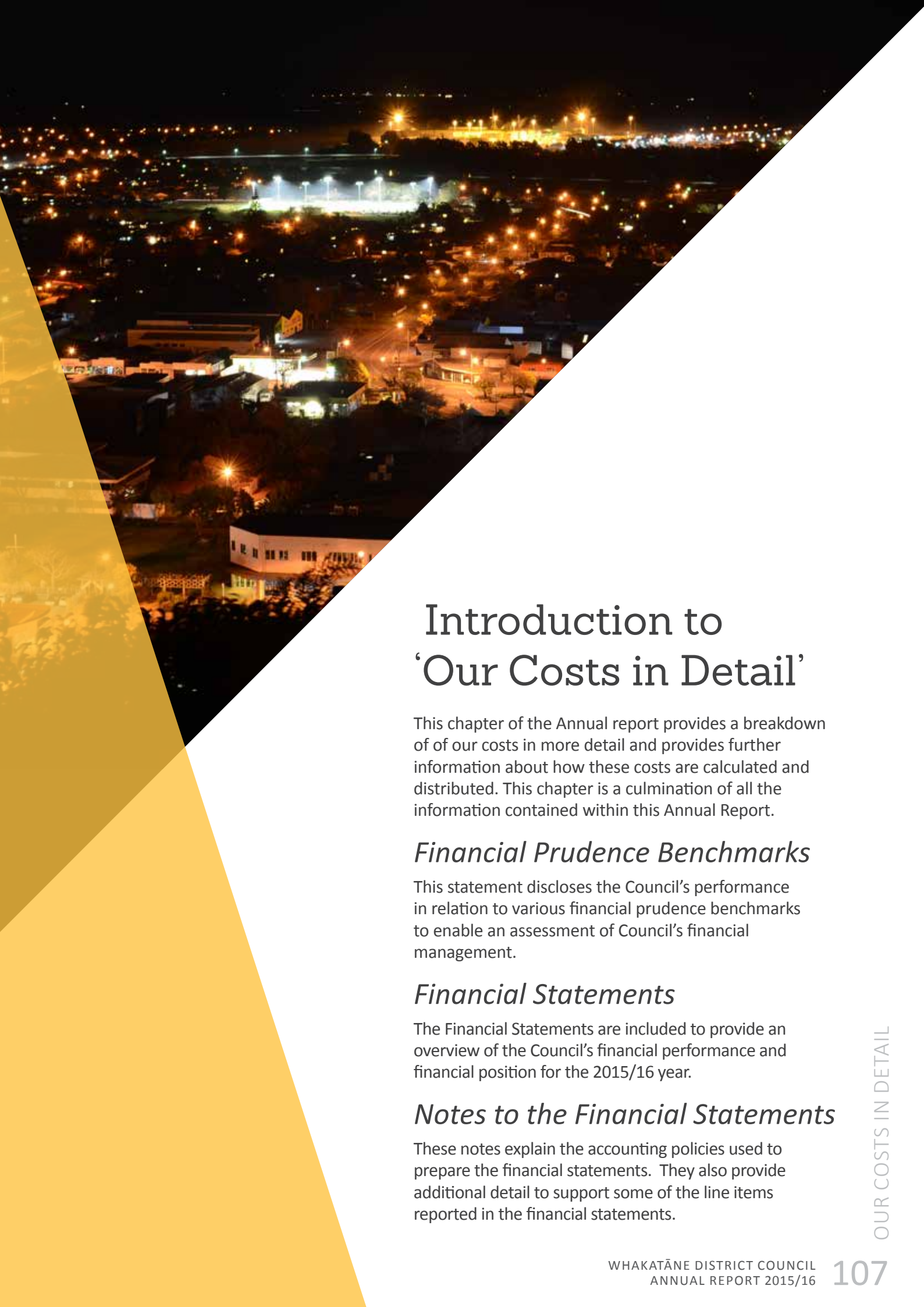


# OUR COSTS IN DETAIL

*Ngā whakapaunga pūtea me ōna whānuitanga*







# Introduction to 'Our Costs in Detail'

This chapter of the Annual report provides a breakdown of our costs in more detail and provides further information about how these costs are calculated and distributed. This chapter is a culmination of all the information contained within this Annual Report.

## *Financial Prudence Benchmarks*

This statement discloses the Council's performance in relation to various financial prudence benchmarks to enable an assessment of Council's financial management.

## *Financial Statements*

The Financial Statements are included to provide an overview of the Council's financial performance and financial position for the 2015/16 year.

## *Notes to the Financial Statements*

These notes explain the accounting policies used to prepare the financial statements. They also provide additional detail to support some of the line items reported in the financial statements.



# Financial Prudence Benchmarks

## Annual Report Disclosure Statement for the Year Ending 30 June 2016

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 revenue 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.

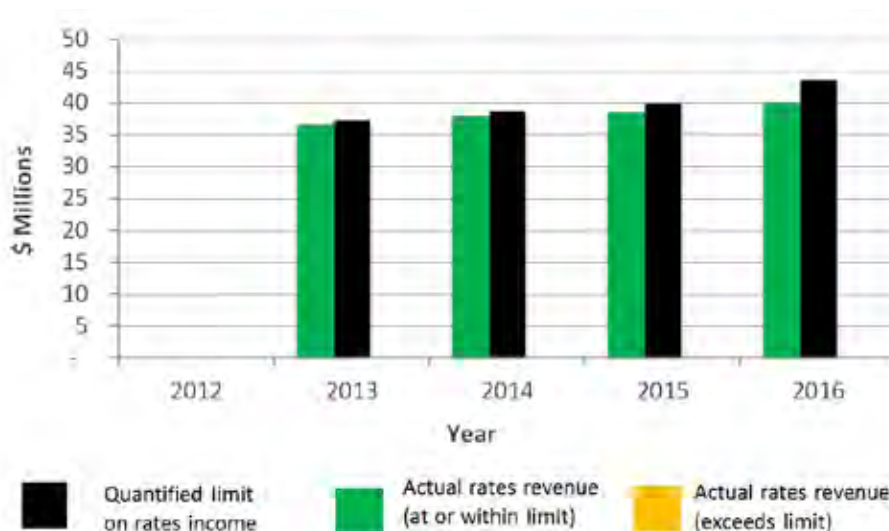
Rates include volumetric water charges, which were not included in these graphs in the 2013 and 2014 years.

### Rates Revenue Affordability

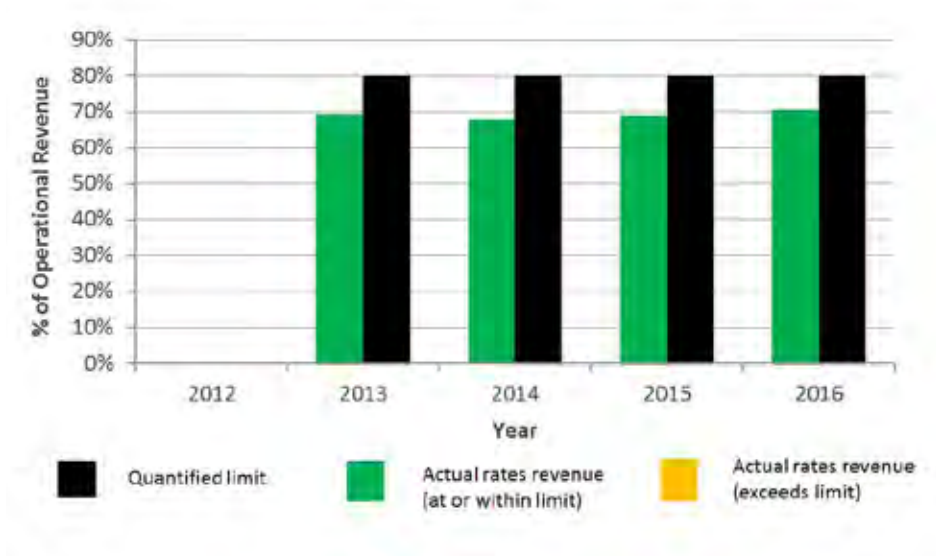
- The following two graphs compare the Council's actual rates revenue with quantified limits on rates contained in the financial strategy included in the Council's Long Term Plan.

#### Quantified Limits on Rates

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

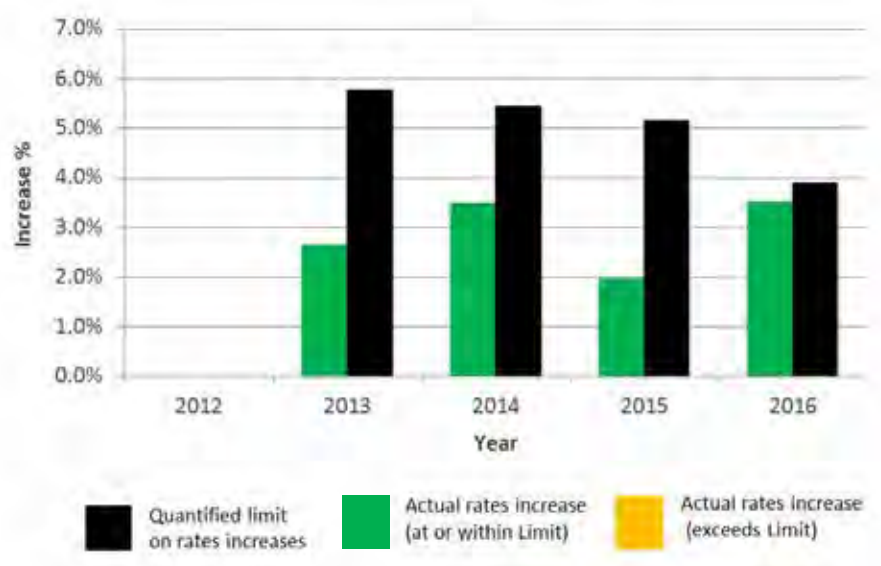
The following graph compares the Council’s actual rates increases with a quantified limit on rates increases contained in the financial strategy included in the Council’s Long Term Plan.

### 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



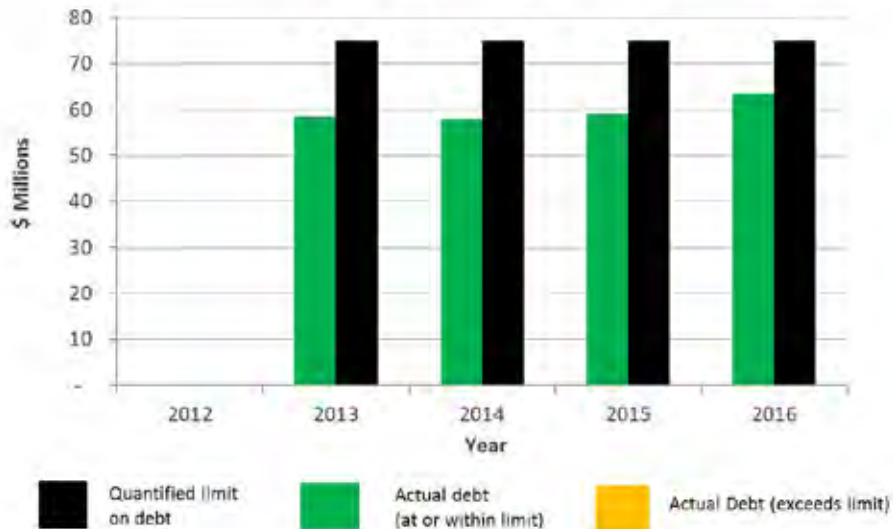
\*Using the most recent Local Government Cost Index, published by Berl, available at the time the draft and then final Annual Plan or Ten Year Plan is prepared.

# Debt Affordability Benchmark

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

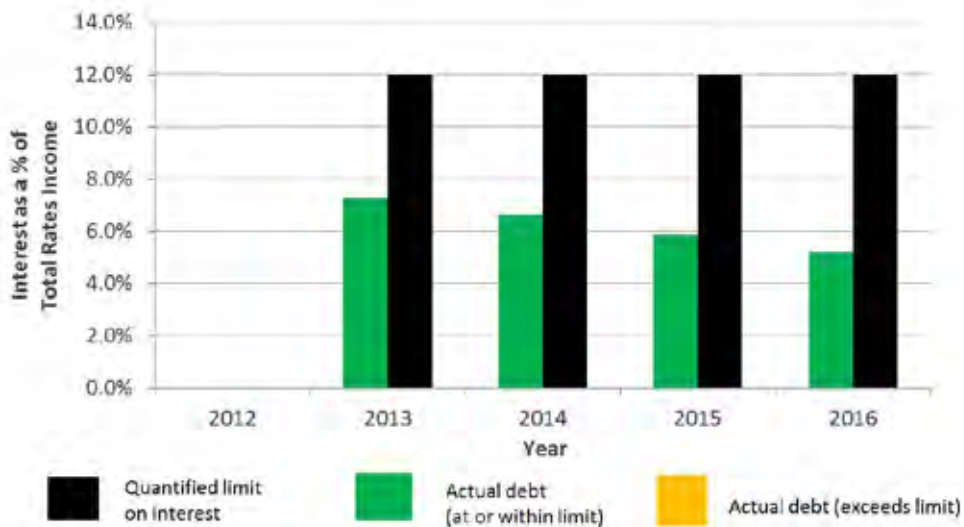
## Our Limits for Debt

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 with effect from 2012/13 is for total debt to be capped at \$75 million



## Our Limit on Interest as a Percentage of Total Rates Revenue

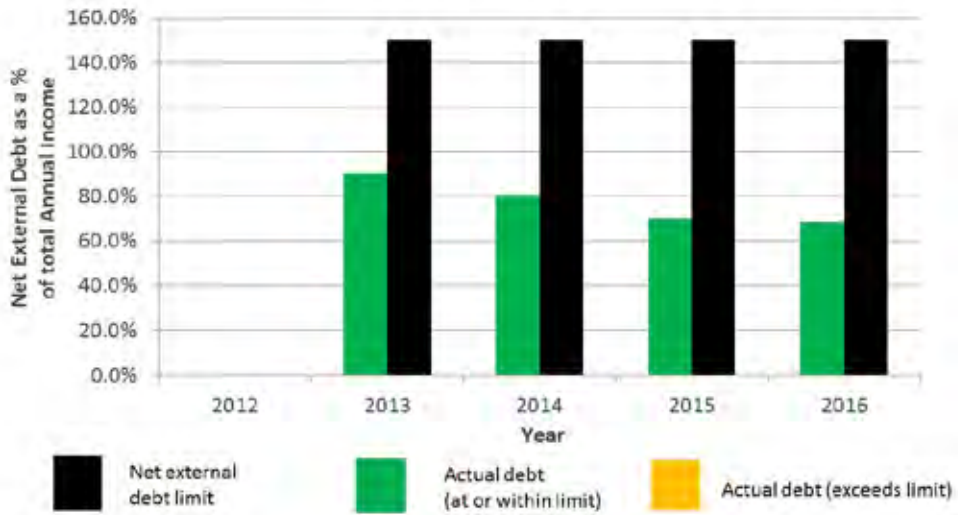
The following graph compares the Council’s actual interest as a percentage of total rates revenue with the second quantified limit on borrowing stated in the financial strategy included in the Council’s Long Term Plan. The quantified limit with effect from 2012/13 is 12% of total rates.





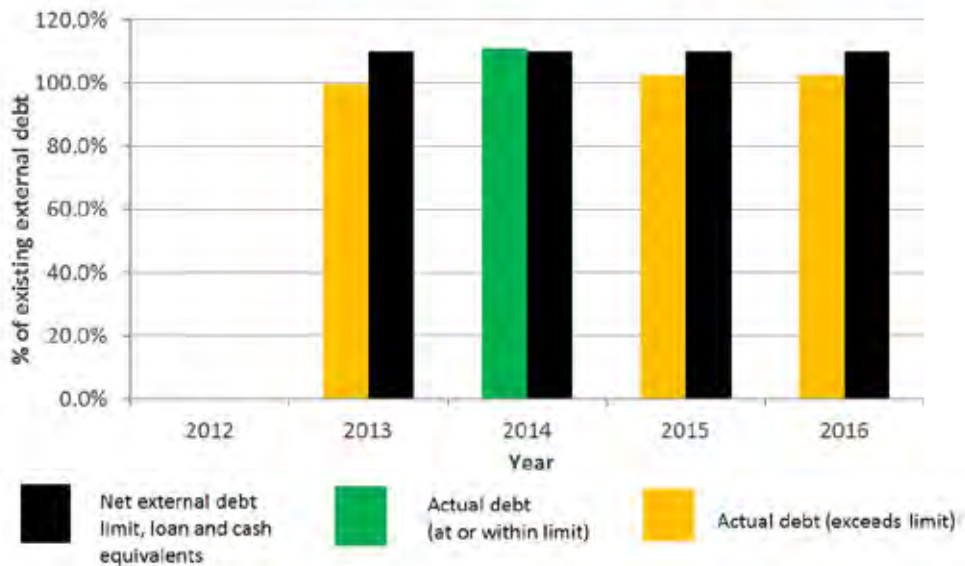
### Our Limit on Net External Debt as a Percentage of Total Annual Income

The following graph compares the Council’s net external debt as a percentage of total annual income with the quantified limit stated in the Liability Management Policy. The quantified limit is 150% of total income with effect from 2012/13.



### Our Limit on Net External Debt, Committed Loan Facilities and Available Cash Equivalents is maintained at 110% of existing external debt

The following graph compares the Council’s planned net external debt and cash equivalents as a percentage of existing external debt. The quantified limit is at or above 110% with effect from 2012/13.



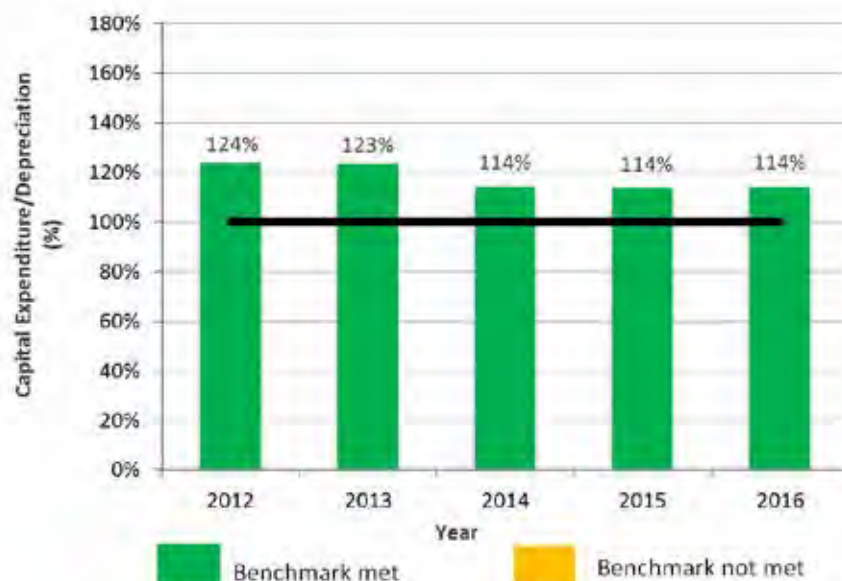
## Balanced Budget Benchmark

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

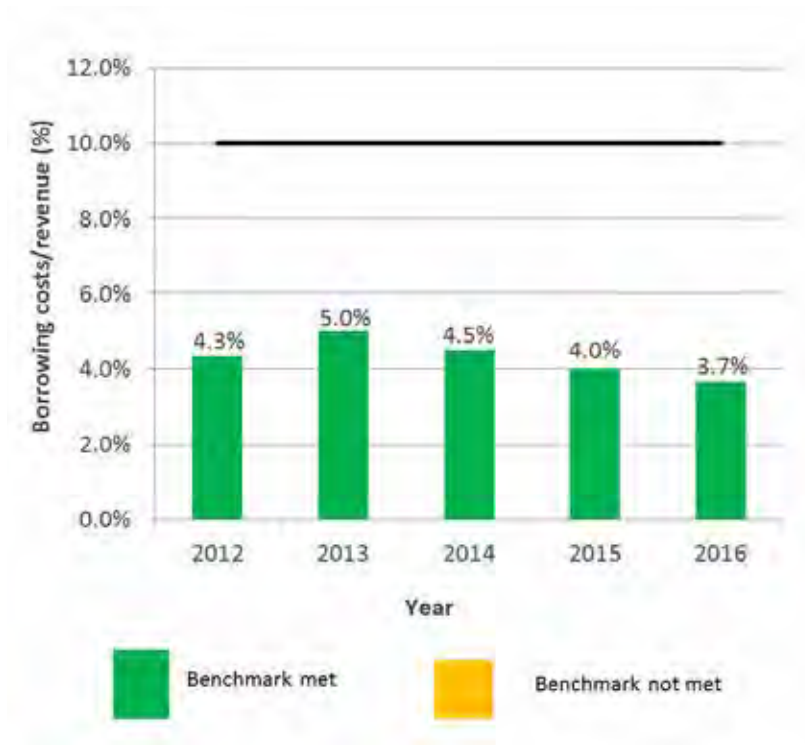
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## 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 Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its 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.

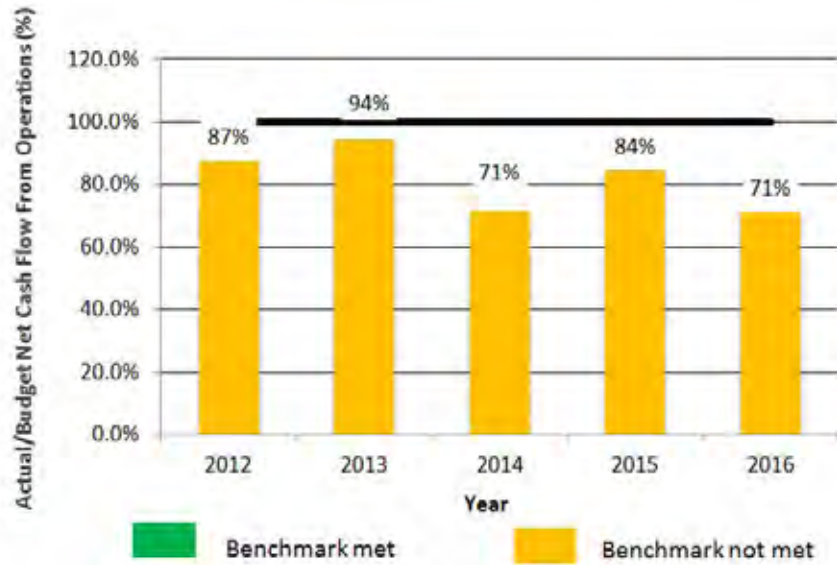


## Operations Control Benchmark

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.

### Operations Control Benchmark





# Financial Statements

## Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2016

ACTUAL 2015 \$000			ACTUAL 2016	BUDGET 2016
			\$000	
	<b>REVENUE</b>			
38,694*	Rates	Note 2	40,052	40,157
7,336	Subsidies and Grants	Note 3	7,235	14,518
493	Development and Financial Contributions		(166)	87
4,719 *	Fees and Charges		5,085	4,857
50	Interest Revenue	Note 6	49	40
4,791	Other Revenue	Note 3	3,987	4,287
776	Gains	Note 7	691	443
<b>56,859</b>	<b>Total Revenue</b>		<b>56,933</b>	<b>64,389</b>
	<b>EXPENSES</b>			
13,332	Personnel Costs	Note 4	13,789	13,229
14,517	Depreciation and Amortisation Expense	Note 5 & Note 14	14,533	14,949
2,269	Finance Costs	Note 6	2,082	2,645
27,863	Other Expenses	Note 5	28,955	27,021
2,035	Revaluation Losses	Note 5	1,981	-
<b>60,016</b>	<b>Total Expenses</b>		<b>61,340</b>	<b>57,844</b>
<b>(3,157)</b>	<b>Surplus (Deficit) Before Tax</b>		<b>(4,407)</b>	<b>6,545</b>
(27)	Income Tax Expense (Benefit)	Note 8	2	-
<b>(3,130)</b>	<b>Surplus (Deficit) After Tax</b>		<b>(4,409)</b>	<b>6,545</b>
	<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>			
(21,819)	Gains (Loss) on Property, Plant and Equipment Revaluations		(500)	7,067
-	Tax on Revaluation Surplus		-	-
<b>(24,949)</b>	<b>Total Comprehensive Revenue and Expense</b>		<b>(4,909)</b>	<b>13,612</b>

\* 2015 actual figures do not align with 2014/15 Annual Report due to volumetric water charges of \$2,617,000 being treated as Rates Revenue rather than Fees and Charges revenue in 2015/16.

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

The Notes and the Statement of Accounting Policies on pages 119 to 170 form part of the Financial Statements.



# Statement of Financial Position

As at 30 June 2016

ACTUAL 2015 \$000			ACTUAL 2016	BUDGET 2016
			\$000	
	<b>EQUITY</b>			
417,831	Accumulated Funds	Note 23	412,054	431,800
17,211	Restricted Equity	Note 23	19,038	16,399
155,489	Asset Revaluation Reserves	Note 23	154,993	182,477
<b>590,531</b>	<b>TOTAL EQUITY</b>		<b>586,085</b>	<b>630,676</b>
	<b>ASSETS</b>			
	<b>Current Assets</b>			
1,003	Cash and Cash Equivalents	Note 9	1,651	1,228
8,864	Receivables	Note 11	8,401	10,893
-	Derivatives Financial Instruments	Note 12	-	-
-	Goods and Services Tax		-	-
93	Inventory	Note 10	108	90
4,521	Non-current Assets Held for Sale	Note 17	9,653	-
<b>14,481</b>	<b>Total Current Assets</b>		<b>19,813</b>	<b>12,211</b>
	<b>Non-Current Assets</b>			
-	Derivative Financial Instruments	Note 12	-	-
607	Investment in CCOs and other similar entities	Note 13	607	607
73,731	Operational Assets	Note 14	71,927	75,891
474,876	Infrastructural Assets	Note 14	473,522	518,618
132	Intangible Assets	Note 14	106	447
38	Forestry Assets	Note 16	50	38
43,134	Investment Property	Note 17	34,506	43,741
34,857	Restricted Assets	Note 18	34,857	36,907
5,087	Work in Progress	Note 14	9,038	7,000
<b>632,462</b>	<b>Total Non-Current Assets</b>		<b>624,613</b>	<b>683,249</b>
<b>646,943</b>	<b>TOTAL ASSETS</b>		<b>644,426</b>	<b>695,460</b>
	<b>LIABILITIES</b>			
	<b>Current Liabilities</b>			
9,532	Payables and Deferred Revenue	Note 19	10,459	10,561
21	Derivatives Financial Instruments	Note 12	-	-
7,000	Borrowings and Other Financial Liabilities	Note 22	3,000	5,000
2,293	Employee Entitlements	Note 21	1,689	1,700
25	Provisions	Note 20	25	-
801	Goods and Services Tax	Note 19	381	-
<b>19,672</b>	<b>Total Current Liabilities</b>		<b>15,554</b>	<b>17,261</b>
	<b>Non-Current Liabilities</b>			
2,571	Derivative Financial Instruments	Note 12	4,574	1,149
33,000	Borrowings and Other Financial Liabilities LT	Note 22	36,300	45,676
433	Employee Entitlements LT	Note 21	466	198
615	Provisions LT	Note 20	1,324	500
121	Deferred Tax Liability	Note 8	123	-
<b>36,740</b>	<b>Total Non-Current Liabilities</b>		<b>42,787</b>	<b>47,523</b>
<b>56,412</b>	<b>TOTAL LIABILITIES</b>		<b>58,341</b>	<b>64,784</b>
<b>590,531</b>	<b>NET ASSETS (Assets minus Liabilities)</b>		<b>586,085</b>	<b>630,676</b>

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

The Notes and the Statement of Accounting Policies on pages 119 to 170 form part of the Financial Statements.



Tony Bonne  
MAYOR  
15 September 2016



Marty Grenfell  
CHIEF EXECUTIVE  
15 September 2016

# Statement of Changes in Net Assets and Equity

For the Year Ended 30 June 2016

ACTUAL 2015 \$000		ACTUAL 2016	BUDGET 2016
		\$000	
615,547	Balance at 1 July	590,531	440,914
<b>(24,949)</b>	<b>Total Comprehensive Revenue and Expense for the Year</b>	<b>(4,909)</b>	<b>7,284</b>
(67)	Other Adjustment	463	182,478
<b>590,531</b>	<b>Balance at 30 June</b>	<b>586,085</b>	<b>630,676</b>

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

The Notes and the Statement of Accounting Policies on pages 119 to 170 form part of the Financial Statements.

# Statement of Cashflows

For the Year Ended 30 June 2016

ACTUAL 2015 \$000			ACTUAL 2016	BUDGET 2016
			\$000	
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
46,461	Receipts from Rates Revenue		47,874	45,390
6,042	Subsidies and Grants Received		7,516	14,518
10,949	Fees and Charges and Other Revenue received		8,968	9,383
50	Interest Received		49	40
7	Dividends Received		6	-
(38,775)	Payments to Suppliers & Employees		(38,937)	(37,319)
(7,998)	Payments to Agencies		(7,945)	(8,185)
(2,245)	Interest paid		(2,085)	(2,645)
2,478	GST (Net)		(420)	-
<b>16,969</b>	<b>Net Cash Flow from Operating Activities</b>	<b>Note 25</b>	<b>15,026</b>	<b>21,182</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
19	Receipts from Sale of Property, Plant and Equipment		2,581	625
(15,222)	Purchase of Property, Plant and Equipment		(16,259)	(28,029)
-	Acquisition of Investments		-	-
<b>(15,203)</b>	<b>Net Cash Flows from Investing Activities</b>		<b>(13,678)</b>	<b>(27,404)</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
7,000	Proceeds from Borrowings			7,076
(12,500)	Repayment of Borrowings		(700)	
<b>(5,500)</b>	<b>Net Cash Flow from Financing Activities</b>		<b>(700)</b>	<b>7,076</b>
(3,734)	Net Increase (Decrease) in Cash Cash Equivalents and Bank Overdrafts		648	854
4,737	Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year		1,003	375
<b>1,003</b>	<b>Cash, Cash Equivalents and Bank Overdrafts at the End of the Year</b>		<b>1,651</b>	<b>1,229</b>
	<b>Represented by:</b>			
<b>1,003</b>	<b>Cash at Bank</b>		<b>1,651</b>	<b>1,229</b>

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

The GST (net) amount of operating cost reflects net GST paid to and received from the Inland Revenue Department.

The Notes and the Statement of Accounting Policies on pages 119 to 170 form part of the Financial Statements.

# Notes to the Financial Statements

## Note 1 - Statement of Accounting Policies

### REPORTING ENTITY

Whakatāne District Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled in New Zealand and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The financial statements have been prepared for the Council and include the Whakatāne Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Council are for the year ended 30 June 2016. The financial statements were authorised for issue by Council on 15 September 2016.

### BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE standards.

### Presentation currency and rounding

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.

### Standards issued and not yet effective and not early adopted

In 2015, the External Reporting Board issued *Disclosure Initiative (Amendments to PBE IPSAS 1)*, *2015 Omnibus Amendments to PBE Standards*, and *Amendments to PBE Standards and Authoritative Notice as a Consequence of XRB A1 and Other Amendments*. These amendments apply to PBEs with reporting periods beginning on or after 1 January 2016. Whakatāne District Council will apply these amendments in preparing its 30 June 2017 financial statements. The Council expects there will be no effect in applying these amendments.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses of entities on a line-by-line basis.

#### *Joint venture*

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

For jointly controlled operations, the Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of revenue it earns from the joint venture.

## Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

### *Rates revenue*

The following policies have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when the rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- 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.

### *Development and financial contributions*

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

### *New Zealand Transport Agency roading subsidies*

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

### *Other grants received*

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### *Building and resource consent revenue*

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

### *Entrance fees*

Entrance fees are fees charged to users of the Council's local facilities, such as pools, museum, and gallery. Revenue from entrance fees is recognised upon entry to such facilities.

### *Landfill fees*

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

### *Provision of commercially based services*

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date.

### *Rendering of services*

Revenue derived through rendering of services is recognised when the service is provided to the customer.

### *Sales of goods*

Revenue from sales of goods is recognised when a product is sold to the customer.

### *Infringement fees and fines*

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when tickets are paid.

### *Vested or donated physical assets*

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer. For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

### *Donated and bequeathed financial assets*

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).



### *Interest and dividends*

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

### **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **Grant expenditure**

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 approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

### **Foreign currency transactions**

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

### **Income tax**

Income tax expense includes components relating to both current tax and deferred tax.

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. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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 statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. 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 nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly 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 surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### *Operating leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, 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 in the statement of financial position.

### **Receivables**

Receivables are recorded at their face value, less any provision for impairment.

## Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's 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 re-measured at their fair value at each balance date.

The associated gains or losses of these derivatives are recognised in the surplus or deficit.

## Other 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 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 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 revenue and expense.

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 re-measurement 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 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 expense. The loans are subsequently measured at amortised cost using the effective interest method.

### *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 revenue and expense*

Financial assets at fair value through other comprehensive revenue and expense 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, or realise, the investment within 12 months of balance date. The Council 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 revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

## Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

### *Loans and receivables, and held-to-maturity investments*

Impairment is established when there is 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 indicators that the asset 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. For debtors and other receivables, 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. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

### *Financial assets at fair value through other comprehensive revenue and expense*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

## Inventory

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property, or property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

## 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 surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

## Property, plant and equipment

Property, plant and equipment consists of:

### *Operational assets*

These include land, buildings, landfill post-closure, library books, plant and equipment, the museum collection and motor vehicles.

### *Restricted assets*

Restricted assets are mainly parks and reserves owned by the Council that 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 the 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.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost 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.

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.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### 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.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired through a non-exchange transaction, 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 surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect

of those assets are transferred to accumulated funds.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when 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.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

INFRASTRUCTURAL ASSETS	YEARS
<b>Roading</b>	
Land – road reserve	N/A
Road formation	N/A
Pavement Basecourse	22-90
Sealed Pavement surface	2-20
Unsealed roads	2-7
Traffic control device	50
Road signs and markers	7-15
Kerbs and channels and cesspits	40-60
Surface water Channel	15-50
Street Railings	10-20
Traffic Islands	50
Street lighting	10-50
Footpaths	20-50
Bridges – concrete	100
Bridges – wooden	30
Car-parks	50
<b>Water</b>	
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

INFRASTRUCTURAL ASSETS	YEARS
Water meters	15-25
<b>Wharves</b>	
Wharves (concrete)	50
<b>Stormwater</b>	
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
<b>Sewer</b>	
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
<b>Refuse</b>	
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 value and useful life of an asset is reviewed, and adjusted if applicable, 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.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

### *Easements*

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and 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 surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	4 - 5 years	20% - 25%
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## Impairment of property, plant, and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

### *Value in use for non-cash-generating assets*

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### *Value in use for cash-generating assets*

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

## Forestry 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 future cash flows discounted at a current market determined 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 forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit when incurred.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

## 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 at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

## Payables

Short-term creditors and other payables are recorded at their face value.

## Borrowings

Borrowings are initially recognised at their fair value plus costs. After initial recognition, all borrowings are 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.

## Employee entitlements

### *Short-term employee entitlements*

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured 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, and sick leave.

A liability for sick leave is recognised 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 it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, 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.

### *Presentation of employee entitlements*

Sick leave and long service leave are valued on an actuarial basis. The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Three key assumptions used in calculating this liability include the discount rate, salary escalation rates and resignation rates. Any changes in these assumptions will affect the carrying amount of the liability.

Projected cashflows are discounted back to the valuation date at the valuation discount rates. The discount rates have been chosen in accordance with PBE IPSAS 25 and have been obtained from Treasury's published Risk-Free Discount Rates as at 30 June 2016. A long term annual rate of salary growth of 3.0% per year has been used.

Sick leave and long service leave are classified as both current and long term liabilities depending on predicted settlement. If the payment is likely to be made within 12 months of balance date the entitlement is classified as current. The balance of the valuation is classified as long term.

## **Superannuation scheme**

### *Defined contribution schemes*

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

## **Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation either legal or constructive as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount 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 and is included in "finance costs".

## **Equity**

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 the following components:

- Accumulated funds;
- 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 the Council.

Restricted reserves include those subject to specific conditions accepted as binding by the 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.

### *Fair value through other comprehensive revenue and expense reserve*

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

## **Goods and services tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables - which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the 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.

## Budget figures

The budget figures are those approved by the Council in its 2015/25 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

## 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.

## Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made 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 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

## Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2016:

### *Classification of property*

The Council previously owned a number of properties held to provide housing to pensioners. In October 2015, ownership of these 79 housing units was transferred to Tawanui Community Housing, a Bay of Plenty-based, registered community housing provider.

## Note 2 - Rates

ACTUAL 2015 \$000		ACTUAL 2016	BUDGET 2016
		\$000	
	<b>GENERAL RATES</b>		
15,626	General Rates	16,821	16,779
	<b>TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:</b>		
438	Recreation and Community Services	14	16
-	District Growth	434	431
4,165	Solid Waste	4,346	4,342
2,635	Stormwater Drainage	2,863	2,848
2,361	Sewage Treatment and Disposal	2,692	2,687
2,392	Water Supply	2,054	3,000
7,907	Roads and Footpaths	7,553	7,510
277	Leadership	312	318
586	Rate Penalties	598	660
(310)	Rates Remissions	(371)	(440)
2,617	Volumetric charges for Water	2,736	2,006
<b>38,694</b>	<b>Net Rate Revenue</b>	<b>40,052</b>	<b>40,157</b>

Comparative 2015 figures may differ slightly due to a restructure of some services and the inclusion of volumetric water charges in rates rather than fees and charges

### 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 2016
The following rating base information is disclosed based on the rating base information at the end of the preceding financial year:	
The number of rating units within the District	16,610
The total capital value of rating units within the District	\$7,427,490,900
The total land value of rating units within the District	\$3,812,260,950

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other local authorities rate. The annual rates revenue of the Council for the year ended 30 June 2016 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2016 \$000	2015 \$000
Rates	40,052	38,694
Lump Sum Contributions	-	11
<b>Total Annual Rates Revenue</b>	<b>40,052</b>	<b>38,705</b>

## Note 3 - Other Revenue and Subsidies & Grants

ACTUAL 2015 \$000		ACTUAL 2016	BUDGET 2016
		\$000	
	<b>SUBSIDIES AND GRANTS</b>		
1,148	Government Grants	540	5,184
6,188	Land Transport NZ Subsidies	6,695	9,334
<b>7,336</b>	<b>Total Subsidies and Grants</b>	<b>7,235</b>	<b>14,518</b>
	<b>OTHER REVENUE</b>		
38	Vested Assets	-	-
322	Infringements & Fines	251	392
248	Petrol Tax	275	265
2,409	Rental Revenue from Investment Properties	2,317	2,558
1,013	Rental Revenue Other	451	450
7	Dividend Revenue	6	-
75	Insurance Recoveries	29	-
673	Other Services	658	622
6	Provision Movement*		-
<b>4,791</b>	<b>Total Other Revenue</b>	<b>3,987</b>	<b>4,287</b>
<b>12,127</b>	<b>Total Subsidies &amp; Grants and Other Revenue</b>	<b>11,222</b>	<b>18,805</b>

\* Landfill aftercare provision and weather tightness provision.

## Note 4 - Personnel Costs

ACTUAL 2015 \$000		ACTUAL 2016	BUDGET 2016
		\$000	
12,255	Salaries and Wages	14,090	12,929
272	Defined Contribution Plan for Employer Contributions*	303	300
805	Increase (Decrease) in Employee Entitlements	(604)	-
<b>13,332</b>	<b>Total Personnel Costs</b>	<b>13,789</b>	<b>13,229</b>

\* Employer contributions to defined contribution plans include contributions to KiwiSaver.



## Note 5 - Depreciation & Other Expenses

ACTUAL 2015 \$000		ACTUAL 2016	BUDGET 2016
		\$000	
	<b>DIRECTLY ATTRIBUTABLE DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY</b>		
	Leadership		
28	Community Safety	71	65
-	Environmental Sustainability	-	-
-	District Growth	119	89
334	Arts and Culture	401	119
1,150	Recreation and Community Facilities	1,408	1,318
679	Community Property	649	396
38	Waste	7	49
6,574	Roads and Footpaths	6,451	6,928
1,776	Water Supply	1,781	2,035
1,007	Stormwater Drainage	1,041	1,096
1,303	Sewage Treatment and Disposal	1,327	1,452
16	Reportable Council-controlled Organisations	15	70
1,612	Corporate & District Activities Funds Applied	1,263	1,332
<b>14,517</b>	<b>Total Depreciation and Amortisation Expense</b>	<b>14,533</b>	<b>14,949</b>
	<b>Corporate &amp; District Activities Funds Applied</b>		
125	Audit NZ - Council Financial Statements	129	282
84	Audit NZ - Annual Plan / Long Term Plan	-	-
5	Audit NZ - Whakatāne Airport Joint Venture	4	-
3	Audit fees - internal audit	-	-
21	IANZ - BCA accreditation	-	-
298	Grants and Subsidies	622	298
510	Insurance Premiums	443	510
114	Investment Property Expenses	-	114
1,290	Loss on Disposal of Assets	1,982	1,290
128	Movement in Doubtful Debt Impairment	13	128
4	Operating Leases	6	4
25,140	Other Operating Expenses	25,047	24,395
-	Impairment	-	-
141	Movement in Provision	709	-
<b>27,863</b>	<b>Total Other Expenses</b>	<b>28,955</b>	<b>27,021</b>
	<i>* Movement in landfill and weathertight provisions</i>		
	<b>REVALUATION LOSSES</b>		
-	Investment Property	-	-
39	Non-current Assets Held for Sale	-	-
-	Operational Land	-	-
1,996	Derivative Financial Instruments	1,981	-
<b>2,035</b>	<b>Total Revaluation Losses</b>	<b>1,981</b>	<b>-</b>

## Note 6 - Interest Revenue and Finance Costs

ACTUAL 2015 \$000		ACTUAL 2016	BUDGET 2016
		\$000	
50	Interest Revenue	49	40
(2,269)	Finance Costs - interest on borrowings	(2,082)	(2,645)
<b>(2,219)</b>	<b>Net Finance Costs</b>	<b>(2,033)</b>	<b>(2,605)</b>

## Note 7 - Gains

ACTUAL 2015 \$000		ACTUAL 2016	BUDGET 2016
		\$000	
	<b>NON FINANCIAL INSTRUMENTS</b>		
562	Revaluation - Investment Property	657	443
-	Revaluation - Forestry	-	-
214	Gain on Disposal of Assets	34	-
<b>776</b>	<b>Total Non-Financial Instruments</b>	<b>691</b>	<b>443</b>
	<b>FINANCIAL INSTRUMENTS</b>		
-	Revaluation - Derivative Financial Instruments	-	-
-	<b>Total Financial Instruments</b>	-	-
<b>776</b>	<b>Total Gains</b>	<b>691</b>	<b>443</b>

## Note 8 - Income Tax

ACTUAL 2015 \$000		ACTUAL 2016 \$000
	<b>COMPONENTS OF TAX EXPENSE</b>	
-	<b>CURRENT TAX</b>	-
-	Adjustments to Current Tax in Prior Years	-
(27)	Deferred Tax	2
<b>(27)</b>	<b>Total Tax</b>	<b>2</b>
	<b>RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING SURPLUS</b>	
(3,157)	Surplus (Deficit) Before Tax	(4,407)
(884)	Tax @ 28% (2015: 28%)	(1,234)
	<b>Plus (Less) tax effect of:</b>	
884	Non-deductible Expenditure	1,234
-	Non-taxable Revenue	-
(27)	Deferred Tax Adjustment	2
-	Prior Year Adjustment	-
<b>(27)</b>	<b>Tax Expense (Benefit)</b>	<b>2</b>

DEFERRED TAX ASSET (LIABILITY)	PROPERTY, PLANT AND EQUIPMENT \$000	FINANCIAL INSTRUMENTS \$000	EMPLOYEE ENTITLEMENTS \$000	TAX LOSSES \$000	TOTAL \$000
<b>Balance at 30 June 2014</b>	<b>(600)</b>	-	-	<b>452</b>	<b>(148)</b>
Charged to Surplus or Deficit	10	-	-	17	27
Charged to Other Comprehensive Revenue and Expense					
<b>Balance at 30 June 2015</b>	<b>(590)</b>	-	-	<b>469</b>	<b>(121)</b>
Charged to Surplus or Deficit	(89)	-	-	86	(2)
Charged to Other Comprehensive Revenue and Expense	-	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>(679)</b>	-	-	<b>555</b>	<b>(123)</b>

A deferred tax asset has not been recognised in relation to unused tax losses of \$4,418,808 (2015: \$4,441,814).

A deferred tax asset has not been recognised in relation to unused tax losses of \$nil (2015: \$nil) in relation to the Whakatāne Airport joint venture (50% share).

## Note 9 - Cash & Cash Equivalents

ACTUAL 2015 \$000		ACTUAL 2016 \$000
1,003	Cash at Bank and on Hand	1,651
<b>1,003</b>	<b>Total Cash and Cash Equivalents</b>	<b>1,651</b>
<i>The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.</i>		
<b>INTEREST RATES</b>		
<i>The weighted average effective interest rates during the year on Cash and Cash Equivalents were:</i>		
2015		2016
3.18%	Cash and Cash Equivalents	2.14%

## Note 10 - Inventories

ACTUAL 2015 \$000		ACTUAL 2016 \$000
<b>HELD FOR DISTRIBUTION:</b>		
93	Water and Sewerage Spare Parts	108
<b>93</b>	<b>Total Inventories</b>	<b>108</b>

*No inventories are pledged as security for liabilities (2015: \$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 2016 amounted to \$Nil (2015: \$Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.*

## Note II - Receivables

ACTUAL 2015 \$000		ACTUAL 2016 \$000
4,831	Rates Receivables	5,035
2,789	Metered Water Receivables	2,726
1,273	Sundry Debtor Receivables	1,688
793	Regulatory Receivables	185
1,397	Land Transport NZ Receivable	871
469	Accrued Revenue	372
62	Other Receivables	169
<b>11,614</b>		<b>11,046</b>
(2,906)	Less Provision for Impairment of Receivables	(2,919)
<b>8,708</b>		<b>8,127</b>
156	Prepayments	274
<b>8,864</b>	<b>Total Receivables</b>	<b>8,401</b>
	<b>Total Receivables Comprise:</b>	
5,719	Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	5,212
3,145	Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	3,189

### Fair Value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their face value.

### Impairment

The Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the 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 the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

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 effect of discounting is material.

All receivables greater than 30 days in age are considered to be past due. The impairment provision has been calculated based on a review of specific overdue receivables and assessment. The impairment provision is based on an analysis of past collection history and debt write-offs. Movements in the provision for impairment of receivables are as follows:

### MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES:

	2016	2015
	\$000	
At 1 July	2,906	2,778
Provision Adjustment Made During the Year	13	128
Receivables Written Off During the Year	-	-
<b>Balance at 30 June</b>	<b>2,919</b>	<b>2,906</b>

The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.



## Note 12 - Derivative Financial Instruments

ACTUAL 2015 \$000		ACTUAL 2016 \$000
	<b>CURRENT ASSETS PORTION</b>	
-	Interest rate swaps	-
	<b>CURRENT LIABILITIES PORTION</b>	
21	Interest rate swaps	-
	<b>NON-CURRENT ASSETS PORTION</b>	
-	Interest rate swaps	-
	<b>NON-CURRENT LIABILITIES PORTION</b>	
2,571	Interest rate swaps	(4,574)
<b>(2,592)</b>	<b>Total Derivative Financial Instrument Liabilities</b>	<b>(4,574)</b>

### Fair value

The fair values 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 2016.

### Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$35.8 million (2015: \$39.8 million). At 30 June 2016 the fixed interest rates of cash flow hedge interest rate swaps were 4.731% (2015: 4.855%).

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2016 are released to the surplus or deficit as interest is paid on the underlying debt.

The Council have no fair value hedges.

Deal Number	Swap 1	Swap 2	Swap 3	Swap 4	Swap 5	Swap 6	Swap 7
Maturity Date	20/07/2023	31/08/2021	22/09/2025	21/03/2024	22/03/2022	22/03/2024	22/06/2020
Fixed Rate	4.9900%	4.4800%	4.8000%	4.8700%	5.7900%	4.9500%	5.5100%
Amount	\$2,000,000	\$2,000,000	\$3,000,000	\$1,600,000	\$2,500,000	\$1,000,000	\$2,000,000
Fair Value	(338,588)	(212,680)	(526,716)	(267,493)	(460,081)	(172,773)	(247,991)

Deal Number	Swap 8	Swap 9	Swap 10	Swap 11	Swap 12	Swap 13	Swap 14
Maturity Date	22/06/2020	23/06/2021	22/01/2021	22/03/2023	22/11/2018	22/09/2023	22/09/2024
Fixed Rate	4.0300%	4.8500%	4.2000%	4.9700%	3.9700%	5.9000%	5.0000%
Amount	\$2,000,000	\$1,000,000	\$2,500,000	\$1,000,000	\$3,000,000	\$1,700,000	\$1,000,000
Fair Value	(159,937)	(119,494)	(214,438)	(157,896)	(127,349)	(388,033)	(184,159)

Deal Number	Swap 15	Swap 16	Swap 17	Swap 18
Maturity Date	22/11/2018	20/04/2024	20/12/2024	30/03/2020
Fixed Rate	4.2850%	4.4000%	4.7300%	4.5700%
Amount	\$3,000,000	\$2,500,000	\$2,000,000	\$2,000,000
Fair Value	(150,497)	(345,807)	(334,035)	(165,836)

**FAIR VALUE TOTAL (4,573,803)**

## Note 13 - Investment in Council Controlled Organisations and Other Similar Entities

ACTUAL 2015 \$000		ACTUAL 2016 \$000
50	Shares - NZ Local Government Insurance Corporation Limited: 38,788 shares @ \$1.29	50
9	Shares - Bay of Plenty Local Authority Shared Services Limited: 9 shares @ \$1,000	9
100	Shares - NZ Local Government Funding Agency	100
448	Borrower Notes - NZ Local Government Funding Agency	448
<b>607</b>	<b>Total Investment in Council Controlled Organisations and Other Similar Entities</b>	<b>607</b>

### *Unlisted shares*

The fair value of unlisted shares in NZ Local Government Insurance Corporation Ltd and Bay of Plenty Local Authority Shared Services Ltd (BoP LASS Ltd) have been determined using the net asset backing method.

The Whakatāne District Council 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 Ltd 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 NZ Local Government Funding Agency, the Council has estimated the fair value of this investment based on the LGFA's net asset backing 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 - Property, Plant & Equipment

Movement in the carrying value for each class of property, plant and equipment are as follows:

2016	1 JULY 2015							CURRENT YEAR							30 JUNE 2016	
	COST / VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	ADDITIONS	VESTED	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON DISPOSAL	DEPRECIATION	REVALUATION	COST / REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE		
<b>OPERATIONAL ASSETS</b>																
Land*	19,539	-	19,539	-	-	-	-	-	-	-	-	19,539	-	19,539		
Buildings**	40,310	1,305	39,005	598	-	10	-	(5)	1,487	-	-	40,898	2,797	38,101		
Plant & Equipment	2,957	1,858	1,099	460	-	-	-	(48)	257	-	-	3,417	2,163	1,254		
Furniture & Fittings	1,863	1,250	613	289	-	-	-	-	152	-	-	2,152	1,402	750		
Office Equipment	10,014	8,342	1,672	357	-	5,887	-	6,070	814	-	-	4,484	3,086	1,398		
Motor Vehicles	2,135	1,480	655	186	-	359	-	293	142	-	-	1,962	1,329	633		
Harbour Vessels	269	222	47	-	-	-	-	-	33	-	-	269	255	14		
Museum Collection	9,552	62	9,490	-	-	-	-	-	-	(740)	-	8,812	62	8,750		
Library Books	1,814	206	1,608	91	-	-	-	-	216	-	-	1,906	422	1,484		
<b>Total Operational Assets</b>	<b>88,453</b>	<b>14,725</b>	<b>73,728</b>	<b>1,981</b>	-	<b>6,256</b>	-	<b>6,310</b>	<b>3,101</b>	<b>(740)</b>	<b>(740)</b>	<b>83,439</b>	<b>11,516</b>	<b>71,923</b>		
<b>INFRASTRUCTURAL ASSETS</b>																
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	-	91,363	-	91,363		
Stormwater	43,019	1,007	42,012	672	-	-	-	-	1,041	-	-	43,691	2,048	41,643		
Harbour	4,531	173	4,358	405	-	-	-	-	190	-	-	4,936	363	4,573		
Parks	9,980	630	9,350	390	-	-	-	-	684	-	-	10,370	1,314	9,056		
Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Core Council Infrastructure Assets</b>																
Roading Network	238,221	6,575	231,646	7,016	-	-	-	-	6,450	176	-	245,413	13,025	232,388		
Water - Treatment Plants & Facilities	3,254	213	3,041	-	-	-	-	-	213	-	-	3,254	426	2,828		
Water - Other	52,143	1,563	50,580	815	-	-	-	-	1,568	-	-	52,958	3,131	49,827		
Sewerage - Treatment Plants & Facilities	5,516	122	5,394	-	-	-	-	-	129	-	-	5,516	251	5,265		
Sewerage - Other	38,314	1,181	37,133	645	-	-	(342)	-	857	-	-	38,617	2,038	36,579		
<b>Total Infrastructural Assets</b>	<b>486,341</b>	<b>11,464</b>	<b>474,877</b>	<b>9,943</b>	-	-	<b>(342)</b>	-	<b>11,132</b>	<b>176</b>	<b>176</b>	<b>496,118</b>	<b>22,596</b>	<b>473,522</b>		
<b>INTANGIBLE ASSETS</b>																
Computer Software	4,130	3,998	132	168	-	644	-	750	300	-	-	3,654	3,548	106		
<b>Total</b>	<b>578,924</b>	<b>30,187</b>	<b>548,737</b>	<b>12,092</b>	-	<b>6,900</b>	<b>(342)</b>	<b>7,060</b>	<b>14,533</b>	<b>(564)</b>	<b>(564)</b>	<b>583,211</b>	<b>37,660</b>	<b>545,551</b>		

\* \*\* Includes Airport land \$2,720,000 (2015: \$2,720,000) \*\* includes 50% Airport assets including runway \$1,449,675 (2015: \$1,352,497 including runway and land)

All infrastructural assets are constructed on behalf of Whakatane District Council by contractors.

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 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, nor are there any intangible assets pledged as security for liabilities.

# Note 14 - Property, Plant & Equipment

Movement in the carrying value for each class of property, plant and equipment are as follows:

2015	CURRENT YEAR										30 JUNE 2015			
	COST / VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	ADDITIONS	VESTED	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON DISPOSAL	DEPRECIATION	REVALUATION	COST / REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE
<b>OPERATIONAL ASSETS</b>														
Land*	21,225	-	21,225	2	-	-	(1,228)	-	-	(460)***	19,539	-	-	19,539
Buildings**	43,805	10	43,795	586	-	-	(3,057)	-	1,295	(1,024)***	40,310	1,305	1,305	39,005
Plant & Equipment	2,675	1,719	956	295	-	7	(6)	-	139	-	2,957	1,858	1,858	1,099
Furniture & Fittings	1,830	1,051	779	148	-	-	(115)	-	199	-	1,863	1,250	1,250	613
Office Equipment	9,533	7,758	1,775	481	-	-	-	-	584	-	10,014	8,342	8,342	1,672
Motor Vehicles	2,150	1,577	573	258	-	273	-	259	162	-	2,135	1,480	1,480	655
Harbour Vessels	269	189	80	-	-	-	-	-	33	-	269	222	222	47
Museum Collection	9,552	62	9,490	-	-	-	-	-	-	-	9,552	62	62	9,490
Library Books	1,732	-	1,732	83	-	-	-	-	206	-	1,814	206	206	1,608
<b>Total Operational Assets</b>	<b>92,771</b>	<b>12,366</b>	<b>80,405</b>	<b>1,853</b>	<b>-</b>	<b>280</b>	<b>(4,406)</b>	<b>259</b>	<b>2,618</b>	<b>1,484</b>	<b>88,453</b>	<b>14,725</b>	<b>14,725</b>	<b>73,728</b>
<b>INFRASTRUCTURAL ASSETS</b>														
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	91,363	-	-	91,363
Stormwater	46,666	2,789	43,877	1,452	-	52	-	-	1,007	(2,258)	43,019	1,007	1,007	42,012
Harbour	3,757	-	3,757	774	-	-	-	-	173	-	4,531	173	173	4,358
Parks	9,091	-	9,091	889	-	-	-	-	630	-	9,980	630	630	9,350
Refuse	7,000	6,207	793	-	-	7,000	-	6,242	35	-	-	-	-	-
<i>Core Council Infrastructure Assets</i>														
Roading Network	239,120	6,537	232,583	7,042	-	-	-	-	6,575	(1,404)	238,221	6,575	6,575	231,646
Water - Treatment Plants & Facilities	3,009	534	2,475	258	-	-	-	-	213	(13)	3,254	213	213	3,041
Water - Other	68,852	5,113	63,739	2,165	38	153	-	-	1,563	(13,112)	52,143	1,563	1,563	50,580
Sewerage - Treatment Plants & Facilities	5,427	356	5,071	-	-	-	-	-	122	89	5,516	122	122	5,394
Sewerage - Other	43,978	3,263	40,715	1,759	-	168	-	-	1,181	(3,638)	38,314	1,181	1,181	37,133
<b>Total Infrastructural Assets</b>	<b>518,263</b>	<b>24,799</b>	<b>493,464</b>	<b>14,339</b>	<b>38</b>	<b>7,373</b>	<b>-</b>	<b>6,242</b>	<b>11,499</b>	<b>(20,336)</b>	<b>486,341</b>	<b>11,464</b>	<b>11,464</b>	<b>474,877</b>
<b>INTANGIBLE ASSETS</b>														
<b>Computer Software</b>	<b>4,094</b>	<b>3,597</b>	<b>497</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401</b>	<b>-</b>	<b>4,130</b>	<b>3,998</b>	<b>3,998</b>	<b>132</b>

\* Includes Airport land \$2,720,000 (2014: \$2,720,000) \*\* Includes 50% Airport assets including runway \$1,352,498 (2014: \$1,357,213 including runway and land) \*\*\* Revaluation of pensioner housing portfolio prior to transferring to non current assets held for sale. No property, plant and equipment is pledged as security. Refer Note 18 for restricted assets. Council has easements giving rights to access to private property where infrastructure assets are located. It has not been feasible to value at this stage and when valued are not expected to be material. There are no restrictions over the title of Council's intangible assets, nor are there any intangible assets pledged as security for liabilities. valued are not expected to be material. There are no restrictions over the title of Council's intangible assets, nor are there any intangible assets pledged as security for liabilities.

# Note 14 - Property, Plant & Equipment Continued

## Work in progress

Property, plant and equipment in the course of construction by class of asset is detailed below:

	ACTUAL 2016 \$000	ACTUAL 2015 \$000
Water, Stormwater & Wastewater Systems	5,927	2,591
Roading Network	1,181	1,030
Buildings	796	618
Parks and Reserves	117	54
Ports and Harbour	225	301
Intangible Assets	664	391
Airport	126	102
Plant and Equipment	1	
<b>Total Work in Progress</b>	<b>9,038</b>	<b>5,087</b>

## Replacement cost - core Council infrastructure assets

	MOST RECENT ESTIMATE OF REPLACEMENT COST \$000	DATE OF ESTIMATE
Roading Networks	366,989	1 July 2015
Water - treatment plants & facilities	6,698	1 July 2014
Water - other	91,288	1 July 2014
Sewerage - treatment plants & facilities	7,804	1 July 2014
Sewerage - other	77,087	1 July 2014
Stormwater	66,045	1 July 2014

## Insurance of assets

The following information relates to the insurance of Council assets at 30 June 2016

	2016 \$000	2015 \$000
The total net book value of all Council assets covered by insurance contracts	202,157	206,239
The maximum amount to which insured assets are insured	257,483	257,483
The total net book value of all council assets covered by financial risk sharing arrangements*	-	-
Maximum amount available to the Council under financial risk sharing arrangements*	-	-
The value of assets that are self-insured	323,751	323,009
The value of funds maintained for self-insurance	1,181	1,181

*In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage and sewerage assets, and provide a subsidy towards the restoration of roads.*

*\* Covered under insurance contracts in 2016.*



## Note 15 - Valuation

### Land (operational, restricted and infrastructural)

The most recent valuation was performed by an independent Certified Practising Valuer, S O'Brien of Aon Risk Solutions. The valuation was effective as at 30 June 2014.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the unencumbered land value where there is a designation against the land or the use of the land is restricted because of reserve of endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

### Buildings (operational and restricted)

The most recent valuation was performed by an independent Certified Practising Valuer, S O'Brien of Aon Risk Solutions. The valuation is effective as at 30 June 2014.

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern, equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

### Infrastructural asset classes: sewerage, water, drainage and roads

Sewerage, water, drainage and roading infrastructure assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected 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 asset, then the Council could be over-or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise the risk, infrastructural asset useful lives have been determined with reference to the New Zealand 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 asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation of water, wastewater and stormwater assets was performed by William Wallace and Jamie Cable, Asset Management Consultants of Opus International Consultants Limited, and the valuation was effective as at 1 July 2014.

The most recent valuation for road assets was performed by Evan Ou Yang, Asset Information Analyst of Opus International Consultants Limited, and the valuation was effective as at 1 July 2015.

## Note 15 - Valuation Continued

### 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. On transition to New Zealand equivalents to International Financial Reporting Standards on 1 July 2006, the Council elected to use the fair value of land under roads as at 1 July 2006. Land under roads is no longer revalued.

### Vested infrastructural assets

Vested infrastructural assets are 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 Comprehensive Revenue and Expense as revenue and in the Statement of Financial Position as property, plant and equipment.

### Library collections

Library collections are valued at depreciated replacement cost in accordance with the guidelines released in 2002 by the New Zealand Library Association and the National Library. The most recent valuation of the library collection was performed by J Munroe, Certified Practising Valuer of RHAS, and the valuation was effective as at 30 June 2014.

### Museum

Museum collections are valued 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. The most recent valuation was performed by James Parkinson of Art + Object and the valuation is effective as at 30 June 2016.

## Note 16 - Forestry Assets

ACTUAL 2015 \$000		ACTUAL 2016 \$000
38	Balance at 1 July	38
-	Gains (Losses) Arising from Changes in Fair Value on Valuation	12
-	Decreases due to Sales	-
<b>38</b>	<b>Balance at 30 June</b>	<b>50</b>

*Council owns 26.61 hectares of land predominantly held for forestry purposes, of which 7.2 hectares is stocked with Pinus Radiata. Plantation forests have been valued by PFOlsen and Co, independent valuers, on the basis of arms length market transaction of current market evidence as at 30 June 2016.*

*No trees have been harvested during the year (2015: nil).*

## Note 17 - Investment Property & Non Current Assets Held For Sale

ACTUAL 2015 \$000		ACTUAL 2016 \$000
	<b>INVESTMENT PROPERTY</b>	
42,898	Balance at 1 July	43,134
-	Sales and Disposals	-
562	Fair Value Gains (Losses) on Valuation	914
-	Transfer (to) from Restricted Assets	-
-	Transfer from Non-Current Assets Held for Sale	(9,542)
-	Transfer from Operational Land	-
-	Transfer to Operational Land	-
-	Transfer from Restricted Land	-
(326)	Transfer to Restricted Land	-
<b>43,134</b>	<b>Balance at 30 June</b>	<b>34,506</b>
Information about the revenue and expenses in relation to investment property is detailed below:		
2,409	Rental Revenue	2,318
114	Direct Operating Expenses from Investment Property Generating Revenue	-
	<b>NON-CURRENT ASSETS HELD FOR SALE</b>	
154	Balance at 1 July	4,521
-	Sales	(4,406)
(39)	Other Adjustments	(4)
4,406	Transfer from Operational Assets	
	Transfer from Investment Property	9,542
<b>4,521</b>	<b>Balance at 30 June</b>	<b>9,653</b>

*The non-current assets held for sale relate to property currently held but on the market or about to be listed for sale.*

All investment properties held by Council were valued at 30 June 2016 by Grant Utteridge an independent Valuer of TelferYoung (Rotorua) Ltd registered valuers. TelferYoung have extensive market knowledge in the types and location of investment properties owned by the Council. The properties have been valued in accordance with PBE IPSAS 16 Investment Property. The basis of the valuation is Fair Value of each property as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The valuation includes Lessors' Interests in freehold land holdings held by the Council. The majority of these leases are perpetually renewable of 14 year terms with rents mostly set at 5% of market value of the land. The valuation for Lessors' Interests within the portfolio was based on recent sales from centres throughout New Zealand. Valuations for Freehold Investment properties relate to the market value in comparison to comparable sales evidence for similar properties in the surrounding area. Restricted land within the investment category: \$nil (2015: \$nil).

## Note 18 - Restricted Assets

2015	COST/ REVALUATION 1 JULY 2014	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 CHANGE	COST/ REVALUATION 30 JUNE 2015
	\$000									
Harbour Land (Not Leased)	3,293	-	-	-	-	-	-	326	-	3,619
Recreational Reserves	31,238	-	-	-	-	-	-	-	-	31,238
<b>Total</b>	<b>34,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326</b>	<b>-</b>	<b>34,857</b>
2016	COST/ REVALUATION 1 JULY 2015	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 CHANGE	COST/ REVALUATION 30 JUNE 2016
	\$000									
Harbour Land (Not Leased)	3,619	-	-	-	-	-	-	-	-	3,619
Recreational Reserves	31,238	-	-	-	-	-	-	-	-	31,238
<b>Total</b>	<b>34,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,857</b>

Refer to Note 15 for revaluation details. Land in the Restricted Asset category is subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land under a bequest or donation that restricts the purpose for which the assets can be used).

## Note 19 - Payables and Deferred Revenue

ACTUAL 2015 \$000		ACTUAL 2016 \$000
<b>Payables and deferred revenue under exchange transactions</b>		
5,378	Trade Payables	6,083
679	Accrued Expenses	900
1,223	Revenue Received in Advance	964
439	Deposits	493
581	Amounts due to Customers for Contract Work	473
<b>Payables and deferred revenue under non-exchange transactions</b>		
801	Other Taxes Payable (GST, etc)	381
1,232	Revenue Received in Advance	1,546
<b>10,333</b>	<b>Total Payables and Deferred Revenue</b>	<b>10,841</b>

*Payables are generally 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 2015 \$000		ACTUAL 2016 \$000
	<b>Current Portion</b>	
25	Landfill Aftercare Provision	25
-	Weathertightness Provision	-
<b>25</b>	<b>Total Current Portion</b>	<b>25</b>
	<b>Non-current Portion</b>	
272	Landfill Aftercare Provision	286
343	Weathertightness Provision	1,038
<b>615</b>	<b>Total Non-current Portion</b>	<b>1,324</b>
<b>640</b>	<b>Total Provisions</b>	<b>1,349</b>
Movements for each class of provision are as follows:		
	<b>LANDFILL AFTERCARE PROVISION</b>	
303	Balance at 1 July	297
(6)	Increase (Decrease) in Net Present Value	14
<b>297</b>	<b>Balance at 30 June</b>	<b>311</b>
	<b>WEATHERTIGHTNESS PROVISION</b>	
202	Balance at 1 July	343
141	Increase (Decrease) in Provision	695
<b>343</b>	<b>Balance at 30 June</b>	<b>1,038</b>

### LANDFILL AFTERCARE COSTS

Council's responsibilities include closure costs, incremental drainage control features, facilities for leachate collection and monitoring, and facilities for water quality monitoring. Post closure costs include treatment and monitoring of leachate and groundwater surface monitoring.

### WEATHERTIGHTNESS CLAIMS PROVISION

Claims have been lodged with the Weathertight Homes Resolution Service (WHRS), for buildings located within the Whakatāne District. The WHRS is a Central Government service established under the Weathertight Homes Resolution Services Act 2006. It also offers a funding assistance package (FAP) to eligible homeowners. This sees the Council contribution capped at 25% of eligible costs if the homeowner elected to use the FAP scheme. The Council has opted into the FAP scheme. Five outstanding claims were registered at 30 June 2016 and are being dealt with on a case by case basis (2015: four). Currently Council's liability in relation to these claims has not been formally established and it is not possible to determine the likely outcome of the claims at this stage. A potential liability has been provided in the 2016 financial statements of \$1,038,000 based on the expected outcome of negotiations on known claims with four of the affected parties - an increase of \$695,000 to the provision at 30 June 2015. The provision also includes future claims relating to weathertightness issues not yet identified and reported.

## Note 21 - Employee Entitlements

ACTUAL 2015 \$000		ACTUAL 2016 \$000
	<b>Current Portion</b>	
780	Accrued pay	281
1,506	Annual and Long Service Leave	1,380
7	Sick Leave	28
<b>2,293</b>	<b>Total Current Portion</b>	<b>1,689</b>
	<b>Non-current Portion</b>	
420	Long Service Leave	454
13	Sick Leave	12
<b>433</b>	<b>Total Non-current Portion</b>	<b>466</b>
<b>2,726</b>	<b>Total Employee Entitlements</b>	<b>2,155</b>

### Key assumptions in measuring retirement and long service leave obligations

Retirement & long service leave and sick leave were valued on an actuarial basis by Aon Hewitt Consulting as at 30 June 2016.

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Three key assumptions used in calculating this liability include the discount rate, salary escalation rates and resignation rates. Any changes in these assumptions will affect the carrying amount of the liability.

Projected cashflows are discounted back to the valuation date at the valuation discount rates. The discount rates have been chosen in accordance with PBE IPSAS 25 and have been obtained from Treasury's published Risk-Free Discount Rates as at 30 June 2016. A long term annual rate of salary growth of 3.0% per year has been used.

## Note 22 - Borrowings

ACTUAL 2015 \$000		ACTUAL 2016 \$000
	<b>Current Portion</b>	
7,000	Secured Loans	3,000
	<b>Non-current Portion</b>	
33,000	Secured Loans	36,300
<b>40,000</b>	<b>Total Borrowings</b>	<b>39,300</b>
	The fair values of borrowings including current portion equate to their carrying values	
	<b>Maturity Profile</b>	
7,000	Maturing in under one year	3,000
-	Maturing in 1-2 years	8,000
8,000	Maturing in 2-3 years	12,300
9,000	Maturing in 3-4 years	-
-	Maturing in 4-5 years	13,000
16,000	Maturing in 5 years+	3,000
<b>40,000</b>		<b>39,300</b>

### Interest terms for secured loans

The Council's secured loans are mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk. External interest rates at 30 June 2016 range from 2.5% to 4.22% (2015: 3.83% to 4.6%) with a weighted average rate of 3.35% (2015: 4.27%). Interest expense for 2016 was \$2.08 million (2015: \$2.269 million).

### Security

The Council's secured loans are secured over future rating revenue of the Council.

### Internal borrowings

Information about internal borrowings are provided in the 'Our Work in Detail' chapter from pages 19 to 100 of the Council's Annual Report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

### Fair values

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximate their fair value.

## Note 23 - Equity

ACTUAL 2015 \$000		ACTUAL 2016 \$000
	<b>EQUITY</b>	
414,831	Accumulated Funds	412,054
17,211	Restricted Reserves	19,038
155,489	Asset Revaluation Reserves	154,993
<b>590,531</b>	<b>Total Public Equity</b>	<b>586,085</b>
	<b>ACCUMULATED FUNDS</b>	
407,025	Balance at 1 July	403,232
(66)	Other Reserve Movements	459
(3,130)	Surplus/(Deficit) for the Year	(4,409)
(14,405)	Transfers to Council Created Reserves	(14,948)
(2,867)	Transfers to Restricted Reserves	(5,641)
13,551	Transfers from Council Created Reserves	11,695
3,124	Transfers from Restricted Reserves	3,814
<b>403,232</b>	<b>Balance at 30 June</b>	<b>394,202</b>
	<b>Add Council Created Reserves (Incl. Depreciation Reserves)</b>	
13,745	Balance at 1 July	14,599
14,405	Transfers from Accumulated Funds	14,948
(13,551)	Transfer to Accumulated Funds	(11,695)
<b>14,599</b>	<b>Balance at 30 June</b>	<b>17,852</b>
<b>417,831</b>	<b>Total Accumulated Funds</b>	<b>412,054</b>
	<b>RESTRICTED RESERVES</b>	
17,468	Balance at 1 July	17,211
2,867	Transfers from Accumulated Funds	5,641
(3,124)	Transfer to Accumulated Funds	(3,814)
<b>17,211</b>	<b>Balance at 30 June</b>	<b>19,038</b>
	<b>ASSET REVALUATION RESERVE</b>	
177,309	Balance 1 July	155,489
-	Other Reserve Movements	-
(1,483)	Revaluation of Operational Assets	(925)
-	Revaluation of Restricted Assets	253
(1,404)	Revaluation of Roothing	176
(13,126)	Revaluation of Water	-
(3,549)	Revaluation of Sewerage	-
(2,258)	Revaluation of Land Drainage	-
-	Revaluation of Other Infrastructural Assets	-
-	Tax on Revaluation	-
<b>155,489</b>	<b>Balance at 30 June</b>	<b>154,993</b>

# 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	OPENING BALANCE	2015 - \$000		2016 - \$000			
				TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	TOTAL IN	TOTAL OUT	CLOSING 2016	
<b>COUNCIL OPERATING RESERVES</b>									
<b>Separate Operating Reserves</b>									
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits	947	1,007	(1,172)	782	734	(959)	557
Roading Rate	Roads and Footpaths	For Roading Rate funded Surpluses or Deficits	(106)	207	(5)	96	496	(61)	531
Refuse Collection Rate	Waste	For Refuse Collection Rate funded Surpluses or Deficits	(288)	600	(124)	188	264	-	451
District Growth Rate	District Growth	For District Growth Rate funded Surpluses or Deficits	-	-	-	-	-	(93)	(93)
Whakatāne Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	681	521	(1,105)	97	551	(662)	(14)
Ōhope Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(318)	318	(9)	(9)	-	-	(9)
Edgecumbe Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	76	2	(76)	2	-	-	2
Matatā Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(1,323)	-	(687)	(2,010)	-	(790)	(2,800)
Tāneatua Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(24)	24	(1)	(1)	-	-	(2)
Te Teko Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(4)	4	-	-	-	-	1
Murupara Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	17	-	(29)	(12)	-	(5)	(18)
Te Mahoe Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(7)	7	-	-	-	-	-
EQUALISED Water	Water	For Water Rate Funded Surpluses or Deficits	(140)	1,779	(2,125)	(482)	348	(467)	(600)
Murupara Water	Water	For Water Rate Funded Surpluses or Deficits	(96)	25	(23)	(94)	3	(5)	(96)
Plains Water	Water	For Water Rate Funded Surpluses or Deficits	1,245	67	(179)	1,133	56	(84)	1,105
Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits	211	11	(47)	175	9	(20)	165
Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits	656	70	(278)	448	20	(124)	345
Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits	183	116	(51)	248	2,600	-	2,848
Airport Whakatāne 50%	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits	(706)	-	(336)	(1,041)	404	(357)	(995)
Fixed Assets			-	37	(37)	-	1,014	(817)	198
Disaster Mitigation - Matatā Grant Funded	Stormwater	For Disaster Mitigation Surpluses or Deficits	(186)	546	(190)	169	9	-	178
Disaster Mitigation - Matatā Non-Grant Funded	Stormwater	For Disaster Mitigation Surpluses or Deficits	(13)	27	(8)	6	38	(2)	42
Disaster Mitigation - Edgecumbe	Stormwater	For Disaster Mitigation Surpluses or Deficits	109	3	(110)	3	9	-	12
Disaster Mitigation - Awatapu	Stormwater	For Disaster Mitigation Surpluses or Deficits	(177)	177	(9)	(9)	9	-	(1)
Disaster Mitigation - West End	Stormwater	For Disaster Mitigation Surpluses or Deficits	437	13	(438)	11	14	-	25
Whakatāne Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(190)	197	(5)	3	132	-	134
Ōhope Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(58)	30	(15)	(43)	21	(2)	(24)
Edgecumbe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	60	3	(2)	61	3	(11)	54
Matatā Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(60)	36	(2)	(26)	13	(1)	(14)
Murupara Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	-	-	-	-	-	-	-



RESERVE	ACTIVITY	PURPOSE	2015 - \$000			2016 - \$000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TOTAL IN	TOTAL OUT	CLOSING 2016
Tāneatua Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(2)	-	-	(2)	3	-	1
Te Teko Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(1)	-	-	(1)	-	-	(1)
Te Mahoe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	1	-	(1)	-	-	(1)	(0)
<b>Total Separate Operating Reserves</b>			<b>930</b>	<b>5,827</b>	<b>(7,064)</b>	<b>(307)</b>	<b>6,750</b>	<b>(4,461)</b>	<b>1,982</b>
<b>Other Reserves</b>									
Car parks Development	Parking	For the Development of Car parks in the District	36	2	-	38	2	-	40
Museum Collections	Exhibitions, Research, Storage & Archives	For the purchase of Assets for the Museum Collection	-	-	-	1	-	-	1
BOPE Share Proceeds			-	-	-	-	-	-	-
Galatea Reserve Development	General Council	For amenities within the Galatea and Murupara areas	1	-	-	2	-	-	2
Disabled Facilities	Pensioner Housing	For the improvement of Disabled Facilities throughout the District	(8)	-	-	(8)	-	-	(9)
Roading Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Roading network	755	426	-	1,181	61	-	1,242
Te Mahoe Water - special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme	217	11	(50)	178	5	(153)	30
Disaster /LAPP Insurance Reserve	Corporate and District	To fund contributions to the LAPP scheme over and above annual insurance	282	16	-	298	15	-	313
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets	(174)	-	(112)	(286)	-	(285)	(571)
Sale of Bennett Block		Surplus funds from the Divestment of Council Assets	(81)	-	(5)	(86)	-	(4)	(91)
Leaky Homes Reserve	Building	To fund weather tight claims	280	119	-	399	15	(210)	204
Whakatāne Community Board	Leadership	Separately collected rates for community projects	74	10	-	84	11	-	96
Rangitikei Community Board	Leadership	Separately collected rates for community projects	(17)	-	(2)	(19)	3	(1)	(17)
Ōhope Beach Community Board	Leadership	Separately collected rates for community projects	39	2	(5)	36	2	(13)	24
Tāneatua Community Board	Leadership	Separately collected rates for community projects	4	-	-	4	5	-	9
Murupara Community Board	Leadership	Separately collected rates for community projects	16	4	-	20	1	(11)	10
Iwi Liaison Committee	Governance	Separately collected rates for community projects	5	-	-	6	-	-	7
Digitisation	Corporate and District	Separately collected rates for corporate digitisation project	-	250	-	250	677	(120)	807
<b>Total Other Reserves</b>			<b>1,433</b>	<b>840</b>	<b>(174)</b>	<b>2,099</b>	<b>797</b>	<b>(797)</b>	<b>2,097</b>
<b>DEPRECIATION RESERVES</b>									
Water	Whakatāne Water	To fund the renewal of Water assets	(408)	520	(653)	(540)	777	(700)	(463)
Water	Ōhope Water	To fund the renewal of Water assets	61	89	(41)	109	83	(10)	183
Water	Edgecumbe Water	To fund the renewal of Water assets	116	65	(56)	125	82	-	207
Water	Matatā Water	To fund the renewal of Water assets	227	72	(5)	294	20	-	314
Water	Tāneatua Water	To fund the renewal of Water assets	263	60	(7)	316	32	-	348
Water	Murupara Water	To fund the renewal of Water assets	440	97	-	537	52	-	589
Water	Rūātōki Water	To fund the renewal of Water assets	119	20	-	139	17	-	156
Water	Waimana Water	To fund the renewal of Water assets	9	3	-	12	5	-	18
Water	Plains Water	To fund the renewal of Water assets	1,133	194	(56)	1,271	95	(21)	1,345

OUR COSTS IN DETAIL

RESERVE	ACTIVITY	PURPOSE	2015 - \$'000			2016 - \$'000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TOTAL IN	TOTAL OUT	CLOSING 2016
Water	Te Mahoe Water	To fund the renewal of Water assets	36	4	-	40	2	-	42
Sewage Treatment and Disposal	Whakatāne Wastewater	To fund the renewal of Wastewater assets	965	456	(264)	1,158	365	(78)	1,445
Sewage Treatment and Disposal	Ōhope Wastewater	To fund the renewal of Wastewater assets	135	160	(7)	288	297	(225)	360
Sewage Treatment and Disposal	Edgecumbe Wastewater	To fund the renewal of Wastewater assets	(317)	60	(20)	(277)	207	(40)	(109)
Sewage Treatment and Disposal	Tāneatua Wastewater	To fund the renewal of Wastewater assets	278	39	-	318	30	-	348
Sewage Treatment and Disposal	Te Mahoe Wastewater	To fund the renewal of Wastewater assets	32	4	-	37	-	(67)	(30)
Sewage Treatment and Disposal	Murupara Wastewater	To fund the renewal of Wastewater assets	(167)	171	(58)	(54)	82	(1)	27
Stormwater	Whakatāne Land Drainage	To fund the renewal of Stormwater assets	34	127	(263)	(102)	-	(427)	(529)
Stormwater	Ōhope Land Drainage	To fund the renewal of Stormwater assets	184	38	-	222	26	(9)	240
Stormwater	Edgecumbe Land Drainage	To fund the renewal of Stormwater assets	(52)	7	(3)	(45)	4	(2)	(44)
Stormwater	Matatā Land Drainage	To fund the renewal of Stormwater assets	7	-	-	7	-	-	8
Stormwater	Tāneatua Land Drainage	To fund the renewal of Stormwater assets	14	1	-	15	1	-	15
Stormwater	Te Mahoe Land Drainage	To fund the renewal of Stormwater assets	16	1	-	17	1	-	18
Stormwater	Murupara land Drainage	To fund the renewal of Stormwater assets	78	5	-	83	4	-	88
Stormwater	Te Teko Land Drainage	To fund the renewal of Stormwater assets	4	-	-	4	-	-	5
Refuse Disposal	Waste	To fund the renewal of Refuse Disposal assets	154	14	-	168	14	(49)	133
Libraries	Libraries	To fund the renewal of Library assets	34	127	(127)	34	124	(105)	52
Museum	Exhibitions, Research, Storage & Archives	To fund the renewal of Museum assets	100	26	-	126	6	-	131
Parks and Gardens & Sports fields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sports fields assets	1,082	640	(565)	1,157	391	(329)	1,220
Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets	64	46	(64)	46	25	(9)	61
Recreation	Recreation	To fund the renewal of Recreation assets	-	-	-	-	136	-	136
Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets	208	187	(68)	327	159	(123)	363
Halls	Halls	To fund the renewal of Halls assets	543	191	(215)	519	259	(179)	599
Dog Control	Animal Control		-	-	-	-	-	-	1
Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets	333	108	(77)	364	18	(27)	354
Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets	335	101	(110)	326	17	-	342
Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets	2	-	-	2	-	-	2
Vehicle & Plant Reserve	Vehicle and Plant	To fund the renewal of Vehicle and Plant	223	303	(233)	293	226	(205)	314
Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets	768	206	(274)	700	312	(277)	734
Information Management	Corporate & District Activities	To fund the renewal of Information Management assets	2,582	718	(554)	2,746	444	(778)	2,411
Port	Ports & Harbour	To fund the renewal of Port & Harbour assets	1,618	92	(36)	1,674	447	(409)	1,711
Roading - assisted / non-assisted / special and safety	Roads and Footpaths	To fund the renewal of Roading assets	318	2,351	(2,030)	639	2,122	(1,827)	934
Airport - Whakatāne 50%	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets	(195)	31	(125)	(289)	119	(135)	(303)
<b>Total Depreciation Reserves</b>			<b>11,383</b>	<b>7,334</b>	<b>(5,911)</b>	<b>12,806</b>	<b>7,001</b>	<b>(6,032)</b>	<b>13,775</b>
<b>Total Council Operating Reserves</b>			<b>13,746</b>	<b>14,001</b>	<b>(13,149)</b>	<b>14,598</b>	<b>14,548</b>	<b>(11,290)</b>	<b>17,854</b>

RESERVE	ACTIVITY	PURPOSE	2015 - \$000			2016 - \$000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TOTAL IN	TOTAL OUT	CLOSING 2016
<b>RESTRICTED RESERVES</b>									
Development Contributions - Whakatāne Water	Water	To fund growth related capital expenditure	90	14	-	104	18	(47)	74
Development Contributions - Ōhope Water	Water	To fund growth related capital expenditure	130	12	-	142	9	-	150
Development Contributions - Edgcombe Water	Water	To fund growth related capital expenditure	5	-	-	5	-	-	7
Development Contributions - Matatā Water	Water	To fund growth related capital expenditure	57	5	-	62	3	-	65
Development Contributions - Plains Water	Water	To fund growth related capital expenditure	(12)	5	(40)	(47)	-	(12)	(59)
Development Contributions - Whakatāne Wastewater	Wastewater	To fund growth related capital expenditure	(809)	50	(78)	(837)	-	(164)	(1,001)
Develop Contributions - Coastlands Wastewater	Wastewater	To fund growth related capital expenditure	(75)	-	(4)	(82)	-	(4)	(86)
Development Contributions - Ōhope Wastewater	Wastewater	To fund growth related capital expenditure	161	83	(4)	240	12	(5)	248
Development Contributions - Edgcombe Wastewater	Wastewater	To fund growth related capital expenditure	(2)	-	-	(2)	-	-	(3)
Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure	473	108	(148)	439	20	(86)	373
Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure	1,009	73	(480)	602	31	(12)	621
Development Contributions - Rural Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	308	16	(77)	247	13	-	260
Development Contributions - Whakatāne Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	(5)	-	-	(6)	-	-	(7)
Development Contributions - Ōhope Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	156	9	(3)	162	8	(26)	144
Development Contributions - Edgcombe Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	47	3	-	50	3	-	52
Development Contributions - Murupara Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	12	1	-	12	1	-	12
Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure	331	35	-	366	14	(186)	194
Development Contributions - Roading	Roads and Footpaths	To fund growth related Roading capital expenditure	1,511	192	(365)	1,338	60	(357)	1,041
Development Contributions - Non Fin Assisted Roading	Roads and Footpaths	To fund growth related capital expenditure	3	-	-	3	-	-	4
Development Contributions - Whakatāne Land Drain	Stormwater	To fund growth related capital expenditure	200	79	(36)	242	10	(104)	148

OUR COSTS IN DETAIL

RESERVE	ACTIVITY	PURPOSE	2015 - \$000			2016 - \$000			
			OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TOTAL IN	TOTAL OUT	CLOSING 2016
Development Contributions - Ōhope Land Drain	Stormwater	To fund growth related capital expenditure	57	51	-	108	6	(1)	112
Development Contributions - Matatā Land Drain	Stormwater	To fund growth related capital expenditure	-	-	-	-	-	-	-
Development Contributions - Whakatāne Car parks		To fund growth related capital expenditure	(6)	-	-	(7)	-	-	(8)
Otarawairere Disaster Mitigation	Stormwater	To fund growth related capital expenditure at Otawairere	(1,542)	-	(89)	(1,631)	1,631	(42)	(42)
Capital Contributions - Roading	Roads and Footpaths	Financial Contributions for Roading Capital Projects	50	3	-	53	3	-	55
Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward	261	12	(89)	184	7	(90)	102
Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward	4	34	-	38	2	-	41
Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward	21	1	-	22	1	-	23
Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward	18	1	-	19	1	-	20
Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward	5	-	-	5	-	-	5
Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward	26	2	-	28	1	(7)	23
Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits	5,675	1,535	(1,710)	5,500	2,481	(1,870)	6,111
Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets	9,315	537	-	9,852	507	-	10,359
<b>Total Restricted Reserves</b>			<b>17,469</b>	<b>2,861</b>	<b>(3,123)</b>	<b>17,207</b>	<b>4,842</b>	<b>(3,013)</b>	<b>19,038</b>
<b>Total Reserves</b>			<b>31,215</b>	<b>16,862</b>	<b>(16,272)</b>	<b>31,805</b>	<b>19,390</b>	<b>(14,303)</b>	<b>36,892</b>

## Note 24 - Joint Venture

The Council's interest in the Whakatāne Airport Joint Venture is accounted for as a jointly controlled operation. The Council's interests in the jointly controlled operation are as follows:

ACTUAL 2015 \$000	WHAKATĀNE AIRPORT JOINT VENTURE	ACTUAL 2016 \$000
231	Current Assets	339
653	Non-current Assets	1,501
439	Current Liabilities	755
-	Non-current Liabilities	-
97	Revenue	328
213	Expenses	358
-	The Council's capital commitments in relation to the joint venture	-
-	Share of joint venture's commitments	-
-	The Council's contingent liabilities incurred in relation to the joint venture	-
-	Share of joint venture's contingent liabilities	-
-	Other venturers' contingent liabilities the Council is liable for	-
-	The Council's contingent assets arising in relation to the joint venture	-
-	Share of joint venture's contingent assets	-

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 Venture.



## Note 25 - Reconciliation of Net Surplus (Deficit) After Tax to Net Cashflow from Operating Activities

ACTUAL 2015 \$000		ACTUAL 2016 \$000
(3,157)	<b>Surplus/ (Deficit)</b>	<b>(4,409)</b>
	<b>Add / (Less) Non-cash Items</b>	
14,517	Depreciation and Amortisation Expense	14,533
-	Property, Plant and Equipment Impairment	
(38)	Vested Assets	
1,259	(Gains)/Losses on Revaluation	1,278
<b>15,738</b>	<b>Total Non-cash Items</b>	<b>15,811</b>
	<b>Add / (Less) Items Classified as Investing or Financing Activities</b>	
1,290	(Gains)/Losses on Disposal of Property, Plant and Equipment	1,982
<b>1,290</b>	<b>Total Items Classified as Investing or Financing Activities</b>	<b>1,982</b>
	<b>Add/(Less) Movements in other Working Capital Items</b>	
(909)	(Increase)/Decrease in Receivables	351
(15)	(Increase)/Decrease in Prepayments	(118)
2	(Increase)/Decrease in Inventory	(15)
2,228	Increase/(Decrease) in Payables	508
135	Increase/(Decrease) in Provisions	709
805	Increase/(Decrease) in Employment Entitlements	(571)
128	Movement in Doubtful Debt Impairment	13
725	Bad Debts and remissions	765
<b>3,099</b>	<b>Net Movement in Working Capital Items</b>	<b>1,642</b>
<b>16,970</b>	<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>15,026</b>

## Note 26 - Capital Commitments and Operating Leases

ACTUAL 2015 \$000		ACTUAL 2016 \$000
	<b>Capital Commitments</b>	
1,830	Roading Network	531
165	Stormwater	1,913
40	Intangible Assets (Location Services)	-
-	Wastewater	-
-	Water System	-
-	Information and Communications Technology	-
<b>2,035</b>	<b>Total Capital Commitments</b>	<b>2,444</b>
Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.		
	<b>Operating Leases as Lessee</b>	
120	Not later than one year	126
170	Later than one year and not later than five years	178
<b>290</b>	<b>Total Non-cancellable Operating Leases</b>	<b>304</b>
The Council leases equipment in the normal course of business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases at 30 June are represented above. There are no restrictions placed on the Council by any of the leasing arrangements.		
	<b>Operating Leases as Lessor</b>	
2,102	Not later than one year	1,833
6,417	Later than one year and not later than five years	6,442
4,448	Later than five years	3,947
<b>12,967</b>	<b>Total Non Cancellable Operating Leases as Lessor</b>	<b>12,222</b>

Investment property is leased under operating leases. The amounts above amounts are the future aggregate minimum lease payments to be collected under non-cancellable operating leases.

## Note 27 - Contingencies

ACTUAL 2015 \$000		ACTUAL 2016 \$000
510	Other Claims	-
<b>510</b>	<b>Total Contingencies</b>	<b>-</b>

# Note 27 - Contingencies (continued)

## CONTINGENT LIABILITIES

The Council has contingent liabilities for indemnity claims, but these are all related to weathertightness (see below) and a provision has been made in the financial statements to anticipate this liability.

(2015: \$510,000 two contract disputes and one indemnity claim)

### *Employment disputes*

There are no employment disputes at 30 June 2016 (2015: nil).

### *Weathertightness claims*

Refer note 20. The council has included a provision in the accounts for a 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 weathertightness claims.

The Council is also exposed to potential future claims, until the statutory limitation period expires. The amount of potential future claims cannot be reliably estimated 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 liability*

Council is currently in the process of seeking partial funding from Central and Local Government organisations for a potential 'retreat from hazard' payment to the owners of properties subject to a high loss-of life-risk in the Awatarariki Stream debris flow fanhead area at Matatā. Valuations have been undertaken for discussion with the owners of the affected properties in this debris flow hazard area. Should the funding applications be successful, the Council will potentially be liable for an as yet unknown proportion of the potential compensation package for landowners. At this stage, the liability is unquantified, as it is dependent on agreement being reached on an acceptable compensation approach with external organisations.

### *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 2012 for a call for additional contributions

in respect of the 2003 and 2004 Fund years as those funds were 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.

### *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 domestic currency rating from Standard and Poor and Fitch Ratings of AA+.

The Council is one of 30 local authority shareholders and eight 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 2016, NZLGFA had borrowings totalling \$6.220 billion (2015: \$4.955 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

There were no contingent assets at 30 June 2016 (2015: nil).

## Note 28 - Related Party Transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

### RELATED PARTY TRANSACTIONS REQUIRED TO BE DISCLOSED

The Council paid \$400.00 to Whakatāne Intermediate School for the Kapa Haka group to perform at citizenship ceremonies. Mayor Bonne is the Chairman of the Board of Trustees.

The Council has a 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 \$163,219.99 (2015: \$173,936).

The Council granted \$12,000 to the Pride Whakatāne District Committee of which Councillor Iles is the Chairman.

The Council granted \$1,725 to the Ōhope Christian Fellowship of which Councillor Turner is a Trustee.

The Council granted \$690 as part of Creative Community Funding of which Councillor Turner is a Patron.

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.

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. Administrative and maintenance transactions totalling \$101,633 (2015: \$88,424) were carried out with the Joint Venture. Funds held by Council on behalf of the Airport total \$804,981 (2015: \$828,833).

#### KEY MANAGEMENT PERSONNEL COMPENSATION

	2015 \$000	2016 \$000
<b>Councillors and Mayor</b>		
Remuneration	425	463
Number of elected officials	11	11
<b>Executive Team, including the Chief Executive</b>		
Remuneration	1,323	1,310
Full-time Equivalent Members	6.9	6.5
<b>Total Key Management Personnel Remuneration</b>	<b>1,748</b>	<b>1,773</b>
<b>Total Full-time Equivalent Personnel</b>	<b>17.9</b>	<b>17.5</b>

Total remuneration includes the value of any non-financial benefits.

Due to the difficulty in determining the full-time equivalent for elected officials, the full time equivalent figure is taken as the number of elected officials. Detailed salaries and allowances paid to elected officials are presented in Note 29.

The decrease in total remuneration and FTE is due to one executive team member leaving half way through the year and another increasing from 0.9 to fulltime.

# Note 29 - Remuneration

## CHIEF EXECUTIVE

The Chief Executive of the Whakatāne District Council, appointed under section 42(1) of the Local Government Act 2002 received a remuneration package of \$295,686 (2015: \$284,869) including KiwiSaver. And in addition a benefit of \$12,500 (2015 \$12,522) for a vehicle.

## ELECTED REPRESENTATIVES

Elected representatives received the following remuneration:

ACTUAL 2015 \$				ACTUAL 2016 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
<b>MAYOR AND COUNCILLORS</b>						
101,288	-	10,437	Bonne, Tony (Mayor)	101,347	-	1,716
33,302	-	6,499	Iles, Andrew	35,250	-	2,665
26,642	-	900	Jarrett, Scott	28,200	-	900
26,642	-	900	Johnston, George	28,200	-	900
26,642	-	900	Jukes, Julie	28,200	-	900
33,302	10,335	1,676	Orr, Russell*	35,250	19,973	1,951
26,642	-	2,719	Pullar, John	28,200	-	900
26,642	40	900	Sheaff, Dave	28,200	3,760	900
26,642	-	6,741	Silcock, Alison	28,200	-	7,879
37,298	3,280	1,360	Turner, Judy (Deputy Mayor)	39,480	4,640	1,020
26,642	1,920	900	Van Beek, Gerard	28,200	4,640	900
* Russell Orr 2015 Actual includes \$7,085 for District Licensing Committee (2016: Nil)						
<b>COMMUNITY BOARD MEMBERS</b>						
<b>EDGE CUMBE - TARAWERA</b>						
3,775	-	300	Barr Viv	4,800	-	300
3,775	-	300	Bourk, Graeme	4,800	-	300
3,775	-	300	Byrne, Kris	4,800	-	300
3,775	-	300	Dennis, Gavin	4,800	-	300
3,775	-	300	Harvey, Evan	4,800	-	300
7,550	-	300	Richards, Vicki	9,600	-	300
<b>TĀNEATUA</b>						
3,183	-	357	Chater, Geoffrey	3,700	-	300
3,183	-	300	Knowles, Les	3,700	-	300
-	-	-	Kora, Monty	-	-	-
3,183	-	456	Kyle, David	3,700	-	343
3,183	-	337	Meihana-Tait, Basil	3,700	-	300
3,183	-	300	Ruiterman, Luke	3,700	-	300
6,367	-	671	Yalden, Diane	7,400	-	300



## Note 29 - Remuneration (continued)

ACTUAL 2015 \$				ACTUAL 2016 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
<b>WHAKATĀNE</b>						
4,092	-	300	Chambers, George	5,300	-	300
4,092	-	300	Delahunty, Neville	5,300	-	300
4,092	-	300	Hall, Tony	7,478	-	300
4,092	-	300	Lander, Peter	5,300	-	300
4,092	-	673	Langdon, Jody	5,300	-	1,206
8,183	-	391	Naude, Mike	8,306	-	350
<b>ŌHOPE BEACH</b>						
6,000	-	300	Casey, Gerard	7,200	-	477
-	-	-	Hanna Moira	2,150	-	150
3,000	-	640	Jenkins, Bruce	3,600	-	300
3,000	-	300	King, Mike	3,600	-	300
3,000	-	300	Lovelock, Hugh	1,200	-	100
3,000	-	300	Napier, Steve	3,600	-	853
3,000	-	403	Tolley, Allan	3,600	-	-
<b>MURUPARA</b>						
3,183	-	418	Jenner, Memorie	3,700	-	461
3,183	-	605	McCarthy, Patrick	3,700	-	300
3,183	-	300	Meihana, Carolyn	3,700	-	300
3,183	-	300	Rangiwai, Byron	3,700	-	427
3,183	-	583	Te Amo, Jackie	3,700	-	300
6,367	-	679	Te Kurapa, Jacob	7,400	-	300
	-	-	Tuhua, Honey	-	-	-
<b>512,315</b>	<b>15,575</b>	<b>45,546</b>	<b>Total Elected Representatives' Remuneration</b>	<b>556,061</b>	<b>33,013</b>	<b>31,299</b>

\* Following the 2013 triennial elections, the Council made the decision not to re-establish the Iwi Liaison Committee.

## Note 29 - Remuneration (continued)

### COUNCIL EMPLOYEES

	2015	2016
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	135	150
\$60,000 - \$79,999	43	37
\$80,000 - \$99,999	19	24
\$100,000 - \$119,999	8	8
\$120,000 - \$139,999	5	8
\$140,000 - \$299,999	6	4
\$300,000 - \$319,999	-	1
<b>Total Employees</b>	<b>216</b>	<b>232</b>

Total remuneration includes non-financial benefits provided to employees. Employees include regular casuals and Rural Fire.

At balance date, the Council employed 145 (2015: 140) full time employees, with the balance of staff representing 41.79 (2015: 42.03) 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 2016 Whakatāne District Council made severance payments of \$10,000 to 1 employee (2015: nil payments).

## Note 31 - Events After Balance Date

There were no significant events after balance date (2015: nil).

## Note 32a - Financial Instrument Categories

The accounting policies for financial instruments have been applied to the line items below:

ACTUAL 2015 \$000		ACTUAL 2016 \$000
	<b>FINANCIAL ASSETS</b>	
	<b>Fair Value Through Surplus or deficit</b>	
	<b>Financial Instruments</b>	
-	Derivative Financial Instrument Assets	-
	<b>Loans and Receivables</b>	
1,003	Cash and Cash Equivalents	1,651
8,864	Receivables	8,401
<b>9,867</b>	<b>Total Loans and Receivables</b>	<b>10,052</b>
	<b>Fair Value Through Other Comprehensive Revenue and Expense</b>	
	Other Financial Assets:	
50	NZ Local Government Insurance Corporation Limited	50
9	BoP LASS Ltd	9
548	NZ Local Government Funding Agency	548
<b>607</b>	<b>Total Fair Value Through Comprehensive Revenue and Expense</b>	<b>607</b>
	<b>FINANCIAL LIABILITIES</b>	
	<b>Financial Instruments</b>	
2,592	Derivative Financial Instrument Liabilities	4,574
	<b>Financial Liabilities at Amortised Cost</b>	
9,532	Payables	10,459
40,000	Borrowings - Secured Loans	39,300
<b>49,532</b>	<b>Total Financial Liabilities at Amortised Cost</b>	<b>49,759</b>

## Note 32b - Financial Instrument Categories

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.

The following table analyses the basis of the valuation of classes of financial instruments at fair value in the statement of financial position.

	TOTAL	QUOTED MARKET PRICE	OBSERVABLE INPUTS	SIGNIFICANT NON- OBSERVABLE INPUTS
	\$000			
<b>2015</b>				
<b>FINANCIAL ASSETS</b>				
Derivatives	-	-	-	-
Local Authority Stock	9	-	9	-
Shares	150	-	150	-
Borrower Notes	448	-	448	-
<b>FINANCIAL LIABILITIES</b>				
Derivatives	2,592	-	2,592	-
<b>2016</b>				
<b>FINANCIAL ASSETS</b>				
Derivatives	-	-	-	-
Local Authority Stock	9	-	9	-
Shares	150	-	150	-
Borrower Notes	448	-	448	-
<b>FINANCIAL LIABILITIES</b>				
Derivatives	4,574	-	4,574	-

## Note 32c - Financial Instrument Risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The 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. Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive revenue and expense. This price risk arises due to market movements in listed shares. 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 55-90% 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 the Council has borrowed at fixed rates in excess of the 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 the Council to cash flow interest rate risk.

Generally, the 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 the Council borrowed at fixed rates directly. Under the interest rate swaps, the 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 the Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits and local authority stock which gives rise to credit risk.

The 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 invests funds only with entities that have a Standard and Poor's credit rating of A- or above for long-term investments.

The Council holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

### EXPOSURE TO CREDIT RISK *as at 30 June*

The Council's credit risk exposure for each class of financial instrument is as follows:

2015 \$000	MAXIMUM EXPOSURE TO CREDIT RISK	2016 \$000
1,003	Cash at Bank and Term Deposits	1,651
8,864	Trade and Other Receivables	8,401
-	Derivative Financial Instrument Assets	-
448	Local Authority and Government Stock	448
(2,592)	Derivative Financial Instrument Liabilities	(4,574)
<b>7,723</b>	<b>Total Credit Risk</b>	<b>5,926</b>

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:

2015 \$000			2016 \$000
	<b>COUNTERPARTIES WITH CREDIT RATINGS</b>		
1,003	Cash at Bank and Term Deposits	AA-	1,651
<b>1,003</b>	<b>Total Cash at Bank and Term Deposits</b>		<b>1,651</b>
	<b>Local Authority Stock and Government Bonds</b>		
50	NZ Local Government Insurance Corporation Limited	B+	50
548	NZ Local Government Funding Agency	AA+	548
<b>598</b>	<b>Total Local Authority Stock and Government Bonds</b>		<b>598</b>
-	Derivative Financial Instrument Assets	AA-	-
<b>-</b>	<b>Total Derivative Financial Instrument Assets</b>		<b>-</b>
	<b>COUNTERPARTIES WITHOUT CREDIT RATINGS</b>		
9	Bay of Plenty Local Authority Shared Services Limited		9
<b>9</b>	<b>Bay of Plenty Local Authority Shared Services Limited</b>		<b>9</b>

Receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to receivables, as it has a large number of credit customers, mainly ratepayers, and 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.

## 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 balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	LIABILITY CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$000					
<b>COUNCIL 2016</b>						
Trade and Other Payables	10,459	10,459	10,459	-	-	-
Secured Loans	39,300	40,089	6,992	-	17,029	16,068
Financial Derivatives	4,574	4,574	-	278	500	3,796
<b>Total</b>	<b>54,333</b>	<b>55,122</b>	<b>17,451</b>	<b>278</b>	<b>17,529</b>	<b>19,864</b>
<b>COUNCIL 2015</b>						
Trade and Other Payables	9,532	9,532	9,532	-	-	-
Secured Loans	40,000	40,089	6,992	-	17,029	16,068
Financial Derivatives	2,592	2,592	21	250	692	1,629
<b>Total</b>	<b>52,124</b>	<b>52,213</b>	<b>16,545</b>	<b>250</b>	<b>17,721</b>	<b>17,697</b>

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event the LGFA failing to pay its borrowings when they fall due. Information about this exposure is in note 27.

## 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 balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	ASSET CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$000					
<b>COUNCIL 2016</b>						
Cash and Cash Equivalents	1,651	1,651	1,651	-	-	-
Receivables	8,401	8,401	8,401	-	-	-
Net Settled Derivative Assets	-	-	-	-	-	-
<b>Other Financial Assets:</b>						
Local Authority and Government Stock	448	448	-	-	272	176
<b>Total</b>	<b>10,500</b>	<b>10,500</b>	<b>10,052</b>	<b>-</b>	<b>272</b>	<b>176</b>
<b>COUNCIL 2015</b>						
Cash and Cash Equivalents	1,003	1,003	1,003	-	-	-
Receivables	8,864	8,864	8,864	-	-	-
Net Settled Derivative Assets	-	-	-	-	-	-
<b>OTHER FINANCIAL ASSETS:</b>						
Local Authority and Government Stock	448	448	-	-	272	176
<b>Total</b>	<b>10,315</b>	<b>10,315</b>	<b>9,867</b>	<b>-</b>	<b>272</b>	<b>176</b>

## SENSITIVITY ANALYSIS

The tables below illustrate the potential effect on surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at balance date.

	2016 \$000				2015 \$000			
	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY
<b>FINANCIAL ASSETS</b>								
Cash and Cash Equivalents	17	-	(17)	-	10	-	(10)	-
Derivatives - Interest Rate Swaps	-	-	-	-	-	-	-	-
<b>Financial Instruments</b>	-	-	-	-	-	-	-	-
Other Financial Assets:								
- Local Authority and Government Stock	6	-	(6)	-	6	-	(6)	-
<b>FINANCIAL LIABILITIES</b>								
Derivatives - Interest Rate Swaps	(6,577)	-	(2,709)	-	(4,427)	-	(879)	-
<b>Borrowings:</b>								
- Bank Overdraft	-	-	-	-	-	-	-	-
- Debt	360	-	(360)	-	330	-	(330)	-
<b>Total Sensitivity to Interest Rate Risk</b>	<b>(6,194)</b>	<b>-</b>	<b>(3,092)</b>	<b>-</b>	<b>(4,081)</b>	<b>-</b>	<b>(1,225)</b>	<b>-</b>

## EXPLANATION OF INTEREST RATE RISK SENSITIVITY

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1.0%.

### *Derivatives*

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2015: -100bps/+100bps). Derivative financial liabilities not hedge accounted include interest rate swaps with a fair value totalling minus \$4,573,000 (2015: minus \$2,592,360). A movement in interest rates of plus or minus 1.0% has an effect on the swap value of minus \$2,709,000 (2015: minus \$879,162) and minus \$6,577,000 (2015: minus \$4,426,889).

### *Local Authority Stock*

A total of \$58,000 (2015: \$58,000) 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 (2015: \$580) on the fair value through equity reserve.

### *Secured Loans (Floating)*

The Council has floating rate debt with a principal amount totalling \$36 million (2015: \$33 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$360,000 (2014: \$330,000). 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 accumulated funds 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, investments, and general financial dealings prudently and 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 requires 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 renewal and maintenance programmes, to ensure that ratepayers in future generations are not 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 plans. The LGA also sets out the factors that the Council is required to consider when determining the most 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 budget figures in the 2015-25 Long Term Plan are as follows:

### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The deficit before tax of \$4.407 million is \$11.69 million lower than the budgeted surplus of \$7.284 million in the 2015-25 Long Term Plan. The variance is attributable to the following factors:

#### *Revenue (\$8.2 million 12.6% less than budget)*

- Subsidies and grants were \$7.283 million less than budget owing to placing the Matatā Wastewater Treatment Plant and Reticulation project on hold (\$2.369 million impact) and \$1.74 million below budget for the Edgecumbe Supply Main from Paul Road and Plains Water improvement projects. Subsidies and grants for roading were also below budget by \$2.397 due to delays in some roading projects and the cancellation of a special purpose road improvement project.
- Other revenue was \$300,000 less than budget. One of the main contributors to this variance was fines coming in at \$141,000 below budget due to lack of full staffing and the approach to achieving compliance. Insurance claims and Use of Money Interest paid by Ministry of Transport contributed to a \$105,000 positive offset.
- Gains on revaluation of investment property were \$914,000 above the anticipated budget.
- Fees and charges are \$228,000 more than budgeted as a result of reduced revenue through the transfer station in the Waste activity.

#### *Expenditure (\$3.5 million 6% higher than budget)*

- Losses of \$1.98 million on valuation of derivative financial instruments were not budgeted for in the 2015-25 Long Term Plan.
- Personnel costs were \$560,000 higher than budget. Restructuring and extra positions in Parks and Reserves resulted in an \$84,000 unfavourable variance. A \$150,000 unfavourable variance resulted from staff costs associated with the Matatā Wastewater project. These costs were originally intended to be capitalised as part of the project but have now been expensed. Staffing overtime costs within stormwater were also under budgeted by \$83,000.
- Depreciation was \$416,000 under budget due to the sale of pensioner housing and capital projects being underspent.
- Finance costs were \$563,000 lower than budget owing to external borrowing being significantly lower than forecast in the 2015-25 Long Term Plan.

## STATEMENT OF CHANGES IN NET ASSETS AND EQUITY

The Council's equity has been adjusted by the current year total comprehensive revenue and expense, a deficit of \$4.9 million, which is the net of the deficit after tax of \$4.4 million and a net loss on revaluation of \$500,000. The remaining movement of \$583,000 is a result of increases in restricted reserves and council created reserves.

## STATEMENT OF FINANCIAL POSITION

Net Assets were \$44.59 million 7.1% less than budgeted in the 2015-25 Long Term Plan. The variance is mainly attributable to the following factors:

### *Total Assets*

*(\$51.03 million 7.3 % less than budget)*

- Property, plant and equipment (including Infrastructure assets) were \$49 million less than budget . Most of this was as a result of infrastructural assets value being \$45 million less than budget. While \$7.06 million of this was due to depreciation reversals, most of the unfavourable variance reflects the delays in planned capital expenditure. \$5.3 million of capital expenditure has been tagged to carry forward into the 2017 financial year.
- Investment property is \$9 million less than budget mainly due to transferring the Piripai properties to the Assets held for sale category (in current assets).

### *Total Liabilities*

*(\$6.4 million 9.9% less than budget)*

- External borrowings were \$9.4 million less than budget owing to delays in capital expenditure.
- Derivatives liability was \$3.4 million more than budget mainly owing to a revaluation loss of \$1.98 million.
- Employee Entitlements were \$257,000 higher than budgeted owing to the revaluation of long service leave and sick leave not known at the time of preparing the 2016 Annual Plan.
- The Goods and Services Tax liability of \$381,000 was not budgeted for.

## STATEMENT OF CASHFLOWS

- There was a positive variance of cash held compared to budget of \$422,000
- Net Cashflows from operating activities were \$6.2 million less than budget predominantly owing to project subsidies not received or no longer expected as follows :
  - \$4.9 million for Matatā and Edgecumbe water (under budget)
  - \$300,00 for Plains water (under budget)
  - \$2.4 million under budget for roading due to carrying out less capital works than planned
- Net Cashflows from investing and financing activities were \$6.0 million less than budget owing to deferred capital expenditure spending.



# APPENDICES

*Ngā Tāpiritanga*





# Council Governance Structure

As at 30 June 2016



# Your Council

As at 30 June 2016

## MAYOR

*Tony Bonne*

Ph 07 306 0515 Mob 027 440 1126  
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## WHAKATĀNE - ŌHOPE WARD

### DEPUTY MAYOR

*Judy Turner*

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judytturner.ohope@xtra.co.nz

### COUNCILLOR

*Julie Jukes*

Ph 07 312 5644 Mob 027 412 1025  
rositas@xtra.co.nz

### COUNCILLOR

*Scott Jarrett*

Ph 07 308 7556 Mob 027 493 8019  
scott@scottjarrett.co.nz

### COUNCILLOR

*Dave Sheaff*

Ph 07 312 5744 Mob 027 495 3022  
dlsheaff@wave.co.nz

### COUNCILLOR

*John Pullar*

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## RANGITĀIKI WARD

### COUNCILLOR

*George Johnston*

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### COUNCILLOR

*Russell Orr*

Ph 07 322 8473 Mob 027 290 7565  
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### COUNCILLOR

*Gerard van Beek*

Ph 07 308 6474 Mob 027 444 4940  
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## TĀNEATUA-WAIMANA WARD

### COUNCILLOR

*Andrew Iles*

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waimanailles@xtra.co.nz

## GALATEA - MURUPARA WARD

### COUNCILLOR

*Alison Silcock*

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galatea@slingshot.co.nz

# Membership on the Community Boards

As at 30 June 2016

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, are 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](http://www.whakatane.govt.nz).

In 2015/16, the Council had five community boards covering the entire District. Each board had six members elected from within the community board area and one appointed councillor from the same area.

## Community Boards

### Whakatāne

Tony Hall - Chair  
(from 3 February 2016)  
Mike Naude - Deputy Chair  
(from 3 February 2016)  
John Pullar - Councillor  
George Chambers  
Neville Delahunty  
Pete Lander  
Jody Langdon

### Ōhope Beach

Gerard Casey - Chair  
Hugh Lovelock - Deputy  
Chair (to October 31 2015)  
Mike King - Deputy Chair  
(from 26 November 2015)  
Dave Sheaff - Councillor  
Moira Hannah  
(from 6 December 2016)  
Bruce Jenkins  
Mike King  
Steve Napier  
Allan Tolley

### Murupara

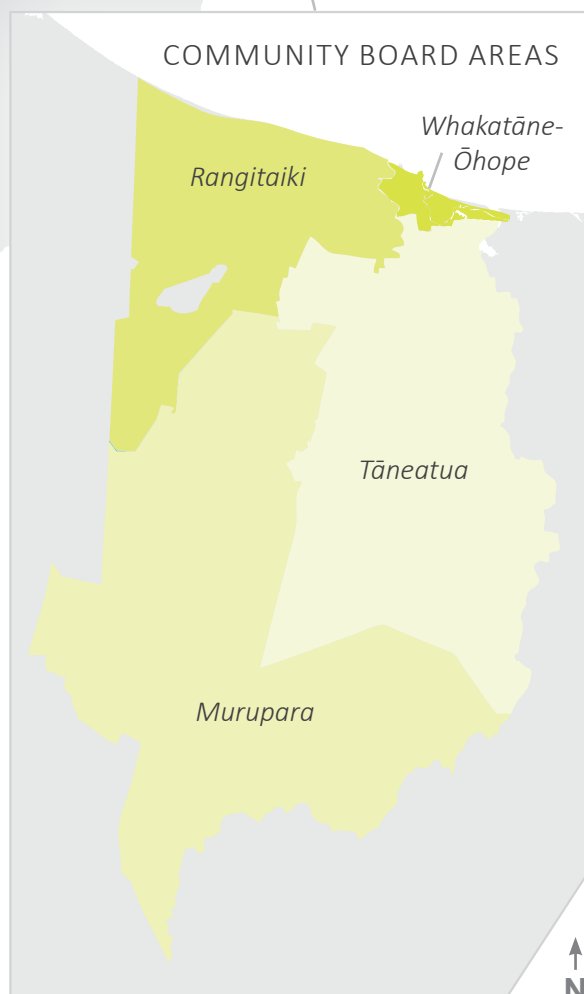
Jacob Te Kurupa - Chair  
Alison Silcock - Deputy Chair  
and Councillor  
Mem Jenner  
Patrick McCarthy  
Carolyn Meihana  
Byron Rangiwai  
Jackie Te Amo

### Rangitaiki

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

### Tāneatua

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



# Membership of Standing Committees

*As at 30 June 2016*

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 COMMITTEE

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

## HEARINGS COMMITTEE

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. More information about the Youth Council 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 2015 year and the current 2016 year are:

## YOUTH COUNCIL 2015

Sophie Butler (Chairperson)

Dayne Taniwha (Co-chair)

Crystal Paul (Secretary)

Vayda Nicholls (Co-secretary)

Sarah Brown

Wikiriwhi Tahuri

Adrianna Jenner

Celine Tapara

Anouska Howard

Maiah Barnfield

Whareparoa Titoko

Eleanor Kerslake

## YOUTH COUNCIL 2016

Courtney Wilson  
(Chairperson)

Liam Butler

Bailey Carter

Te Ahuroa Cossey

Kyla Kirkpatrick

Sharnaye Hall

Madalief De Loof

Courtney McConkey

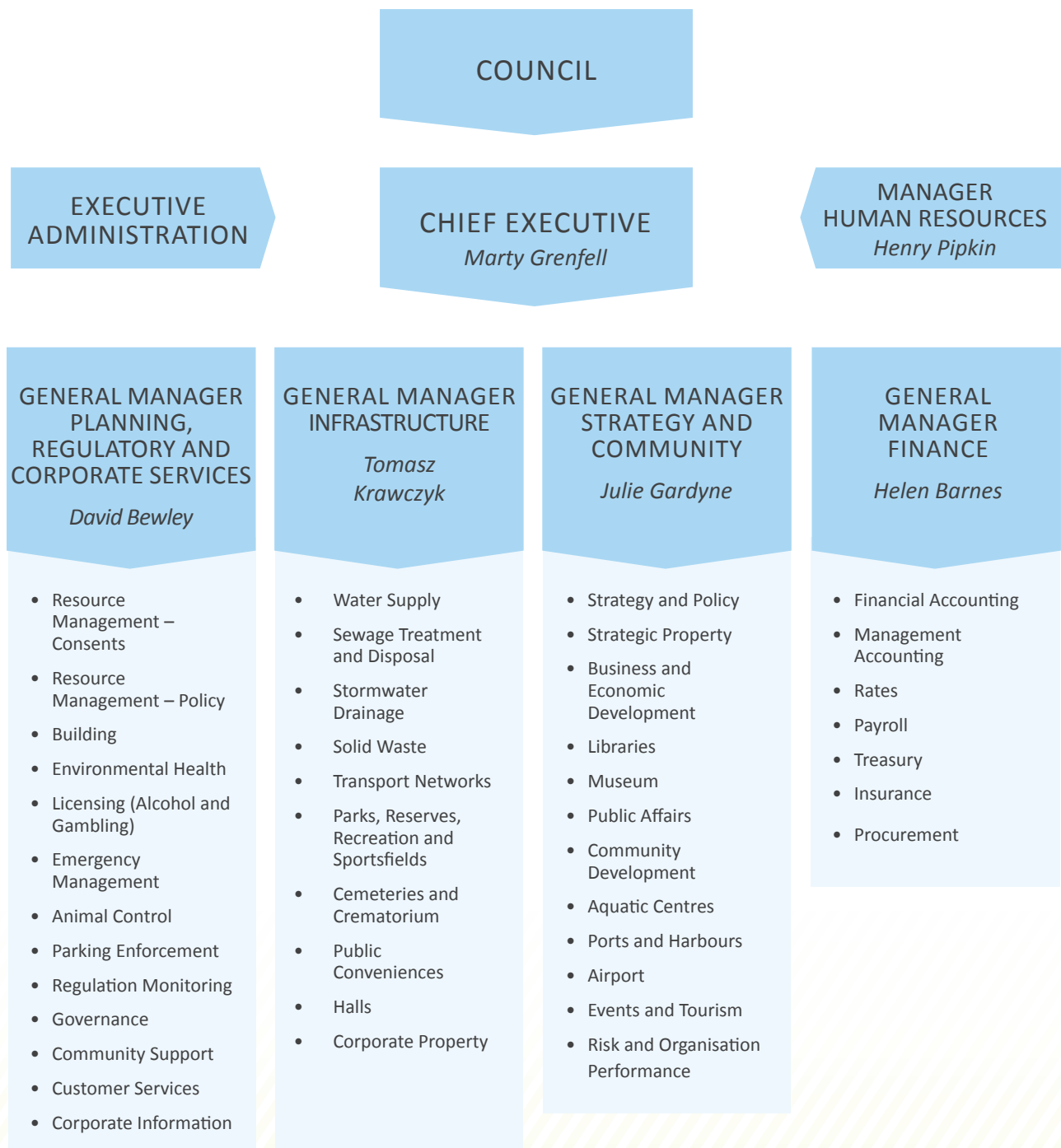




# Council Organisational Structure

As at 30 June 2016

The Whakatāne District Council employs staff through the Chief Executive (CE). The organisational structure of the Whakatāne District Council is as follows:



# Employment Policies and 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 2016 our organisation included 179.6 full time equivalent (FTE) staff with a further 8 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
2011	168.7
2012	170.8
2013	176.5
2014	179.7
2015	180.8
2016	187.6

Please note that these figures do not include casuals and therefore does not align with note 29.

## WE ARE RESPONSIBLE TO THE COMMUNITY & MUST MAINTAIN OUR INTEGRITY & IMPARTIALITY

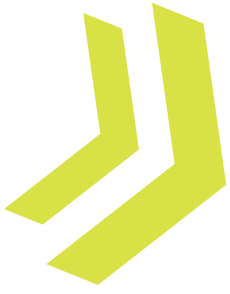
Our organisation has a Code of Conduct that outlines the policies in respect of staff and their employment at the Council. The policies outline the behaviour expected of employees and also ensures that employees are treated fairly and equitably. As part of this policy, staff must observe the principal 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 2015/16 year we had no serious harm health and safety incidences.



# Statement of Compliance

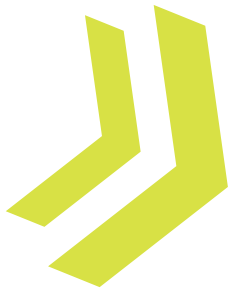
## COMPLIANCE

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

Tony Bonne  
MAYOR  
15 September 2016

Marty Grenfell  
CHIEF EXECUTIVE  
15 September 2016





# Audit Report

## Independent Auditor's Report To the readers of Whakatāne District Council's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of Whakatāne District Council (the District Council). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the audited information); and
- report on whether the District Council has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 115 to 170:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2016;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 24, presents fairly, in all material respects, 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 statement of service provision (referred to as groups of activities) on pages 26 to 100:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and

- o complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 26 to 100, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Councils Long-term plan;
- the funding impact statement for each group of activities on pages 26 to 100, presents fairly, in all material respects, 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 Councils Long-term plan; and
- the disclosures on pages 108 to 114 required by the Local Government (Financial Reporting and Prudence Regulations 2014) represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

## **Compliance with requirements**

The District Council has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 108 to 114 which are required by the Local Government (Financial Reporting and Prudence Regulations 2014) which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Our audit was completed on 15 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

## **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited 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 the disclosures in the information we audited;
- determining the appropriateness of the reported groups of activities within the District 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 District Council complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Council**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

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.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.



## Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. In addition to this audit, which includes our report on Other Requirements, we have carried out assignments in the area of the Debenture Trust Deed, which is compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the District Council



B H Halford  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand





## WHAKATĀNE DISTRICT COUNCIL

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Private Bag 1002, Whakatāne 3158

Email: [information@whakatane.govt.nz](mailto:information@whakatane.govt.nz)

Phone: 07 306 0500

Fax: 07 307 0718

Website: [www.whakatane.govt.nz](http://www.whakatane.govt.nz)

## SERVICE CENTRE MURUPARA

Pine Drive, Murupara

Phone: 07 366 5896

Fax: 07 366 5897



**WHAKATĀNE**  
District Council  
*Kia Whakatāne au i ahau*