



WHAKATĀNE DISTRICT COUNCIL

» Annual Report «

Rīpoata-ā-tau

2016/17

Foreword from Mayor Tony Bonne

Ko tēnei te Rīpoata-ā-tau mō te tau kua mutu i te 30 Pipiri 2017. He whakaaturanga tēnei o ngā mahere pūtea, ngā waitara mahi, me te arotake i te otinga ake o ngā mahi o te tau 2016/17 i whakaritea i te Mahere Roanga 2015-25. He mihi maioha tēnei ki te takitini i pāngia e ngā huarere aituā o Paengawhāwhā 2017, ki a koutou hoki i āwhina – i mahi tonu – i te mahi whakaoranga.

Welcome to this Annual Report for the year ended 30 June 2017. This document reports back on the budgets, projects, and performance measures set for the 2016/17 year in the Long Term Plan 2015-25. I would like to extend a warm greeting to all and a special acknowledgement to the many members of our community who have been affected by the flooding events in April 2017, and those who were – and continue to be – involved in the recovery effort.

The 2016/17 year has been a busy one. In October 2016, the Local Government election saw a new Council sworn in for the 2016-19 triennium, including two new Councillors. It also saw the combining of the Whakatāne and Ōhope Community Boards, and new Community Board members elected across the District's four wards. I would like to take this opportunity to recognise the hard work and commitment from our elected members over the year, and also to thank our previous Council and Community Board members for their service to our District.

In April 2017, our District was hit by extreme rainfall generated by ex-cyclone Debbie, resulting in wide-spread flooding, which was especially destructive in Edgecumbe. The multi-agency Whakatāne District Recovery Project – Kia manawanui was set up to coordinate the recovery phase, which is ongoing. This event, and to a lesser extent the wind damage caused by ex-Cyclone Cook a week later, had a huge effect on the Whakatāne District Council's operations and budgets for 2016/17, as highlighted throughout this Annual Report. However, while these events presented major challenges, it was heartening to see our communities pull together to support each other, and I have no doubt that our District will emerge stronger, closer, and more resilient than ever.

As well as managing the effects of April's extreme weather events, the Council continued to deliver many projects and services in 2016/17, in line with the four priorities set out in the Long Term Plan 2015-25. These are: delivering quality core services; working together to meet the needs of our communities; encouraging communities and businesses to thrive; and keeping rates affordable. We also began to develop the Long Term Plan 2018-28, which will set out our plans and priorities for the next ten years. In 2017/18, we will be asking you to have your say on the Long Term Plan, and I hope you will take up that opportunity. As a partner in the Whakatāne Ki Mua Community Vision project, we have heard from thousands of people across the District who have shared what they love about their community, and their ideas for what could make it even better. We will certainly be keeping this information at the front of our minds as we develop the Long Term Plan.

Each one of us has a role to play in shaping and maintaining a District that we are proud of. We all have gifts that we can bring to the table, for the betterment of ourselves, our communities, and the precious environment we share.

Nāku noa, nā



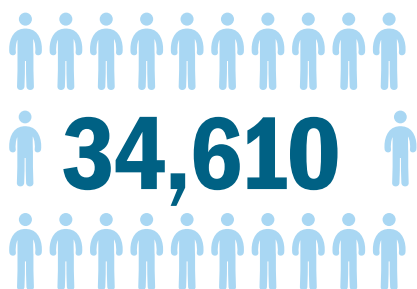
Tony Bonne
Mayor, Whakatāne District Council

Contents

About the Council	3
About the Year	13
Our Work in Detail	29
Leadership	35
Roads and Footpaths	41
Water Supply	47
Sewage Treatment and Disposal	53
Stormwater Drainage	59
Solid Waste	63
Environmental Sustainability	67
Community Safety	73
District Growth	81
Recreation and Community Services	87
Corporate and District Activities	103
Council Controlled Organisations	111
Our Costs in Detail	117
Financial Performance Benchmarks	118
Financial Statements	125
Notes to the Financial Statements	129
Appendices	181
Council Governance Structure	181
Council Organisational Structure	184
Employment Policies and Information	185
Audit Report	187

Our District at a glance

He titiro whakakeko o ō tātou rohe



34,610

TOTAL POPULATION
31ST IN SIZE OUT OF
67 DISTRICTS IN NZ



13,827

TOTAL DWELLINGS

AVERAGE
HOUSEHOLD SIZE

2.7 PEOPLE

23.2%
OF PEOPLE ARE
AGED UNDER
15 YEARS



15.3%
OF PEOPLE ARE
AGED 65+ YEARS

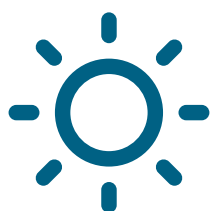
\$25,600
MEDIAN INCOME



43.5% OF
OUR POPULATION
ARE MĀORI



67%
OF HOUSEHOLDS HAVE
INTERNET ACCESS



2,611
SUNSHINE HOURS
in 2016/17



48% OF THE
DISTRICT IS COVERED BY
INDIGENOUS FOREST

The statistics in this section are based on the census in 2013 and population estimates as at 30 June 2015 courtesy of Statistics New Zealand. Sunshine hours are based on information courtesy of NIWA (the National Institute of Water and Atmospheric Research).



ABOUT THE COUNCIL

Te Kaunihera

Our planning cycle

Te porotaka whakamahere mā mātou

Long Term Plans - Ngā Mahere Roanga

The Long Term Plan (LTP) is our guiding document and is renewed every three years. The LTP sets out Council's strategic direction and priorities for the District for the ten years that follow. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for, and how we will measure our performance. Our current LTP covers the years 2015 – 2025.

Annual Budget Updates - Ngā Whakahou Mahere Pūtea ā-Tau

In each of the two years between reviewing LTPs, we produce an Annual Budget Update. These do not repeat information already included in the LTP, but provide an opportunity to make any necessary refinements to what was planned for the year. If there are significant or material changes proposed, we consult with the community as part of developing the Annual Budget Update.

Annual Budget Updates talk about changes or differences to the LTP, so should be read alongside that document.

Annual Reports - Ngā Kīpoata-ā-tau (this document)

We produce an Annual Report at the end of each financial year. The Annual Report is our key accountability document, and it tells you how we performed against the budgets and the performance targets we set for the relevant year through the Long Term Plan. The Local Government Act requires certain information in an Annual Report to be audited. The report from our Auditors can be found on page 187 of this document.

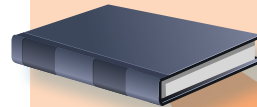
This Annual Report is for the period 1 July 2016 – 30 June 2017, the second financial year of the LTP 2015-25.

Where can I find these documents?

The LTP, Annual Budget Updates and Annual Reports are all available on our website (whakatane.govt.nz), at Council's service centres in Whakatāne and Murupara, and at libraries around the District.



Long Term Plan 2018-28



Annual Report 2017/18



Annual Budget Update 2017/18



Annual Report 2016/17



Annual Budget Update 2016/17



Annual Report 2015/16



Long Term Plan 2015-25

3 year planning cycle

ABOUT THE COUNCIL

Your Council

Tōu Kaunihera-ā-Rohe

As at 30 June 2017

The Whakatāne District Council is elected every three years, with the most recent election held in October 2016. The Whakatāne District Council consists of the Mayor (elected by the District at large), and ten Councillors (elected from four wards). The four wards are: Rangitāiki, Galatea-Murupara, Tāneatua-Waimana and Whakatāne-Ōhope.

The Mayor and Councillors are elected to govern, make decisions, and manage the interests of our District on behalf of all residents and ratepayers. More information about Council's role is set out in the rest of this chapter. Contact details for Council elected members are available on the back page of this book.

Your Council elected members as at 30 June 2017

MAYOR

Tony Bonne

GALATEA-MURUPARA WARD

Alison Silcock - Councillor

RANGITĀIKI WARD

Russell Orr - Councillor

George Johnson - Councillor

Gerard van Beek - Councillor

TĀNEATUA-WAIMANA WARD

Andrew Iles - Councillor

WHAKATĀNE-ŌHOPE WARD

Judy Turner - Deputy Mayor

Scott Jarrett - Councillor

Mike van der Boom - Councillor

Julie Jukes - Councillor

Nándor Tánczos - Councillor

Your Community Boards

Ōu Poari Hāpori

The Whakatāne District Council has four Community Boards covering the entire District. Each board is made up of members elected from within the Community Board area and an appointed Councillor (two Councillors for Whakatāne-Ōhope) from the same area.

Community Boards provide an important 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 (whakatane.govt.nz).

Your Community Board elected members as at 30 June 2017*

WHAKATĀNE-ŌHOPE COMMUNITY BOARD

Christine Chambers - Chair
 Moira Hanna - Deputy Chair
 Scott Jarrett - Councillor
 Mike van der Boom - Councillor
 Kay Boreham
 Gerard Casey
 Neville Delahunty
 Carolyn Hamill
 Mark Inman
 Jennifer Manning

RANGITĀIKI COMMUNITY BOARD

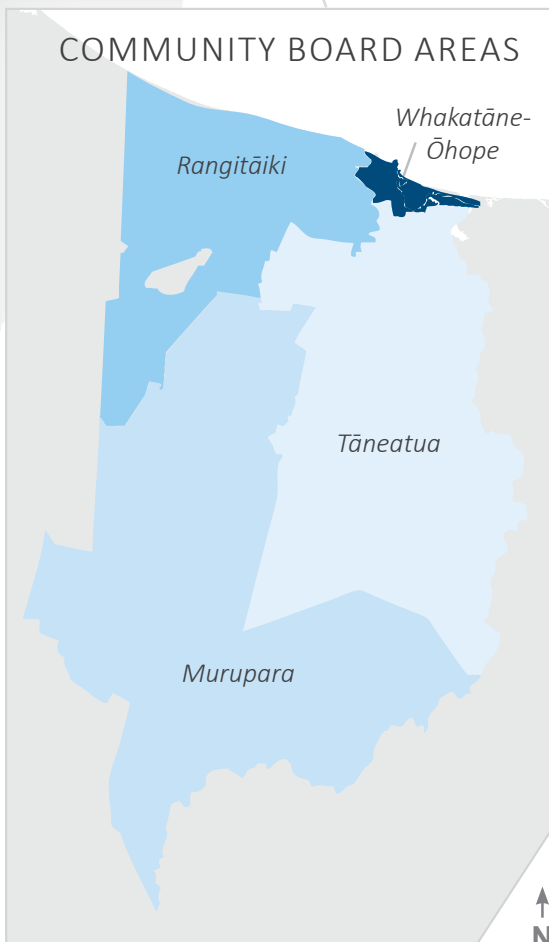
Charelle Stevenson - Chair
 Kris Byrne - Deputy Chair
 Gerard van Beek - Councillor
 Graeme Bourk
 Alison Clark
 Gavin Dennis
 Evan Harvey

TĀNEATUA COMMUNITY BOARD

Diane Yalden - Chair
 Geoff Chater - Deputy Chair
 Andrew Iles - Councillor
 Les Knowles
 Hohepa McLean
 Michael Robert
 Luke Ruiterman

MURUPARA COMMUNITY BOARD

Alison Silcock - Chair and Councillor
 Jackie Te Amo - Deputy Chair
 Ormond Hynes
 Bruce Jenkins
 Mem Jenner
 Byron Rangiwai
 Te Waiti Virginia Rangiwai



*Due to changes in membership over 2016/17, by-elections were held for positions on the Tāneatua and Murupara Community Boards.

Our Role

Ta Mātau Mahi

We provide community leadership

The Whakatāne District Council is your Council. You have elected the Mayor and Councillors to look after your interests and help to develop a District in which we all want to live, work and play. One of the Council's main responsibilities is to make decisions on behalf of the community. Balancing the services and facilities that our community wants against the cost of delivering them – as well as many other considerations - is not always easy. You can learn more about how we make decisions on page 9 of this Annual Report.

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

We deliver essential services, lifestyle opportunities and experiences

The Whakatāne District Council provides essential services which are used by almost 35,000 people every day. We also provide opportunities for recreation and access to the experiences that make our District a great place to live.

The services we deliver are structured within 36 'activities', which are organised into 11 'groups of activities.' You can learn more about each activity in the 'Our Work in Detail' chapter of the Long Term Plan 2015-25.

This Annual Report looks at what we have achieved for each activity in the 2016/17 year.



Our Vision and Purpose

Tūmanakotia; kia Tū
Tangata tūturu

Our Vision and our Purpose guide everything we do as a Council. They set out where we want to be and how we will get there.

Our Vision

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

In achieving our vision:

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

Our Purpose

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

As a District Council we will achieve this through:

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

Community Outcomes

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 2016/17 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
- Sustainably manage community assets
- Ensure people, infrastructure and the environment are protected from natural disasters.

Making Decisions

Ngā whakaritenga

We are here to look after your interests

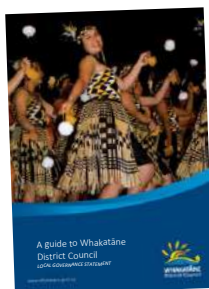
Each year, Council elected members make many decisions that affect different people in different ways. When making decisions, we need to consider and balance competing interests from different sectors of our community. This can be challenging, but we work hard to make decisions that are in the best interests of the whole District.

The Council, Committees, Community Boards and Advisory Boards meet regularly throughout the year to provide direction to 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: whakatane.govt.nz.

What guides our decision making?

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. There are 79 councils in New Zealand, all of which are guided by legislation when making decisions. Guiding legislation includes the Local Government Act (2002), the Local Government Official Information and Meetings Act (1987), the Resource Management Act (1991) and many other Acts of Parliament.

We also have key guiding documents specific to our Council, which are available from Council offices and libraries, or from our website: whakatane.govt.nz. Key guiding documents include:



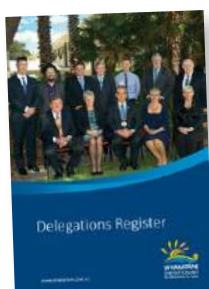
LOCAL GOVERNANCE STATEMENT:

This is a collection of information about how Council makes decisions, and how citizens can be involved in that process. It provides an overview on how to engage in local democratic processes, and is a great place to start if you are interested in learning more about how Council works and how you can be involved.



SIGNIFICANCE AND ENGAGEMENT POLICY:

Council makes hundreds of decisions each year. Most decisions are minor, but some are more significant. The Significance and Engagement Policy guides the Council in determining how 'significant' or 'material' a proposal or decision is likely to be. This helps us to provide the appropriate level of attention, consideration and consultation for important decisions. The Policy also provides guidance to the Council in terms of whether a decision or proposal should be consulted on, and how that consultation should be carried out.



DELEGATIONS REGISTER:

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



Supporting and encouraging Māori to contribute to decision-making

Tautoko me te akiaki i Ngāi Māori hei āwhina i ngā whakataunga

We acknowledge Māori as tangata whenua of the Whakatāne District. Our decision-making processes include specific provisions for Māori participation, and over 2016/17 we have worked in collaboration with Iwi, hapū, and other groups on several projects and proposals, some of which are outlined below.

IWI CHAIRS FORUM

Whakatāne District Council facilitates regular meetings of the Iwi Chairs Forum, which is comprised of Chairpersons and Executive Officers of Iwi in the Whakatāne District, and the Mayor and Chief Executive of Whakatāne District Council. During 2016/17, three Iwi Chairs Forum hui were held, hosted by Ngāti Manawa Runanga, Whakatāne District Council, and Ngāti Whare Runanga. The purpose of these hui is to enable strategic issues of mutual interest to be raised and discussed; explore opportunities to integrate and coordinate strategic planning; advocate to central government for the collective benefit of the Whakatāne community; and to better understand our differences and recognise and respect each other's positions. Council acknowledges the hugely significant role that Iwi play in the District in terms of leading economic, environmental, social and cultural opportunities for our communities. A strong and positive relationship between Iwi and Council will build a foundation for future prosperity and partnerships. This year, our Iwi partners were significant contributors and led a range of activities throughout the District, including contributions to Civil Defence activities during the April 2017 floods. Iwi continue to provide leadership and support during the recovery process and the Iwi Chairs Forum provides a platform for this to occur in a collaborative way.

OPIHI URUPA PROTECTION PROJECT

Council has continued to engage with Opihi Whanaungakore Urupa Trustees, Te Runanga o Ngāti Awa, and hapū representatives to protect the cultural importance of the Opihi Whanaungakore Urupa (traditional burial ground). This project aligns with the proposed residential development of Council-owned land at Opihi, which is adjacent to the urupa. The engagements aim to develop an agreed management plan to provide an effective buffer between the proposed residential area and the Opihi Whanaungakore Urupa. Primary outcomes are to protect the culturally sensitive urupa from the potential effects of urban development, and to maintain and enhance the ecological values of the reserve. Council, Te Runanga o Ngāti Awa and Opihi Whanaungakore Urupa Trustees continue to engage through this project, to ensure that residential development does not intrude on the cultural importance of the urupa to tangata whenua.

WAIRAKA VISION PROJECT

This year Council initiated the Wairaka Vision Project, which aims to create a shared vision for the future of the Wairaka area. Parties involved have been Ngāti Hokopu ki Wairaka, Te Runanga o Ngāti Awa, Ngāti Awa Group Holdings Ltd, and Whakatāne District Council. Council recognises the cultural significance of the Wairaka area to Ngāti Hokopu and to Ngāti Awa, in terms of its historic importance and significant cultural sites, including a statutory acknowledgement recognising the importance of Ōhinemataroa (Whakatāne River). The overall goal of this project is to work towards an agreed concept plan for the area, and at the same time uphold the mana and cultural integrity of Ngāti Hokopu and Ngāti Awa who lived and held mana whenua (authority over land) here before the Whakatāne township was developed.

NGĀTI RANGITIHI TREATY SETTLEMENT

Council developed a positive working relationship with Ngāti Rangitahi this year to support the Iwi in its treaty settlement negotiations with the Crown. Through several workshops and engagements, Council staff were able to provide strategic information around specific activities and projects that could give support to the negotiations, and provide the means for a collaborative Iwi-Council partnership in the future. Ngāti Rangitahi's negotiations were based upon the protection and uplifting of the Mauri (life force) of the lower Tarawera Awa (river) and other waterways, and to their whakapapa lands (lands that provide genealogical connections). Council supported the notion that Ngāti Rangitahi's Treaty Settlement package should meaningfully contribute to uplifting the mana and rangatiratanga (exercising authority) of the Iwi through cultural revitalisation, and building a base of tribal assets capable of sustaining and growing economic opportunities. Council looks forward to Ngāti Rangitahi realising and achieving this goal through its settlement, and to working together in the future.

NGĀTI WHARE TRIBAL LEADERSHIP GROUP HUI-A-IWI

In 2016/17, Council was invited to participate in Hui-a-Iwi (tribal workshopping hui) with the Ngāti Whare Tribal Leadership Group (TLG), whose aim is to work collectively and collaboratively for the common purpose of all Ngāti Whare. The initial proposal was for the TLG to form a collaborative think-tank to develop projects and initiatives based on the collective voices of haukainga (Iwi members who reside in the rohe) and locals living within the Ngāti Whare Iwi rohe (area). Council's support for the Whakatāne Ki Mua – Community Vision project provided strong alignments with this project and the goals the Ngāti Whare TLG was looking to achieve. Essentially, the purpose of the Hui-a-Iwi was to introduce the concept of community-led development as a way to provide opportunities for Ngāti Whare, and to begin discussions about how this approach could enable the Ngāti Whare Iwi to strengthen pathways towards self-determination. Council participated and contributed in the workshops as a means of building a positive working relationship with Ngāti Whare Iwi, and to ensure that opportunities for future partnerships were enhanced through these engagements.

PARTNERSHIP WITH NGĀTI MANAWA

Council endorsed a partnership arrangement with Ngāti Manawa this year which saw the Iwi take over day-to-day animal control and other regulatory activities in Murupara and the surrounding area. At a hui held in September 2016, the Council acknowledged residents' feedback that there was a community-wide issue with regard to roaming dogs and in response, pursued a locally-based solution with Ngāti Manawa delivering regulatory services within its rohe. The partnership with Ngāti Manawa has been very successful and feedback indicates that the Murupara community is happy with the local delivery of service and its outcomes. Over 2016/17 Council has also been involved in discussions with Ngāti Manawa around the construction of the Rangitāiki walkway connecting Wingate Park to Taniwha Park on the southern side of State Highway 38. Taniwha Park connects to Kani Rangī Park, which is currently under development by Ngāti Manawa. A new public toilet facility funded by the Ministry of Business, Innovation and Employment and Council is planned for Millennium Park located between State Highway 38 and the runanga offices. The Council, Murupara Community Board and te Runanga o Ngāti Manawa are currently exploring future options for the Murupara Central Business District.

TE UREWERA ROAD PROJECT

Tūhoe Te Uru Taumatua, Te Urewera Board and the Wairoa and Whakatāne District Councils have been working collaboratively to foster world class innovation through investigating sustainable options to improve Te Urewera Road. The former State Highway 38 is recognised as one of the country's most scenic routes, and provides the only road access to Lake Waikaremoana and remote communities in Te Urewera. It currently requires the negotiation of 64 kilometres of steep and winding gravel. Envisaged improvements would reduce the likelihood of major road damage from severe rainfall events such as the April 2017 floods, where extensive damage to parts of the road meant remote communities were isolated. Maintenance of the road is currently 100% funded by the New Zealand Transport Agency, reflecting the route's 'Special Purpose Road' status, but the agency is proposing to transfer a share of the funding responsibility to the Wairoa and Whakatāne District Councils.

Keeping in touch with you

Te pūkōreronga mā tātou

We want to keep you up-to-date on our projects, services and major decisions.

- We provide regular information and updates, including details about current projects and consultation processes, on our website (whakatane.govt.nz).
- We are active on Social Media. Check out our Facebook page (facebook.com/WhakataneDistrictCouncil) for the latest news, or send us a comment or message if there's something you want to know, or want us to know. We are also active on Neighbourly (neighbourly.co.nz).
- Watch out for our monthly newsletter, Ko Konei, which is published in the free newspaper Eastern Bay Life at the beginning of each month (except January). You can subscribe to receive online copies of the newsletter via our website.
- Council, Committee, and Community Board meetings are held on a seven-week cycle. The meetings calendar, as well as meeting agendas and minutes, are all available on our website. These meetings are public, and we encourage you to attend.
- You should also feel free to contact the Councillor(s) for your Ward, or your Community Board members, if you have an idea you would like the Council to consider, or need some information. Contact details are available at the back of this book.



Whakatane District Council



@WhakataneDC1



ABOUT THE YEAR

Te Arotake o te Tau

Overview of the year

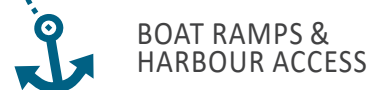
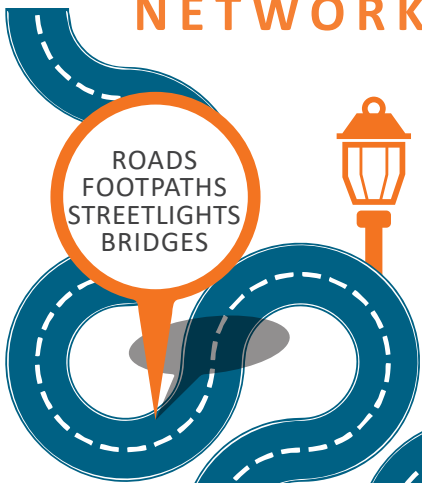
Te arotake i te tau kua pahure

The next few pages provide a high level overview of the 2016/17 year. This includes the severe weather events in April 2017, which had a significant impact on our communities and the services and facilities we deliver.

This chapter also highlights some important projects and events over the year, and summarises whether we met our budgets and delivered what we said we would.

In 2016/17, Council continued to deliver 36 different services and facilities across the District, including...

YOUR TRANSPORTATION NETWORK



and much more.

More information is available in the 'Our Work in Detail' and 'Our Costs in Detail' chapters of this Annual Report.

Ex-Cyclones Debbie and Cook

On 6 April 2017, the Whakatāne District experienced widespread damage to homes, property, businesses, farms and infrastructure as a result of extreme weather generated by ex-Cyclone Debbie and ex-Cyclone Cook. A local state of emergency for the Whakatāne District was declared on 6 April 2017 in response to ex-Cyclone Debbie.

Ex-cyclones Debbie and Cook - the picture at a glance



Stopbank breaches in Edgecumbe and Poroporo caused widespread flooding causing 1,900 people to be evacuated from their homes.



Over 550 properties were assessed for flood damage, most of those in Edgecumbe.



1,400 hectares of farm land was under water for 10-14 days.



4,086 COWS TRUCKED OUT
4,086 cows were trucked out of the area in the first 48 hours after the stopbank breach in Edgecumbe.



More than 2,500 tonnes of sediment has been taken to landfill from EQC section-clearing operations.



Over 18 tonnes of **whiteware and steel** have been recycled.



The Ministry of Social Development has provided **assistance** to over 3,200 people.



5.9k TONNES OF WASTE
More than 5,900 tonnes of waste has been sent to landfill from clean-up in Edgecumbe, equal to the volume the whole Whakatāne District would normally produce in 6 months.



1.5k+ VOLUNTEERS
Some 1,500 registered volunteers contributed more than 6,800 hours of work to the Ngāti Awa Volunteer Army clean-up.



15 homes were severely damaged and deemed unsafe and over 300 homes need repair to be habitable again.



Significant roading damage isolated some rural communities for over a week.



River bank erosion
1 hectare of river bank erosion deposited 24,000 cubic metres of soil into the Waimana river – a volume that would fill the Aquatic Centre's pools 43 times.

Whakatāne District Recovery Project – Kia manawanui

The Whakatāne District Recovery Project - Kia manawanui, was set up after a Notice of Transition to Recovery relating to the weather events was declared on 21 April 2017. 'Recovery' is defined in the Bay of Plenty Civil Defence Emergency Management Group Plan (2012-17) as 'the coordinated efforts and processes to effect the immediate, medium and long-term holistic regeneration of a community following a disaster.' Recovery is a very complex process, typically lasts much longer than the emergency response phase, and involves a far greater level of planning and management.

The table below provides a further summary of the wide-ranging impacts of the April 2017 weather events, and notes some of the response actions taken by a range of groups including Council in the days and weeks following. More information about Council's response, and the impacts the events have had on our infrastructure, services, and facilities can be found throughout this Annual Report.

It is important to note that the work of the Whakatāne District Recovery Project – Kia manawanui is ongoing, and that information changes often. The latest updates are available on our website (whakatane.govt.nz).

Ex-cyclones Debbie and Cook - summary of impacts and response

TYPE OF IMPACT	DESCRIPTION
Essential needs	Essential needs, including food, water, and emergency shelter were provided to displaced residents and those whose road access was cut off. Stress, anxiety, disrupted sleep, delayed decision-making and other typical grief-cycle behaviours were common amongst people affected by the storms and ongoing access to psycho-social support was, and continues to be, provided to assist the recovery process.
Evacuations	Many people have been displaced for long periods as a result of extensive damage to homes and properties due to the stopbank breach which saw the entire Edgecumbe township evacuated and cordoned off. This resulted in the displacement of more than 1,600 residents in the township, with a further 300 people similarly affected in Tāneatua, Poroporo and the Rangitāiki Plains areas. Civil Defence Centres were set up in Whakatāne, Awakeri and Kawerau and at a number of Marae, to provide shelter, assistance and support to the affected population.
Iwi	<p>Ngāti Awa – affected whānau and communities, including Edgecumbe township.</p> <p>Ngāti Manawa – significant flooding affecting properties in surrounding areas within their rohe, including Waiohou, Murupara and Galatea.</p> <p>Ngāti Rangitīhi – flooding occurred mainly on farming properties and minor slips caused temporary road closures around Matatā.</p> <p>Ngāti Whare – lengthy road closures due to major flooding and slip damage. The closure of the old State Highway 38 between Murupara and Te Whāiti saw the communities of Te Whāiti and Minginui isolated, until alternative access could be provided through Timberlands' forests.</p> <p>Tūhoe –major road closures also saw Ruatāhuna isolated, and flooding affected properties and businesses in other parts of the rohe.</p>
Remote communities	A number of remote rural communities (Ruatāhuna, Te Mahoe, Rūātōki and Te Whāiti) were isolated, some for over a week, as a result of loss of road access. Road access to all communities has since been restored but ongoing road works are ongoing to repair the extensive road damage suffered. Services, including power, water and wastewater, were also disrupted in some rural communities.

TYPE OF IMPACT	DESCRIPTION
Animal welfare	Whakatāne SPCA, a Massey University expert, a National SPCA team, and Council's Animal Control staff managed the initial process of retrieving animals from the cordoned-off area of Edgumbe. Most pets were reunited with their owners. Loss of life occurred for only a small number of pets and livestock.
Water drainage	Flooding resulting from the stopbank breach at College Road tracked north-west towards the wastewater treatment ponds on Soldiers Road. This inundated the ponds, which over-flowed into the adjacent Omeheu Canal into neighbouring farmland. The water flowing from the stopbank breach also affected Edgumbe south, exceeding the capacity of the area's stormwater pump station.
Stopbanks	A section of flood-wall along the Rangitāiki River at College Road, Edgumbe breached around 8.30am on 6 April 2017. Emergency repairs were carried out some days after the breach. Repairs to other stopbank sections were also needed. An independent review of the stopbank breach is underway. Permanent flood protection works are being designed, but will take some time to complete.
Wastewater ponds	In both Tāneatua and Edgumbe, Council wastewater treatment ponds were overwhelmed by flood water, resulting in contamination of adjacent private property.
Homes	Assessments on buildings since the flooding were undertaken. Over 300 properties across the District (the majority being in Edgumbe) were assessed as either yellow or red, and as such unsuitable for occupation. Red stickered properties suffered major structural damage and were deemed very unsafe. Yellow-stickered properties suffered less severe damage and were deemed able to be rebuilt and reoccupied.
Roading	Numerous roads were closed as a result of the damage sustained during the ex-Cyclones, cutting off lifelines to some remote rural communities for more than a week. Overall roading costs are estimated at \$15 million, with Special Purpose Roads suffering \$11.2 million worth of damage over the course of the two events. Many of the repairs will take months to complete and many of the roads suffering damage lie within Whirinaki and Te Urewera and are critical to the areas' communities, workers, and a growing number of tourists and other users.
Infrastructure	Boil water notices were issued for some reticulated water supply schemes during the emergency response phase and power outages were experienced across the District. Temporary infrastructure, such as portaloos and skip bins, were needed during the response and recovery phase. Also, refer to water drainage and wastewater ponds above.
Waste	Silt and debris from the flooding event was significant, requiring a significant clean-up effort by The Earthquake Commission (EQC) and others.
Businesses	Approximately 80 businesses were directly or indirectly impacted, including all businesses in Edgumbe. A number of small businesses had no insurance and were unsure of viability going forward. Businesses in rural communities were also disrupted due to roads being closed. Fonterra was unable to take milk for a short period and diverted milk to other factories for processing. They also operated on skeleton staff, as many staff had flood-affected homes. The Fonterra site was utilised as a hub for residents and businesses as part of the clean-up effort. Ongoing impacts to Edgumbe businesses are forecast for a number of months ahead due to the significant number (40%) of displaced residents and the impact this has on Edgumbe's economy.

Going forward

Recovery from the April 2017 weather events will continue well into 2017/18 and beyond. The Whakatāne District Recovery Project has developed a Recovery Programme, which is available on Council's website (whakatane.govt.nz) along with more information and the latest updates about the recovery process.

The five main focus areas of the Whakatāne District Recovery Project are:

RECONNECTING OUR COMMUNITY



Reconnect
Tūhononga

Communities that have been adversely affected by flooding are restored to what they were previously, and where possible, enhanced.

- Welfare and Wellbeing** Essential needs of individuals and whānau are met, and community health & wellbeing are supported.
- Community** Community spirit, pride and resilience are strengthened.
- Home by Christmas** Families / whānau have moved back into their homes by Christmas 2017.

RESTORING THE NATURAL AND RURAL ENVIRONMENT



Restore
Whakahou

The natural environment is restored and enhanced, where possible, and the primary sector community returns to a new normal.

- Primary Sector Support** The primary sector is fully supported and functioning within a new normal.
- Environmental Effects** The impact of the flood and its recovery does not leave lasting negative environmental effects on our land and in our water.

REPAIRING OUR HOMES AND RESTORING OUR COMMUNITIES



Rebuild
Waihanga

Housing, infrastructure, facilities and services are repaired.

- Housing** There is adequate housing supply and damaged homes are repaired to a liveable standard.
- Infrastructure** Infrastructure and services are restored and stop-bank repairs provide protection for the community.

REGENERATING THE ECONOMY



Regenerate
Whakatipu

Sustainable business activity is re-established, and where possible, enhanced.

- Business Continuity** Support is targeted to help restore businesses and to provide certainty around business and employment continuity.

PARTNERSHIP



Partnership
Mahi Kotahi

Working with Iwi to identify and prioritise opportunities that may include:

- Giving effect to Iwi values through collaborative engagement
- Recognising natural, cultural and historical heritage
- Enabling partnership approaches to projects that are aligned to the recovery phase and beyond.

Our priorities for the 2016/17 year

Aro mātua ā mātou mō te tau 2016/17

In the Long Term Plan 2015-25, we set Council's four key focus areas for those ten years. In 2016/17, we continued to deliver projects and services and make decisions in line with those four priorities. More information about each of the projects on the next four pages is available in the 'Our Work in Detail' section of this Annual Report.

1. Delivering quality core services

Hikawekawe i ngā kōunga whakarato

One of our key priorities is to maintain – and where necessary improve – our assets so that we can continue to provide quality services in an affordable and sustainable way.

HIGHLIGHTS FOR 2016/17 INCLUDE:

- Assessing and repairing major damage to roading infrastructure; and damage to water, wastewater, and stormwater assets caused by the flood events in April 2017.
- Replacing the Asset Management System used to manage water supply, wastewater, and stormwater assets, with staff now concentrating on updating asset registers, increasing reporting, and integrating with our other corporate systems for improved workflow and efficiency.
- Participating as a Foundation Council in 'CouncilMARK', a new Local Government New Zealand initiative which aims to improve the value councils provide by assessing qualitative and quantitative indicators across leadership, finance, service delivery and community engagement.
- Improvements to the District's wastewater assets, with wastewater inspections undertaken by Bay of Plenty Regional Council staff at Ōhope, Murupara, Edgumbe and Tāneatua. All of the treatment systems inspected met the standards required.
- Improving water availability and pressure issues related to the Awakeri water scheme.
- Conducting site assessments of assets to determine the health of the infrastructure for water, wastewater and stormwater.
- Exploring the use of new technologies, including implementing *residual chlorine monitoring*, to maintain and improve the District's 12 water supplies.
- Installing water meters at 674 properties in Edgumbe and 211 in Whakatāne, as part of a project to provide water meter readings or improve reading accuracy.

2. Working together to meet the needs of our communities

Mahi tahi ki te whakatutuki i ngā uaratanga mo o tātou hapori

Balancing the things that the community wants from our services and facilities against the cost of delivering improvements is not always easy. The challenge for Council is about finding ways to do things better, smarter, and more efficiently.

Working in partnership with our community, stakeholder groups, Iwi, central government departments, neighbouring councils and others presents significant opportunities to deliver better outcomes for our District.

HIGHLIGHTS FOR 2016/17 INCLUDE:

- Working alongside a wide range of agencies and groups to support the Whakatāne District Recovery Project, set up after the April 2017 flood events. This includes partnering with the Ministry of Business, Innovation and Employment to procure temporary accommodation options, and with community funding agencies, the construction industry, the Ngāti Awa Volunteer Army, and other partners to bring together 'Liveable Homes,' a project to assist people who do not have the means required to repair flood-damaged properties.
- The establishment of a Water Advisory Board made up of representatives from Whakatāne District Council and Bay of Plenty Regional Council. One of the board's key tasks is to provide the monitoring required to identify, eliminate or significantly reduce potential risks to the District's 12 water supplies.
 - Partnering with over 100 other groups and organisations in Whakatāne Ki
- Mua, a project that aims to encourage collaboration and citizen action to ensure our District continues to be a great place to live.
- Offering free beginners computer skills classes at Te Kōputu a te whanga a Toi – the Whakatāne Library and Exhibition Centre – as part of a cooperative partnership between the Whakatāne District Libraries, Eastbay Rural Education Activities Programme (REAP) and the 2020 Communications Trust.
- Delivering and supporting projects as part of the Eastern Bay Road Safety Programme, a combined effort of the Bay of Plenty Regional Council and the Kawerau, Opotiki, and Whakatāne District Councils.
- Working with the Ministry of Social Development and the Rural Support Trust on 'Task Force Green', which saw crews make crucial progress cleaning up damage on rural properties after the April 2017 weather events.
- Endorsing a partnership arrangement with Ngāti Manawa which saw the Iwi take over day-to-day animal control and other regulatory activities in Murupara and the surrounding area.



3. Encouraging communities and businesses to thrive

Akiaki i ngā hapori me ngā pākihi e puawai ana

Our residents and regular visitors know what our District has to offer, and increasingly this is being recognised by others. The Whakatāne District offers some considerable opportunities for economic development and growth.

In 2016/17, in partnership with the community and other stakeholders, Council has continued its commitment to help create an environment where people, communities and businesses thrive.

HIGHLIGHTS FOR 2016/17 INCLUDE:

- Finalising the planning provisions and taking Council's property at 77 Bunyan Road to market for eventual development, to open up a lifestyle village for older Whakatāne residents, and an attractive living environment for future generations.
- Inviting all Council venue users and event organisers to a workshop on the new Health and Safety Act 2015, to ensure local events are safe for the public, volunteers, contractors and event staff.
- Driving economic development through successful events, and focusing on encouraging events in off-peak months, when the District has spare accommodation capacity.
- Working towards areas of potential development set out in the Toi-Moana Regional Growth Strategy.
 - Developing a draft Leasehold Land Freeholding Policy, which could allow the freeholding of some Whakatāne District Council commercial and industrial leasehold land, where there are compelling reasons.
- Attending key expos and events to promote our District, including New Zealand Agricultural Fieldays, Explore Central North Island, the New Zealand Experience Travel Expo, the New Zealand Motor Home Caravan and Leisure Show, and the Beacon Business & Leisure Show.
- Producing monthly newsletters to businesses, tourism operators and the Chamber of Commerce, keeping people informed about projects and events.
- Facilitating quarterly Tourism Cluster Group meetings, and annual Cruise Ready and Export Ready workshops for the Tourism/Accommodation sector.
- Maintaining tourism growth by working closely with Tourism Bay of Plenty to increase awareness of the District's attractions – particularly Whakaari/White Island – with Tourism New Zealand and offshore tourism markets.





4. Keeping rates affordable

Ka tāea te utu o ngā reiti

Rates contribute towards the cost of many essential services and community facilities. While Council services must be managed in a sustainable and financially prudent way, rates must also be affordable and debt kept within sensible limits.

RATES IN 2016/17:

- Refinements and additions to the budget set out for 2016/17 in the LTP were carefully assessed for their impact on overall rates and debt before being incorporated into the budget for the year.
- The average rates increase for 2016/17 was 2.8%, lower than the predicted increase for 2016/17 proposed in the LTP, which was 3.84%.
- To reduce the impact on rates, a number of capital projects, for example the Whakatāne Dog Park, the Museum and Research Centre redevelopment, and the Wairaka Centennial Park redevelopment, were only progressed once contributions from funding partners were secured.
- From 1 October 2016, mowing and vegetation control services were brought in-house to be delivered by Council staff, with annual savings offered representing more than 0.5% of the Council's 2016 rates revenue.
- In May 2017, Council approved a rates postponement and remission process extending rates postponements and remissions to all properties which were uninhabitable or unusable as a result of flood damage sustained in the April 2017 weather events. Rates invoices marked as 'postponed' were issued for 269 properties, and payment will not be required until homes are repaired to a standard where they can be safely reoccupied. A rates remission application will then need to be lodged by April 2018, so that all rates for the period concerned can be remitted.

Whakatāne District Council finished the 2016/17 financial year with a rating deficit of \$381,000.

A rating surplus or deficit is contributed to by Council activities finishing either over or under budget.

There were several reasons for the rating deficit in 2016/17. Rates collected for the Water Supply activity were \$197,000 less than budgeted; a change to the water rates remission policy and the variable component related to water consumption contributed toward this variance. Fees and charges received for the Sewage Treatment and Disposal activity (specifically relating to trade waste) were also less than budgeted. In addition, unbudgeted costs associated with the purchase of the Whakatāne Holiday Park impacted unfavourably on rates by \$171,000.

Overall interest expense was under budget due to favourable interest rates and the capital works programme running behind schedule; however this was partially offset with additional interest costs associated with funding storm and flood related expenditure prior to receiving insurance recoveries. 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 surplus of \$4.04 million

An operating surplus or deficit is an indication of whether the right amount was budgeted for operational expenditure in the financial year.

The final operating result for the 2016/17 year was a net surplus of \$4.04 million, compared to a budgeted surplus of \$6.4 million. The largest contributing factor towards the variance between the budgeted and actual operating surplus was an overspend of \$8.4 million in "other expenses". This was largely due to costs resulting from the April 2017 floods, particularly for waste management. A large proportion of the waste management cost is expected to be recovered from The Earthquake Commission, the Ministry of Civil Defence and Emergency Management, and Council's insurance providers. These recoveries will be confirmed in 2017/18.

Offsetting the higher than budgeted operating expenditure were positive variances of \$1 million each both in depreciation (due to underspending on capital works) and finance costs, due to both favourable interest rates and not borrowing as much for capital expenditure as was originally forecast.

\$5.5 million more revenue was received over 2016/17 than budgeted. Much of this surplus is related to expected insurance proceeds and government grants for flood recovery, which have been included in the revenue figure. While claims are still being finalised, negotiations with central government and Council's insurance providers to recover funding are ongoing. In addition to this revenue, a valuation was performed on all land and buildings and \$1.9 million of the variance was due to gains on revaluation.

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 by group of activities. Information about major budget variances at an activity level is available in the 'Our Work in Detail' chapter of this Annual Report.

Figure 1: Financial performance by group of activities 2016/17

SUMMARY COST OF SERVICE	ACTUAL EXPENDITURE	ACTUAL REVENUE	ACTUAL NET COST SURPLUS/(DEFICIT)	ANNUAL PLAN NET COST SURPLUS/(DEFICIT)
	\$000			
Leadership	2,777	2,972	195	(44)
Roads & Footpaths	19,699	18,541	(1,157)	1,729
Water Supply	5,714	6,984	1,270	1,836
Sewage Treatment & Disposal	3,453	3,198	(255)	85
Stormwater Drainage	3,464	3,624	159	(86)
Solid Waste	5,137	5,731	594	149
Environmental Sustainability	1,948	2,072	124	39
Community Safety	9,375	8,501	(874)	(58)
District Growth	2,327	3,911	1,584	1,919
Recreation & Community Services	14,577	12,201	(2,376)	(1,639)
Corporate & District Activities	(92)	4,635	4,727	608
Council Controlled Activities	206	257	51	(35)
Operational Cost of Service Delivery Surplus/(Deficit)	68,585	72,626	4,041	4,503
Internal Interest	(1,623)	(1,623)	-	1,471
Rates Remissions	(669)	(669)	-	440
Total Council Surplus/(Deficit) Before Tax	66,293	70,334	4,041	6,414

Notes:

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

Expenditure and Revenue in Figure 1 above include reclassification from interdepartmental transfers compared to the Statement of Comprehensive Revenue and Expense (page 125).

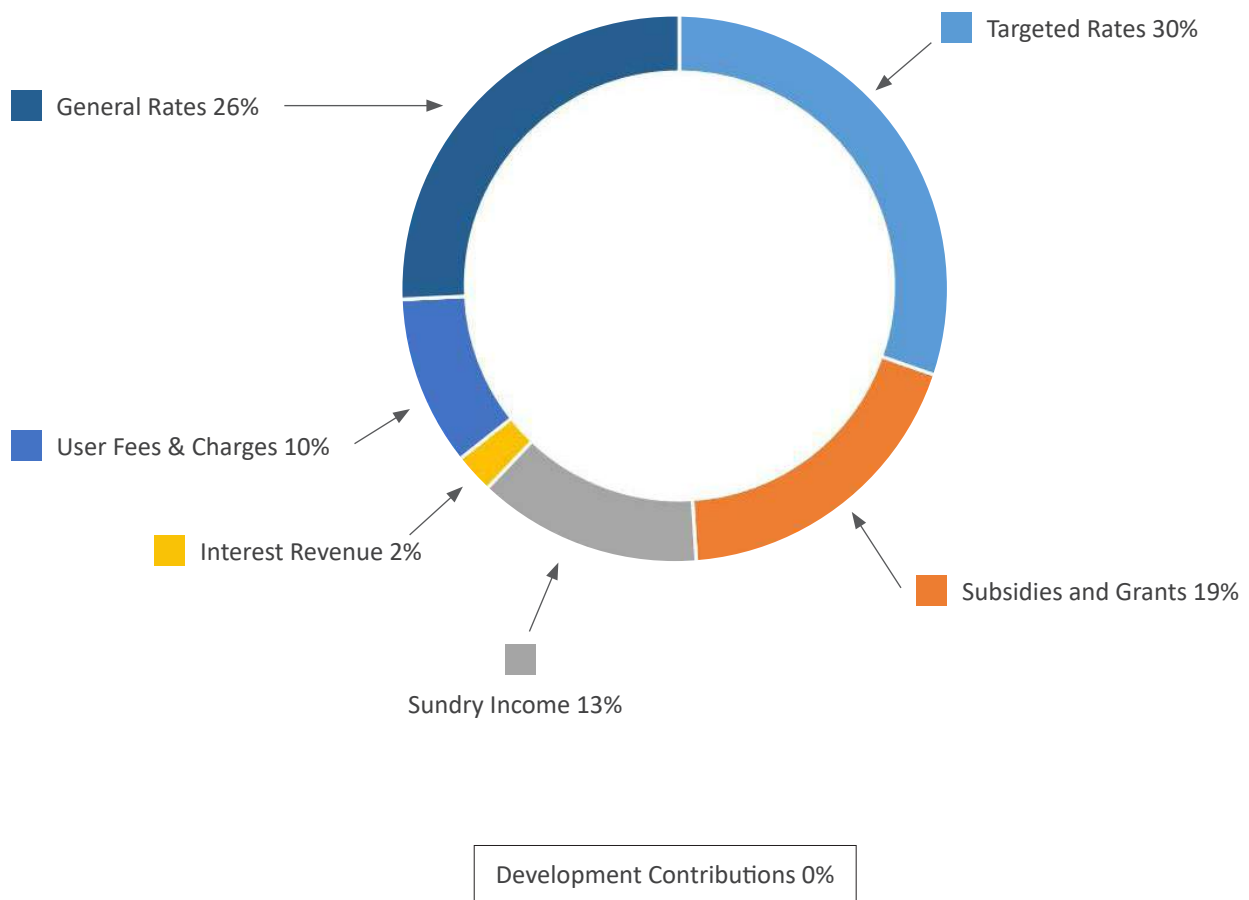
Budget differs from Corporate & District Activity Funding Impact Statement (page 104) as budget for vested assets and gain on investment property are not included in the activity table.

44% of our revenue came from sources other than rates

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 2016/17 year rates made up 56% of our revenue, with 44% coming from other sources, including subsidies and grants, local sponsorship, and user fees and charges for Council facilities and services.

Figure 2: Where operating revenue came from in 2016/17

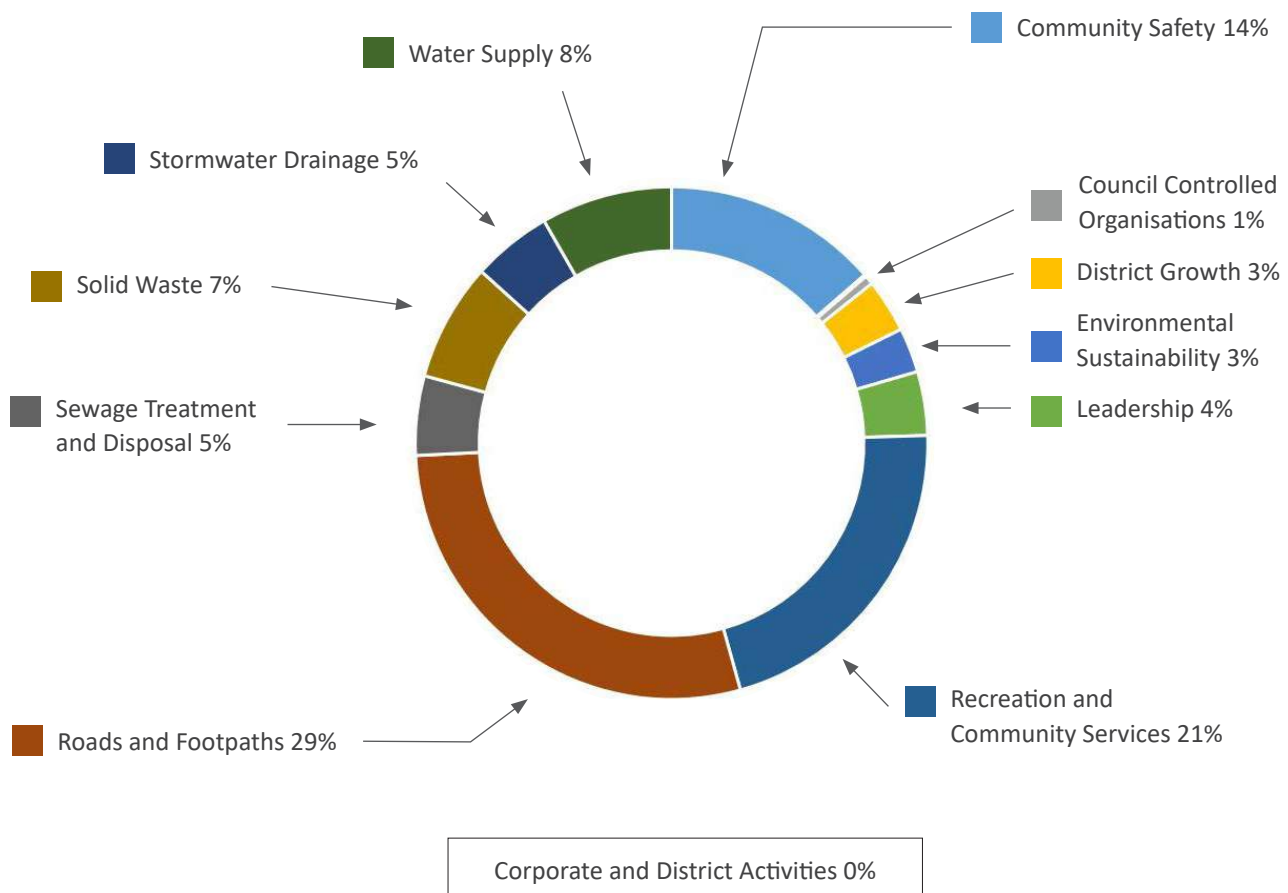


55% of our operating expenditure was on core services

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 2016/17 financial year was \$68.8 million. Our 'core services' (water supply, sewage treatment and disposal, stormwater, roads and footpaths, and waste) accounted for the biggest spend, making up around 54% of total operating expenditure for the year.

Figure 3: Where operating expenditure occurred in 2016/17



Our capital expenditure was \$23.1 million

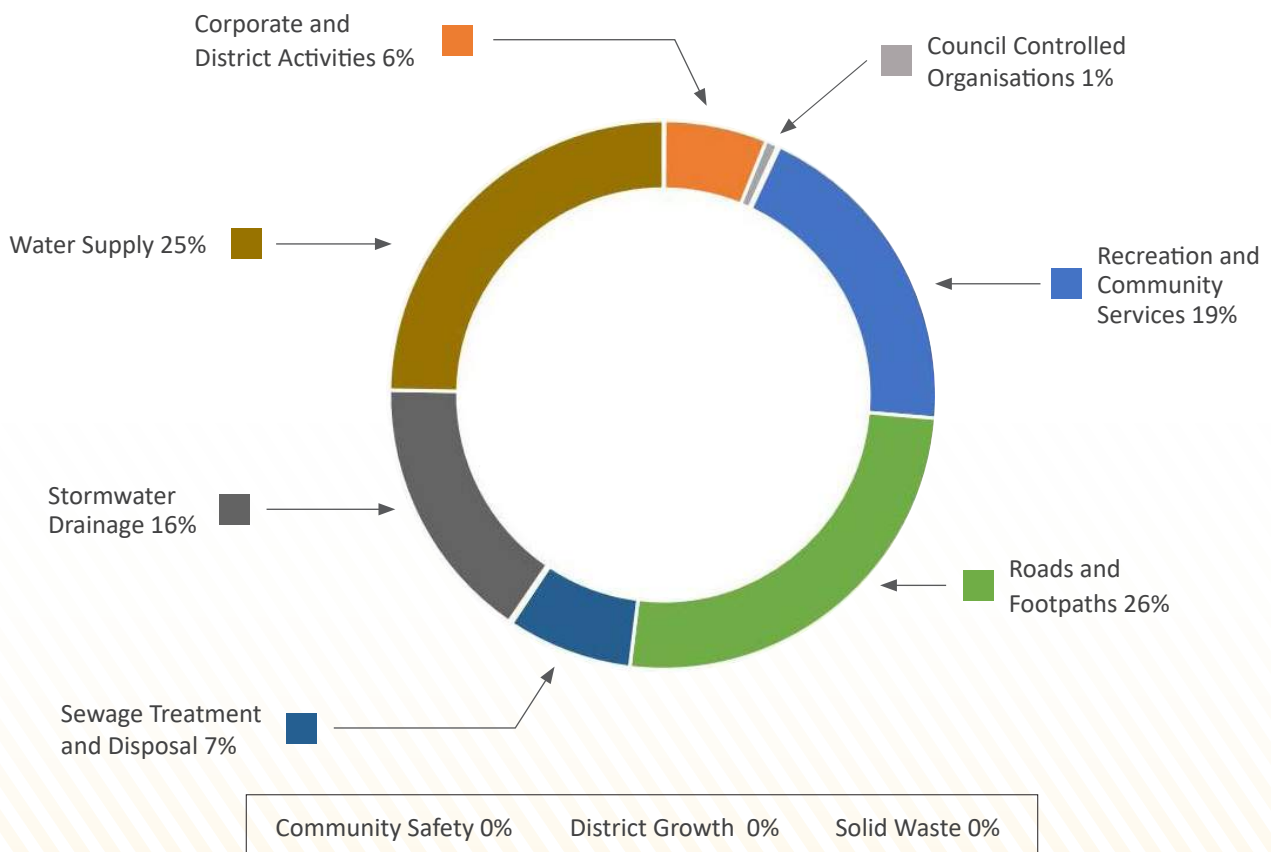
Capital expenditure is the cost of buying or building a new asset, renewing an existing asset, or improving an asset to deliver a better service. We refer to these kinds of projects as ‘capital projects.’

Over the 2016/17 financial year, \$23.1 million was spent on 183 different capital projects, compared with a budget of \$34.5 million. Most capital expenditure is committed to maintaining or improving Council’s core infrastructure (for water supply, sewage treatment and disposal, stormwater, and roads and footpaths). In 2016/17, 74% of our capital expenditure was spent on core infrastructure.

The April 2017 weather events had a significant impact on the planned capital works programme for 2016/17, especially in the roads and footpaths area. Just over one-third of the projects planned for the year relating to roads and footpaths were delayed due to the floods, accounting for about 40% of the total capital expenditure underspend for the year.

More information about progress on specific capital projects can be found in the ‘Our Work in Detail’ chapter of this Annual Report.

Figure 4: Where capital expenditure occurred in 2016/17



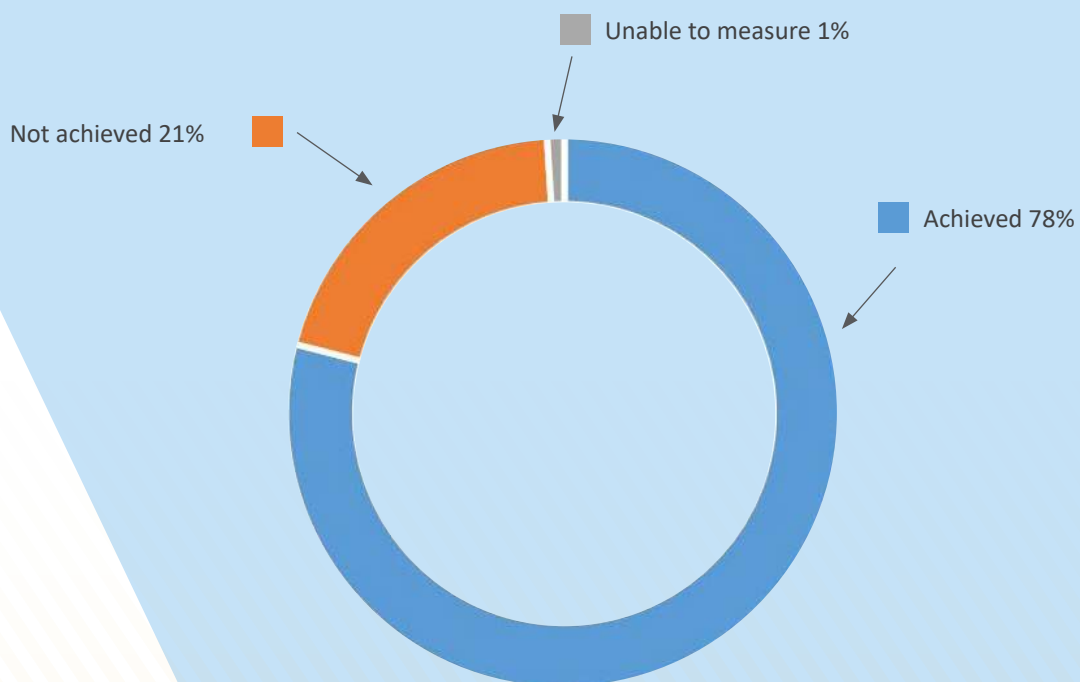
We achieved **78%** of our performance targets

Our performance framework outlines the level of service that we aim to provide. This includes a series of non-financial performance measures. Some measures are technical (like the number of days taken to process a building consent), and others are perception-based measures monitored through surveys.

For the 2016/17 year we set out 92 non-financial performance targets. We achieved 78% of the targets (72 out of 92 targets). 19 targets were not achieved, and one result (in the water supply activity) was unable to be reported for the 2016/17 year.

Many of our performance measure results were heavily impacted by the April 2017 weather events, including results for several of the targets that we did not achieve. The impacts on our performance measures were largely related to extremely high numbers of water supply, wastewater, stormwater and roading infrastructure call-outs during the events, and the redeployment of staff from throughout the organisation to the Emergency Operating Centre and the Whakatāne District Recovery Project – Kia manawanui.

Figure 5: Performance against level of service targets in 2016/17



Overall, **77.6%** of people are fairly or very satisfied with our services and facilities

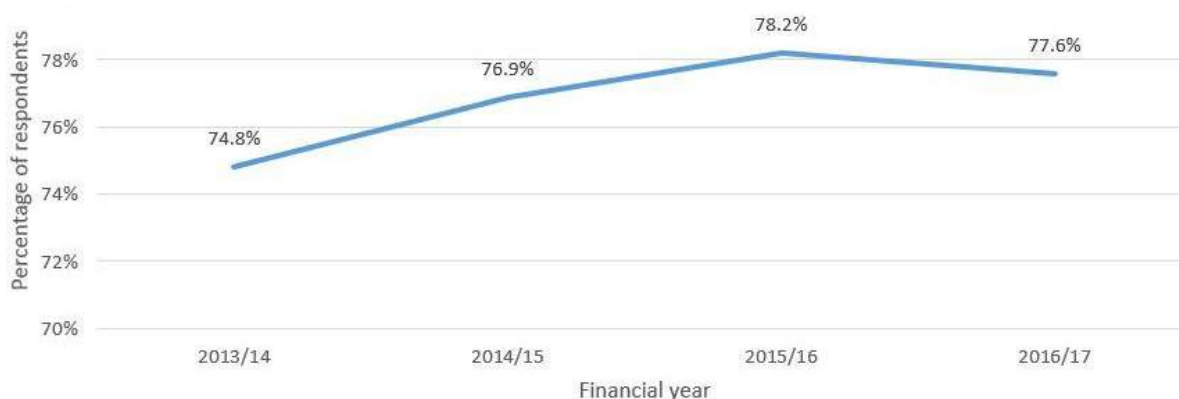
Each year, we survey of a random sample of 300 residents from across the District to help gauge how satisfied people are with our services. This survey (called 'Communitrak') is conducted on our behalf by an independent survey provider.

In 2016/17, the Communitrak survey measured perception across 38 of the services and facilities we deliver. The results showed an improvement across 18 of these, a decrease in 18, and two remained the same as in 2015/16. On average, across the services and facilities measured, 77.6% of respondents were very or fairly satisfied. As the below table shows, this is a slight drop compared to last year's result. While this year's result is higher than that for 2013/14 and 2014/15, and is not a large enough shift from 2015/16 to be statistically significant, it is the first negative shift following growth over the past three surveys.

In 2016/17, more than 90% of respondents said that they were 'fairly' or 'very' satisfied with a range of Council services and facilities. This included cemeteries (97% of users very/fairly satisfied), 'front desk customer service' (95% of visitors very/fairly satisfied), libraries in the District (95% of users very/fairly satisfied), and kerbside waste collection services (93% very/fairly satisfied).

The survey continues to indicate that the community considers economic development-related outcomes and services to be a priority for the Council. For the fourth year in a row, when asked whether Council should spend 'more,' 'about the same,' or 'less' on various services and facilities, 'business promotion' was the area that had the highest 'spend more' response. The full results of the Communitrak survey are available on our website (whakatane.govt.nz).

Figure 6: Percentage of respondents very or fairly satisfied across services and facilities





OUR WORK IN DETAIL

Ngā mahinga whānui



Our activity structure

Groups of activities

The services and facilities Council delivers are known as ‘activities,’ and these are organised into different ‘groups of activities.’ We review our activity structure every three years when we develop a Long Term Plan.

This chapter reports back on the 36 activities and 11 groups of activities set out on pages 61-144 of the Long Term Plan 2015-25.

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 a shareholder or partner in four Council Controlled Organisations (CCOs). Information about each of these CCOs is available on pages 111-116 of this Annual Report.

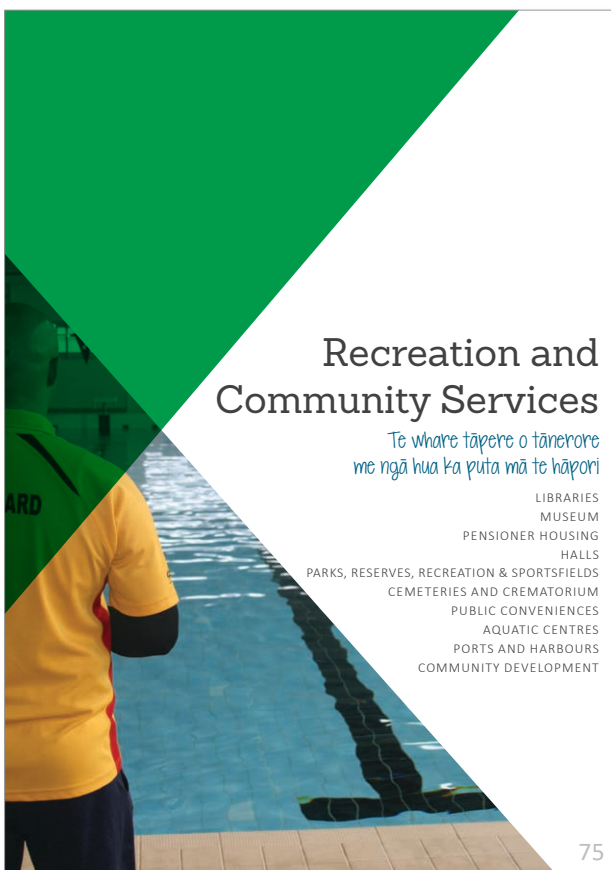
The CCOs are:

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

Toi-EDA is an ‘exempt CCO’ under the Local Government Act 2002, and as such it does not produce its own Annual Report. Each of the other three CCOs produces an Annual Report at the end of the financial year.

What is in this chapter?

For each group of activities:



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

75

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 2016/17 year. It also describes how the activities were funded and includes information about our internal borrowing movements for the activities in 2016/17. An explanation of the categories used in these statements can be found on page 32 of this Annual Report.

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 2000*	LTP 2015/16 5000	ACTUAL 2015/16 5000
OPERATIONAL			
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	9,151	9,001	8,377
Targeted rates	35	36	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
Total operating funding (A)	12,636	11,995	12,174
APPLICATIONS OF OPERATING FUNDING			
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	-	-	-
Total applications of operating funding (B)	12,210	11,744	11,860
Surplus (deficit) of operating funding (A-B)	426	251	314
CAPITAL			
SOURCES OF CAPITAL FUNDING			
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	5,284	625	2,500
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	760	1,075	2,617
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure	-	-	-
- to meet additional demand	-	279	250
- to improve level of service	667	1,227	483
- to replace existing assets	1,486	1,009	1,189
Increase (decrease) in reserves	(977)	(1,689)	989
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,186	1,326	2,931
Surplus (deficit) of capital funding (C-D)	(426)	(251)	(314)
Funding Balance [(A-B) + (C-D)]	-	-	-

	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

For each activity

A YEAR IN REVIEW

This section outlines highlights, developments, and major projects delivered by the activity in 2016/17. Information about why we carry out the activity and what is planned for the future can be found in the Long Term Plan 2015-25.

COST OF SERVICE

In the Long Term Plan, a budget was set for the 2016/17 financial year for each activity. This table compares the budgeted cost and the actual cost of the activity for 2016/17, and explains any major variations between the two. An explanation of the categories used in these tables can be found on page 33 of this Annual Report.

COMMUNITY OUTCOMES

The Community Outcomes that each activity helps to promote are identified by the icons next to the activity heading. More information about our Community Outcomes can be found on pages 8 of this Annual Report.

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 Rūāhoki 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 Rūāhoki 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 Seascape 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 Kakahoro 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 Tapuwāte o Tei walkway linking Whakatāne and Ōhōpe 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: 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 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.

82 WHAKATĀNE DISTRICT COUNCIL ANNUAL REPORT 2016/17

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: S = Favourable D = 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 design work 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 92% satisfaction (2015/16 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 (2015/16 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 (2015/16 result: 92%*)
	Amount of active recreation space available in the District per 1,000 people	1.5 hectares	ACHIEVED 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.

83 WHAKATĀNE DISTRICT COUNCIL ANNUAL REPORT 2016/17

UPDATE ON MAJOR CAPITAL PROJECTS

This table provides an update on the major capital projects that were planned for the 2016/17 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 results for our 92 performance measures for the year. These measures and targets were set through the Long Term Plan 2015-25 and include some measures that are mandatory for all Councils to report on, having been set by the Department of Internal Affairs.

Several measures relate to our annual 'Communitrak' perception survey. Unless noted, results for these are based on the percentage of respondents that are either 'very' or 'fairly' satisfied with a service or facility. The results for two 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, representing the average level of satisfaction reported by respondents. You can find out more about both surveys on our website: 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.
Total Operating Funding	Total revenue from the day to day operation of this activity.

Applications of Operating Funding (Expenditure)

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

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.
Total Sources of Capital Funding	Total capital funding for this activity.


Applications of Capital Funding

Capital expenditure	Capital expenditure creating a completely new asset or extending or renewing an existing asset to provide the same or greater service than it currently provides e.g. extending a sewer pipe to increase capacity. The expenditure is split to fund level of service improvements versus population growth and/or renewal works. While a lot of our capital projects contribute to more than one of these drivers, legislation requires us to allocate each project to just one driver in the Funding Impact Statements.
Increase (decrease) in reserves	Transferring 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.
Total Applications of Capital Funding	Total capital expenditure for this activity.
Surplus (Deficit) of Capital Funding	Sources of capital funding less applications of capital funding.
Funding Balance	Net operating funding less net capital funding.

Explanation of categories in the Cost of Service Tables

OPERATIONAL	
Expenditure	The day to day running costs of this activity e.g. salaries and wages, materials and services, depreciation on assets and interest on borrowings.
Revenue	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, produced more revenue than budgeted, or has a \$0 variance

 - 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 2016/17, an explanation will be provided. Expenditure and Revenue in these tables includes different reclassification from interdepartmental transfers compared to the Statement of Comprehensive Revenue and Expense (page 125).

Funding Impact Statement – Whole of Council

YEAR ENDED 30 JUNE 2017

	AP 2015/16 \$000	Annual Report 2015/16 \$000	AP 2016/17 \$000	Actual 2016/17 \$000
OPERATIONAL				
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	17,440	17,425	19,312	19,265
Targeted rates	23,158	23,005	22,341	22,074
Subsidies and grants for operating purposes	3,521	3,198	3,653	8,686
Fees and Charges	6,986	7,020	6,941	6,805
Interest and dividends from investments	40	58	50	37
Local authorities fuel tax, fines, infringement fees, and other receipts	2,226	2,374	2,630	6,516
Total operating funding (A)	53,370	53,080	54,928	63,383
Applications of operating funding				
Payments to staff and suppliers	39,380	40,736	40,191	49,372
Finance costs	2,645	2,099	2,920	2,161
Other operating funding applications	870	706	890	1,137
Total applications of operating funding (B)	42,895	43,541	44,001	52,670
Surplus (deficit) of operating funding (A-B)	10,475	9,539	10,927	10,713
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	10,997	4,037	9,832	4,892
Development and financial contributions	87	(169)	94	(2)
Increase (decrease) in debt	9,951	(696)	4,147	4,464
Gross proceeds from sale of assets	625	2,595	-	557
Lump Sum Contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	21,660	5,766	14,073	9,911
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,114	916	2,286	1,625
- to improve level of service	18,469	7,014	11,744	11,336
- to replace existing assets	10,446	8,260	16,082	10,056
Increase (decrease) in reserves	1,106	(855)	(5,112)	-
Increase (decrease) of investments	-	-	-	(2,393)
Total applications of capital funding (D)	32,135	15,305	25,000	20,623
Surplus (deficit) of capital funding (C-D)	(10,475)	(9,539)	(10,927)	(10,713)
Funding Balance ((A-B) + (C-D))	-	-	-	-

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 2017 – LEADERSHIP

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operational funding					
General rates, uniform annual general charges, rates penalties	2,521	2,704	2,392		
Targeted rates	318	336	341		
Subsidies and grants for operating purposes	-	-	-		
Fees and Charges	-	-	-		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	2	64	240		
Total operating funding (A)	2,841	3,104	2,972		
Applications of operating funding					
Payments to staff and suppliers	1,867	2,101	1,818		
Finance costs	6	5	4		
Internal charges & overheads applied	966	996	909		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	2,839	3,102	2,731		
Surplus (deficit) of operating funding (A-B)	2	2	241		
CAPITAL					
Sources of capital funding					
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	-	-	-		
Total sources of capital funding (C)	(6)	(6)	(6)		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-		
- to improve level of service	-	-	-		
- to replace existing assets	-	-	-		
Increase (decrease) in reserves	(4)	(4)	236		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	(4)	(4)	236		
Surplus (deficit) of capital funding (C-D)	(2)	(2)	(241)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	88,242	-	5,515	82,727	3,944

Governance



A year in review

Local Government Election 2016

The Local Government Election took place on 8 October 2016. Numerous candidates stood for positions, including six for Mayor, 24 for Councillor (10 positions available), and 39 for Community Boards (26 positions available). Two by-elections were required during the year for the Murupara Community Board and the Tāneatua Community Board. See pages 4 and 5 for more information about membership on Council and Community Boards.

Governance structure refinements

After the election, a number of refinements were made to Council's governance structure for the 2016-19 triennium. These included appointing all elected members plus one external member to the Audit and Risk Committee. A Water Management Board was created to provide advice on the delivery of Council's water supply, wastewater and stormwater activities, taking over the advisory role previously provided by the Plains Water Advisory Board. Following the resumption of the Council's involvement in Toi-Economic Development Agency, the Grow Whakatāne Advisory Board was replaced by the Commercial Advisory Board. For more detail about Council's governance structure, see page 181 of this Annual Report.

Community Board highlights

All Boards sent delegates to the New Zealand Community Board Conference in May 2017, which brought together the Community Boards of New Zealand with the theme "Making 1 + 1 = 3," focusing on how can boards achieve more for their communities with the resources available. Each Board also allocated discretionary funds to local initiatives in their area (see the next page for more detail), and supported their communities in many other ways, including:

Rangitāiki Community Board – involved in a range of activities focused on the civil defence response to and recovery from the April 2017 flooding. The Whakatāne District Recovery Team partnered with the Board, who took a strong community leadership role in delivering events and programmes to help people affected by the events.

Murupara Community Board – held community meetings, organised a local garden competition to encourage pride in the town, advocated for alleyway closures, and is supporting Te Runanga o Ngāti Manawa's Murupara Journeys Hikoi.

Whakatāne-Ōhope Community Board – came together as a combined Community Board after the October 2016 election (now comprises of eight elected Board members plus two appointed members of Council), provided input and advice into the development of Ōhope reserves, liaised with staff to develop a concept plan for the Mahy Reserve information kiosk.

Tāneatua Community Board – continued to hold meetings in various parts of the Ward, supported community events and organisations, and continued supporting the development of Jack Knowles Park and an upgrade of Tāneatua's skate park.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,814	1,646	169	Ⓜ	Variance within 10% or \$20,000
Revenue	1,814	1,823	9	Ⓜ	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	177	177	Ⓜ	

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%	ACHIEVED 79% satisfaction (2015/16 result: not achieved - 75%)



A year in review

Delivering community events

Each year, the Community Support activity delivers events to support and celebrate the community. In 2016/17, 92 people received New Zealand citizenship, with six citizenship ceremonies being held during the year; two more than in 2015/16. 289 Young Achievers received certificates to recognise their outstanding local, national, and international achievements, and the Over 80s Morning Tea was very well-supported. The Anzac Day Civic Ceremony 2017 included support from the Eastern Bay of Plenty Brass Band, Edgumbe Choir, Scottish Pipe Band, and Air Training Corps Cadets. ANZAC ceremonies continue to be very well-supported and represented throughout the District. The annual Trustpower Community Awards saw 63 nominations, with EBOP Brass Band winning the Supreme Award and representing the District at the National Ceremony in Rotorua in March 2017.

Whakatāne District Mayoral Relief Fund

In June 2017 applications to the Whakatāne District Mayoral Relief Fund opened to support Whakatāne District residents affected by flood or storm damage as a result of the April 2017 flood events. The fund was designated for provision of essentials for daily life, transport needs and household contents; rebuild/recovery costs of buildings damaged by water or storm damage; and essential items not covered by insurance or other funds. As of 9 June 2017, the Mayoral Relief Fund had a balance of just over \$150,000, thanks to donations made directly to the Whakatāne District Council and via an online Givealittle campaign which remained open into the 2017/18 financial year.

Tuia Rangatahi Leadership Programme

Over 2016/17, Mayor Tony Bonne continued his involvement in the Tuia leadership development programme. Tuia is an intentional, long term, intergenerational approach to develop the leadership capacity of young Maori in communities throughout New Zealand. The programme involves local Mayors selecting a young Maori from their district to mentor on a one-to-one basis, to encourage and enhance leadership skills. The relationship provides both partners with the opportunity to gain a deeper insight into inter-generational issues, cultural values and experiences. Selected rangatahi are expected to undertake and record a 100-hour community service project in their respective communities, and also have the opportunity to build peer networks with graduates of the Programme, obtain support and receive leadership training by attending four leadership development wānanga over the year. Two rangatahi from the Whakatāne District took part in the programme in 2016/17.

Community Board Grants 2016/17

One of the functions of Community Boards is to allocate discretionary funds to provide financial assistance for local initiatives that benefit the communities within their area. Over the 2016/17 year, the District's four Community Boards gave out a total of 50 grants totalling more than \$91,000.

- Murupara Community Board - 3 grants totalling \$7,180.00.
- Rangitāiki Community Board - 11 grants totalling \$12,159.48
- Tāneatua Community Board - 6 grants totalling \$5,837.00
- Whakatāne-Ōhope Community Board - 30 grants totalling \$66,108.24.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	156	173	(17)	\$	Variance within 10% or \$20,000
Revenue	162	162	1	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	6	(11)	(16)	\$	

Key: \$ = Favourable \$ = Unfavourable



A year in review

Whakatāne Ki Mua – Community Vision for the District

The Whakatāne Ki Mua project was launched in 2016/17, and is a process that aims to encourage collaboration and citizen action to ensure our District continues to be a great place to live. This process involves the Council and over 100 other partner group and individuals.

The main purposes of Whakatāne Ki Mua are to:

- Understand each other’s priorities and aspirations to develop a common vision for the District
- Empower our communities to take action and make positive change
- Enhance our relationships to achieve goals together
- Align effort and resources to meet community needs.

The project started with finding out more about what people love about our District’s towns and our communities, and identifying a shared vision of what we want for our future. This involved a District-wide survey, and the delivery of several workshops, stalls at local markets and events, and various other active engagements throughout the District. So far, the project has received feedback from 2,901 participants, generating over 16,000 comments and ideas.

The next stage of the project is to collate and analyse information received to identify issues, opportunities, priorities, and aspirations for the future of our District, and translate these into actions for everyone involved. Delivering on the vision will depend on people coming together to make actions happen. Whakatāne Ki Mua is actively encouraging connections between people and organisations that are interested in opportunities to realise and achieve mutual aspirations. If you would like to be part of this exciting initiative, then please email kimua@whakatane.govt.nz or phone (07) 306 0500. More details can be found on the Whakatāne Ki Mua website (www.whakatanekimua.nz).



Strategy and Policy continued...

CCTV Policy Adopted

This year, Council worked with the Whakatāne and Murupara Police to review their CCTV (Closed-Circuit Television) Policy. The review focused on enabling greater use of CCTV cameras for crime prevention and identification of offenders, as well as for the ongoing monitoring of Council assets. The Policy will enable CCTV cameras to be used to deter crime, and current restrictions allowing cameras only in high-crime zones will be removed. This will enable more strategic placement of cameras, for example at the entrance points of towns. In addition, cameras can now be used to monitor and manage Council assets and facilities, and to enhance public safety and reduce vandalism.

Bylaw review commenced

A project commenced this year to review the Council's consolidated Bylaws. The Bylaws are due to be reviewed by June 2018 in accordance with the Local Government Act 2002. The first stage of the Bylaw review involved reviewing the Council's three waters Bylaws, Water, Wastewater and Tradewaste, and the addition of a new Stormwater Bylaw. These Bylaws were consulted on during June 2017. The Council's remaining Bylaws will be reviewed over the coming year.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,036	958	78	☐	Variance within 10% or \$20,000
Revenue	986	987	-	☐	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(50)	29	79	☐	

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 2017 – ROADS AND FOOTPATHS

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	(14)	(14)	(13)		
Targeted rates	7,510	7,732	6,935		
Subsidies and grants for operating purposes	3,012	3,064	7,397		
Fees and Charges	91	92	105		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	844	863	1,132		
Total operating funding (A)	11,443	11,737	15,555		
Applications of operating funding					
Payments to staff and suppliers	6,311	6,412	11,340		
Finance costs	639	654	470		
Internal charges & overheads applied	1,486	1,513	1,167		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	8,436	8,579	12,978		
Surplus (deficit) of operating funding (A-B)	3,007	3,158	2,577		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	5,917	6,080	3,003		
Development and financial contributions	-	-	(17)		
Increase (decrease) in debt	359	191	(286)		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	6,276	6,271	2,701		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	61		
- to improve level of service	3,460	2,577	1,574		
- to replace existing assets	6,124	7,309	4,278		
Increase (decrease) in reserves	(301)	(457)	(636)		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	9,283	9,429	5,278		
Surplus (deficit) of capital funding (C-D)	(3,007)	(3,158)	(2,577)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	10,214,451	619,675	905,578	9,928,547	470,448



A year in review

Flood damage to Te Whāiti Road

The April 2017 flood events caused severe damage and closures to many roads throughout the District. The greatest damage was sustained to Te Whāiti Road, which remained closed for three months. On 7 July 2017, Te Whāiti Road was restored sufficiently for it to be reopened to all traffic. Contractors also worked continuously after the flooding to clean up and repair many damaged sections of Minginui, Ruatāhuna and Waikaremoana Roads. Sincere thanks went to Timberlands Forest Ltd. for providing access for the local communities through their forest roads during the road closure period. Through close collaboration with the Tūhoe Manawarū Tribal Authority and Ngāti Whare Runanga, the communities and residents affected by the road closures were kept well-informed of progress on the road repairs. Many local residents were employed by the contractors undertaking the repair works.

Muriwai Drive works

Planned Muriwai Drive maintenance and improvement works began in February 2017. The maintenance components of the project were initially included in Council's 2015/16 work programme, but were deferred to align with other major projects scheduled for 2016/17, including the Wairaka Centennial Park development. The initial scope of work was to re-strengthen the sealed surface with cement stabilisation and a new chip-seal coat. However, additional heavy traffic associated with harbour entrance dredging and mussel farm activities increased the surface strength requirements. A review was undertaken to ensure that the project would provide for the area's long-term traffic and parking requirements and the scope of work was increased to include wider traffic lanes and new areas of dedicated roadside parking. Footpath widening was also provided opposite the entrance to Mataatua Te Mānuka Tutahi and in the area of Muriwai's Cave.

Improvements to Wainui Road

During 2016/17, Council collaborated with the New Zealand Transport Agency and Opotiki District Council to continue improvements in the Wainui Road area, including tree removal and barrier installations. The project is part of the Safe Roads and Roadsides Programme which aims to minimise the risk of death or serious injury on our rural roads.

Footpath renewal in Waimana

Works were undertaken in 2016/17 to upgrade the footpaths in Waimana. These works were part of Council's footpath maintenance programme, which is developed from a footpath defect survey which is undertaken across the District every three years.

Pekatahi Bridge Works

In early February 2017, the New Zealand Transport Agency closed the Pekatahi Bridge on State Highway 2 to allow its deteriorating deck to be replaced and unused railway tracks to be removed. The one-way bridge between Awakeri and Tāneatua was closed to traffic for about four months, with all State Highway traffic diverted through Whakatāne. The project was planned to be completed in May 2017, but due to delays associated with April's flood events, the bridge was reopened in June 2017.

Landing Road Roundabout Reconfiguration

A teardrop configuration was trialled on the Landing Road bridge as part of a traffic diversion whilst the Pekatahi bridge on State Highway 2 at Tāneatua was closed. The trial configuration provided a significant reduction in congestion for traffic coming into Whakatāne town in the mornings, so it remained in place for the period of closure of the Pekatahi bridge.

Te Mahoe Village LED Lighting

This year, Te Mahoe Village became the first community in the Whakatāne District to be completely lit by LED streetlights. Installation of the LED lights was part of the annual renewals programme for 2016/17. Plans to upgrade all of Council's street lights to LED have experienced some funding delays, however the programme will progress in 2017/18.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	14,672	19,401	(4,729)	\$	Over budget expenses due to April 2017 Flood and Cyclone Cook.
Revenue	16,419	18,303	1,883	\$	Over budget subsidies due to April 2017 Flood and Cyclone Cook.
Net Cost of Service Surplus/(Deficit)	1,747	(1,099)	(2,846)	\$	
Capital Expenditure	9,552	5,914	3,638	\$	Variance due to a delay in business case activity relating to LED lighting upgrades. Also, various projects were deferred due to work created by April 2017 weather events.

Key: \$ = Favourable \$ = Unfavourable

Update on major capital projects

PROJECT	LTP 2016/17 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Unsealed metalling (local roads)	461	461	189	Programme commenced, but delayed by floods. Remaining budget carried forward to 2017/18.
Resurface chip seal (local roads)	1,338	1,338	1,368	Programme completed.
Resurface thin (local roads)	390	390	984	Programme completed. Residual costs anticipated due to additional hot-mix sites programmed. Overspend managed by underspend in pavement rehabilitation and reduction to budgeted work programme for 2017/18.
Structural component replacements - bridges	133	133	11	Contract awarded, works delayed by April flood events. Remaining budget carried forward to 2017/18.
LED Light Upgrades	1,000	1,000	3	Project delayed due to funding. Remaining budget carried forward to 2017/18.
Minor improvements (local roads)	1,530	1,880	733	Pohutukawa Avenue improvement works substantially completed. Remaining budget carried forward to 2017/18.
Unsealed metalling (special purpose roads)	277	277	37	Delayed by floods. Budget carried forward to 2017/18.
Resurface chip seal (special purpose roads)	110	110	3	Delayed by floods. Budget carried forward to 2017/18.
New kerbing and drainage	21	21	-	Delayed by floods. Budget carried forward to 2017/18.
Kerbing and drainage renewal programme	21	52	-	Delayed by floods. Budget carried forward to 2017/18.

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	✗	NOT ACHIEVED 85% satisfaction. Specific comments raised by residents including several related to State Highways, including the Pekatahi Bridge closure, which is outside of the Council's control. There was also a larger than usual number of roads closed as a result of flooding throughout the District in April. (2015/16 result: not achieved - 84%)	
	Average quality of ride on a sealed local road network – Smooth Travel Exposure*	89-93%	✓	ACHIEVED 92% (2015/16 result: 92%)	
	Percentage of sealed local road network that is resurfaced**	6-8% annually	✓	ACHIEVED 6.7% resurfaced (2015/16 result: 6.3%)	
	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	✓	ACHIEVED 100% scheduled for repair (2015/16 result: 100%)	
	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	✗	NOT ACHIEVED 89.5%. 19 of 181 calls were not recorded as being responded to within 2 hours. (2015/16 result: 94.9%)	A lack of recording job progress into the Council's system in a timely manner is the cause of most of the 'not achieved', and not a failure to complete the job within the agreed timeframes. Work has commenced to improve the recording process in the future.
		100% of urgent requests responded to within one day	✗	NOT ACHIEVED 97.6%. Two out of 83 calls were not recorded as being responded to within one day. (2015/16 result: 95.6%)	
100% of non-urgent requests responded to within seven days		✗	NOT ACHIEVED 97.6%. Six out of 930 calls were not recorded as being responded to within seven days. (2015/16 result: 100%)		

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

Did you know, we maintain...

908 km TOTAL ROAD NETWORK	4720 CULVERTS AND CESSPITS	259 km KERB AND CHANNEL
702 km SEALED ROAD	3434 STREETLIGHTS	8240 ROAD SIGNS
206 km UNSEALED ROAD	192 km FOOTPATHS	183 BRIDGES
8 km SHARED USE PATHWAYS		

Parking Enforcement



A year in review

Contributing to safer streets

An important function of the parking enforcement activity is to encourage safe vehicles and driving behaviour in the District. In 2016/17, a campaign was commenced to identify and penalise unsafe drivers, especially around schools. This involved patrolling school areas during drop-off and pick-up times, and penalising drivers who parked illegally on double yellow lines, or who were driving unwarranted or unregistered vehicles.

Infringement reasons vary

A total of 4,894 infringement notices were issued by Council's parking wardens in 2016/17, with 45% being for parking-related offences. The most common reasons for receiving a parking-related infringement were for parking over the time limit (1,804 infringements); parking on a broken yellow line (90 infringements); and using a disability park without a permit (96 infringements).

The remaining 55% of infringements issued this year were for Warrant of Fitness or Registration-related offences, targeting unsafe cars on our roads, including cars with extremely worn tyres.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	337	297	40	\$	Salaries expense lower than expected due to vacancies
Revenue	319	239	(80)	\$	Less revenue received from fines due to vacancies
Net Cost of Service Surplus/(Deficit)	(18)	(59)	(40)	\$	

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>NOT ACHIEVED</p> <p>Due to staff redeployment (to support recovery following the flood events in April 2017 and for health and safety reasons), this target could not be met. (2015/16 result: 2 patrols per working day)</p>



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 2017 – WATER SUPPLY

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1	4	3		
Targeted rates	5,005	5,289	5,092		
Subsidies and grants for operating purposes	-	-	-		
Fees and Charges	259	269	236		
Internal charges and overheads recovered	155	161	154		
Local authorities fuel tax, fines, infringement fees, and other receipts	23	24	40		
Total operating funding (A)	5,443	5,747	5,526		
Applications of operating funding					
Payments to staff and suppliers	1,714	1,838	1,819		
Finance costs	454	456	391		
Internal charges & overheads applied	1,940	2,052	1,772		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	4,108	4,346	3,982		
Surplus (deficit) of operating funding (A-B)	1,335	1,401	1,543		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	1,832	-	1,599		
Development and financial contributions	17	18	13		
Increase (decrease) in debt	448	(465)	2,041		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	2,297	(447)	3,653		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	50	519	83		
- to improve level of service	2,966	-	4,727		
- to replace existing assets	1,026	998	900		
Increase (decrease) in reserves	(410)	(563)	(513)		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	3,632	954	5,197		
Surplus (deficit) of capital funding (C-D)	(1,335)	(1,401)	(1,543)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	7,457,407	2,514,615	473,634	9,498,388	391,308



A year in review

April 2017 weather events

Although operations were heavily affected by ex-cyclones Debbie and Cook, water supply infrastructure damage was relatively light. Additional sampling of all water supplies was performed throughout the events and the following days to ensure water continued to meet drinking water standards. In a number of rural areas inundated by floods, precautionary boil water notices had to be issued. During the events, the Whakatāne River breached its banks at the Council Water Treatment Plant on Te Tahī Street in Whakatāne, submerging a low-lift machine and sweeping away remedial works that had been completed by the Bay of Plenty Regional Council at the water intake earlier in 2017. The Ōtarawairere reservoir was damaged during Cyclone Cook, with divers deployed to perform successful maintenance and repair work.

Capital works completed on Otumahi (Paul Road) water supply

In 2016/17, Waiotahi Contractors completed the installation of a water delivery pipeline to Edgecumbe along Paul Road, MacDonald Road, Western Drain Road, and the Kiwi Rail Corridor along State Highway 2. This was the first stage of Council's plan to develop a new water source for the Edgecumbe and Te Teko water supplies. The project also saw works carried out on the bore site at 124 Paul Road to construct the pump station, tank and treatment facilities; and the upgrading of the Waikohua Puna Wai (Tahuna Road) bore, pump station and treatment facilities. The aim of the project is to isolate Edgecumbe and Te Teko townships and some of the neighbouring areas from the Johnson Road and Braemar sources and to supply these areas from the Otumahi (Paul Road) and Waikohua Puna Wai (Tahuna Road) sources. These sources meet the National Drinking Water Standards, in particular by eliminating arsenic content from the supply. The full scheme is expected to be completed and operational in October 2017.

Exploring new technologies

Several projects were undertaken in 2016/17 that explored the use of new technologies to maintain and improve the District's water supplies. This included planning the implementation of *residual chlorine monitoring* (RCM) across all 12 water supply schemes. RCM involves the installation of devices which measure chlorine levels at the extremities of the water supply system and set off an alarm if levels are compromised. This means that any change to chlorine levels is known immediately, allowing a faster response to potential contamination issues. A District-wide roll-out of this system will begin in 2017/18.

Water meter replacement project

Installation of new water meters at 674 properties in Edgecumbe was completed in 2016/17. There have also been 211 water meters replaced in Whakatāne, with 170 additional meters identified for replacement in the 2017/18 financial year. This is part of a project to manage water consumption more sustainably and to provide more accurate water meter readings to facilitate leak detection on private property.

Improvements to Awakeri Water Scheme

An aim of the Water Supply activity for 2016/17 was to improve the issue of water shortages and lack of pressure affecting residents connected to the Awakeri water scheme. Leaks were detected and repaired at multiple sites. Users with the highest consumption of water, who are therefore impacting the availability of water for other users of the scheme, have been identified and will be assessed as part of a wider modelling project. A range of maintenance and repair works were completed over the year, including the adjustment of valves and monitoring the Awakeri reservoir in an attempt to improve water levels. A decision to reject applications for new connections was made due to sections of the network operating to capacity and the unacceptable impact on existing consumers.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	5,786	5,714	72	\$	Variance within 10% or \$20,000
Revenue	7,621	6,984	(638)	\$	Expected full subsidy for project to supply water main to Edgumbe not received in 2016/17 as project not yet fully complete.
Net Cost of Service Surplus/(Deficit)	1,836	1,270	(566)	\$	
Capital Expenditure	6,419	5,710	709	\$	Variance within 10% or \$20,000

Key: \$ = Favourable \$ = Unfavourable












Update on major capital projects

PROJECT	LTP 2016/17 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne water - Mill Road development	-	-	19	Investigations have resulted in this project not being scheduled to proceed.
Whakatāne water - Extension of water to Huna Road	130	130	15	No resource consent received for subdivision to date, works anticipated to commence in 2017/18.
Paul Road bore site development	1,000	1,000	1,314	Contract works underway, completion anticipated in August 2017.
Paul Road treatment plant installation	550	550	90	Contract works underway, completion anticipated in August 2017.
Tahuna Road treatment plant upgrade	300	300	30	Contract works underway, completion anticipated in August 2017.
Supply water main to Edgumbe	3,350	3,350	2,553	Contract works underway, completion anticipated in August 2017.

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	Safe drinking water - 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	✓	ACHIEVED 94% - Due to power outages and flooding/slips during the two cyclone events, treatment plants could sometimes not be reached - a precautional boil water notice was sent out. Tests performed post-cyclone showed no presence of e. coli. (2015/16 result 98%)	
	Safe drinking water - 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	✗	NOT ACHIEVED Refer to the table on page 52. The specified schemes did not receive ultraviolet treatment at all times (in large part due to the ex-cyclone events in April 2017), so an exact percentage for this measure cannot be reported. (2015/16 result: Not achieved.*)	
	Customer satisfaction - 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) 30 complaints per 1,000 connections	✓	ACHIEVED 1.6 complaints about drinking water clarity per 1,000 connections (2015/16 result: 1.92)	
	b) drinking water taste**	b) 30 complaints per 1,000 connections	✓	ACHIEVED 0.88 complaints about drinking water taste per 1,000 connections (2015/16 result: 0.32)	
	c) drinking water odour**	c) 30 complaints per 1,000 connections	✓	ACHIEVED 0.48 complaints about drinking water odour per 1,000 connections (2015/16 result: 0.16)	
Satisfaction with the water supply	77-81% survey results	✓	ACHIEVED 87% satisfaction (2015/16 result: 82%)		

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
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**	Less than 280 litres per day per resident for metered areas	 ACHIEVED Average 240 litres per day per resident (2014/15 result: 270 litres)	
	Average consumption of drinking water per day per resident in the District**	Less than 450 litres per day per resident for unmetered areas	 ACHIEVED Average 300.7 litres per day per resident (2015/16 result: 435 litres)	
Provide a continuous, appropriate and safe water system throughout the District's urban, residential and commercial areas	Maintenance of reticulation - Percentage of real water loss from our networked reticulation system**	Metered schemes – less than 20%	 NOT ACHIEVED 25% Metered scheme water loss is predominantly occurring in the Plains scheme, and improvements as a result of water modelling, a new asset management system and water main renewals are hoped to alleviate water loss in the future. (2015/16 result: 19.6%)	
		Unmetered schemes – less than 50%	 ACHIEVED 49.4% (2015/16 result: 48%)	
	Fault response times:			
	a) Median response time to attend urgent call-outs**	a) 80% < 1 hour	 NOT ACHIEVED 76% attended in less than 1 hour, median time from job received to work started 0.07 hours (2015/16 result: 75.5%, 12 min)	
	b) Median response time to resolve urgent call-outs**	b) 80% < 10 hours	 ACHIEVED 81% resolved in less than 10 hours, median time from job received to job completed 3 hours (2015/16 result: 89%, 4h 1m)	
	c) Median response time to attend non-urgent call-outs**	c) 80% < 4 days	 ACHIEVED 85% attended in less than 4 days, median time from job received to work started 0.3 hours. (2015/16 result: 96.5%, 37m)	
	d) Median response time to resolve non-urgent call-outs**	d) 80% < 5 days	 ACHIEVED 82% resolved within 5 days, median time from job received to job completed 24 hours. (2015/16 result: 80.9%, 25h 34m)	
	Customer satisfaction – 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) 50 complaints per 1,000 connections	 ACHIEVED 3.19 complaints about drinking water pressure or flow per 1,000 connections (2015/16 result: 4.55)	
	b) continuity of supply**	b) 50 complaints per 1,000 connections	 ACHIEVED 9.5 complaints about continuity of drinking water supply per 1,000 connections (2015/16 result: 7.82)	
	c) the local authority's response to any of these issues**	c) 2 complaints per 1,000 connections	 NOT ACHIEVED 2.63 complaints about the Council's response per 1,000 connections (2015/16 result: 2.47)	
	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%	NO RESULT AVAILABLE Results for 2016/17 are only available for Whakatāne township and Coastlands. For these areas the result is 99.82%. (2015/16 result: 98%)	

* The Annual Report 2015/16 reported compliance for all specified schemes, however these results were provisional as the Ministry of Health (MoH) Annual Report on Drinking Water Quality 2015-2016 had not yet been published. However, the MoH report confirms that while the Whakatāne, Ohope, Tāneatua, Waimana and Matatā schemes were 100% compliant, the Rūātoki scheme did not reach 100% compliance for 2015/16.

** Mandatory measure

Compliance with specified New Zealand Drinking Water Standards by scheme

The table below presents the compliance with parts 4 and 5 of the New Zealand Drinking Water Standards by scheme. Current year results are extracted from 'the Report on 2016/17 Compliance with the Drinking Water Standards for New Zealand and associated duties under the Health Act 1956, Part 2A, Drinking Water' from Te Ora Public Health Services. Prior year results are extracted from the Ministry of Health 'Annual Report on Drinking Water Quality 2015-2016.'

The bacterial compliance criteria (part 4) are met when water (leaving the treatment plant and in the distribution zone) does not exceed the Maximum Acceptable Value of E.coli (less than 1 per 100ml sample). To achieve compliance, a strict schedule of sampling has to be followed throughout each 12-month reporting period. All Council schemes were 100% compliant for part 4 in 2016/17.

The protozoa compliance criteria (part 5) are met if ultraviolet treatment equipment is installed and operated effectively. However, if ultraviolet treatment is interrupted (for example due

to floods or power cuts) within the reporting period, compliance with these criteria will not be met. Council's water sources are affected by periodic high turbidity issues which interrupt the ultraviolet treatment system. This was the case during the April 2017 ex-cyclones and flooding, and as such Council's water supply schemes do not meet the part 5 criteria for 2016/17. However, in order to ensure a safe drinking supply if ultraviolet treatment is interrupted, all Council water supplies are monitored with alarm systems which alert staff – or automatically shut down the water supply if necessary - for cases of high turbidity or low levels of free available chlorine. Some supplies are also fitted with filtration systems as a further back-up method. During the April 2017 flood events, in addition to having these systems in place, manual testing was undertaken which showed less than 1 coliform forming unit (CFU) of E. coli per 100ml of water. Council also issued precautionary boil water notices across all supplies as a further safe-guard.

Compliance with specified New Zealand Drinking Water Standards by scheme

Scheme	2016/17 RESULTS		2015/16 RESULTS**	
	Compliance - Part 4 (bacteria compliance criteria)*	Compliance - PART 5 (protozoal compliance criteria)	Compliance - Part 4 (bacteria compliance criteria)	Compliance - Part 5 (protozoal compliance criteria)
Matatā	Yes	No – This location has chlorination and ultraviolet treatment with generally stable turbidity although it can be affected by seismic activity. A project has been requested to sink a new bore to make the source more secure. If approved this will occur within 3 years.	Yes	Yes
Murupara	Yes	No – There is currently no water treatment at this location. Council is investigating the introduction of water treatment in consultation with the community. Frequent sampling is occurring at the bore and within the supply zone.	Yes	No
Edgumbe	Yes	No – The April 2017 ex-cyclone events caused water mains pipe breaks in Edgumbe township resulting in supply isolation plus a boil water notice. The Paul Road water supply is being commissioned and this will provide higher quality water to the town of Edgumbe. Council are hoping to achieve secure bore status for this source.	Yes	No
Rangitāiki Plains Rural	Yes	No – There is ultraviolet treatment for this supply. This was affected by the April 2017 ex-cyclone events, so a precautionary boil water notice was issued.	Yes	No
Te Teko	Yes	No – This water source experienced high turbidity followed by power outages relating to the high river level following the April 2017 ex-cyclone events. This resulted in a filter blockage and a precautionary pump station shut-down. The Tahuna Road water supply now has ultraviolet treatment and filters.	Yes	No
Ruatoki	Yes	No – There are no filters installed at this site. Intermittent power to the site plus high turbidity resulted in a precautionary boil water notice after the April 2017 ex-cyclone events, which also compromised access to the site. Council are investigating a filtration unit at the pump station and the purchase of backup generators.	Yes	No
Tāneatua	Yes	No – There are no filters installed at this site. During the April 2017 ex-cyclone events, intermittent power to the site plus high turbidity resulted in a precautionary boil water notice. Access to site was compromised due to the road being badly damaged. Council are investigating the purchase of backup generators.	No	Yes
Te Mahoe	Yes	No – This supply experienced intermittent power during the April 2017 ex-cyclone events. A precautionary boil water notice was put in place as a result of the flooding as staff were not given access to the site. Council are investigating the purchase of backup generators and the installation of ultraviolet equipment.	Yes	No
Waimana	Yes	No – There are no filters installed at this site. Intermittent power to the site plus high turbidity resulted in a precautionary boil water notice in place after the April 2017 ex-cyclone events. Access to site was available so a generator was installed.	Yes	Yes
Ōhope	Yes	No – Power outages and multiple water mains blow-outs related to the April 2017 ex-cyclones resulted in a precautionary boil water notice. Remote monitoring is now underway for early detection of contamination.	Yes	Yes
Whakatāne	Yes	No – Power outages and multiple water mains blow-outs related to the April 2017 ex-cyclones resulted in a precautionary boil water notice. Remote monitoring is now underway for early detection of contamination.	Yes	Yes

* The Department of Internal Affairs requires Council to report on compliance with Part 4 (bacterial compliance criteria) and Part 5 (protozoal compliance criteria) of the New Zealand Drinking Water Standards for each water supply scheme.

** These results are inconsistent with those reported through the Whakatāne District Council Annual Report 2015/16, which reported provisional results as the Ministry of Health Annual Report on Drinking Water Quality 2015-2016 was not yet available.



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 2017 – SEWAGE TREATMENT AND DISPOSAL

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	23	42	223		
Targeted rates	2,687	2,847	2,772		
Subsidies and grants for operating purposes	-	-	-		
Fees and Charges	147	152	81		
Internal charges and overheads recovered	63	66	123		
Local authorities fuel tax, fines, infringement fees, and other receipts	175	182	110		
Total operating funding (A)	3,095	3,289	3,310		
Applications of operating funding					
Payments to staff and suppliers	871	1,148	954		
Finance costs	479	574	291		
Internal charges & overheads applied	843	888	953		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	2,193	2,610	2,199		
Surplus (deficit) of operating funding (A-B)	902	679	1,111		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	2,509	208	-		
Development and financial contributions	44	53	11		
Increase (decrease) in debt	2,725	(37)	20		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	5,278	224	31		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	1,285	825	167		
- to improve level of service	4,613	582	56		
- to replace existing assets	650	2,903	1,483		
Increase (decrease) in reserves	(368)	(3,409)	(564)		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	6,180	901	1,142		
Surplus (deficit) of capital funding (C-D)	(902)	(679)	(1,111)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	6,405,552	225,825	205,675	6,425,701	291,375

Sewage Treatment and Disposal



A year in review

New sewer line installed in Ōhope

A new and larger pumping main taking wastewater from the western half of Ōhope to the community's oxidation ponds on Wainui Road was installed this year. Work began in the Maraetōtara area in January 2017, with approximately 3.2 kilometres of pipeline being installed using a combination of open trench and trenchless methods. New pumps were also installed, which will almost double the pumping capacity of the wastewater system in this area. The \$1.8 million upgrading was initiated after a routine condition assessment indicated that the previous, 45-year-old asbestos-cement line was nearing the end of its serviceable life and required replacement. This project was planned to include replacement of a rising main from the No. 9 pump station, however the pipe was found to be PVC (not asbestos), and a condition assessment predicted a remaining life of 30 years.

Gateway Drive/State Highway 2 Sewer

In June 2017, the sewer rising main from the Gateway Drive pump station, which runs underneath the highway by The Hub in Whakatāne, failed - probably due to its age and being made of galvanised steel. The failure caused effluent to seep out of the road surface, necessitating the cordoning-off of the left lane of the road on the western approach to the Gateway Drive intersection/Hub roundabout. Council was not permitted to excavate the road surface due to consequential disruption to traffic flow. Instead, a duct was thrust under the highway and a new 80-metre-long rising main was installed through the duct. Two sections of the existing trunk main had to be removed so that the old pipe could be sealed off and the new pipe could be connected. A bypass plan was invoked to re-route wastewater from the Hinemoa station to the McAlister pump station, to eliminate wastewater being directed to the damaged pipe. Further issues arose when the bypass pipe appeared to have several blockages, causing overflows along Domain Road. The bypass pipe was cleaned out and restored to full service. The work to install the new pipe under the highway was completed and all services back and operating on 16 June 2017.

Reducing odour at Port Ōhope

An initiative was undertaken during January/February 2017 to monitor and manage an annual odour issue relating to elevated wastewater discharge at the Port Ōhope campground. Sodium hydroxide was added to the pump station on a weekly basis, starting prior to Christmas, and proved a successful, low-cost way to control odours and prevent the release of hydrogen sulphide. In addition, new maintenance points were installed on the wastewater main pipeline on Harbour Road to improve access for maintenance. The main was scoured out to prevent further sewer blockages. Comments from camp-site staff were very positive and the trial deemed to be a success, with the method likely to be used again in future.

Maintaining and improving our assets

Several improvements were completed on the District's wastewater assets throughout the year. The Te Mahoe wastewater treatment beds had a top-up of silica sand to bring the facility back to standard. The Hinemoa Street wastewater pump station (subject to frequent blocking) received a complete clean-out by contractors and staff are continuing to monitor the pump station to determine whether further works are required. To improve health and safety, staff are working on modifying the entry points into the wet well chambers to provide additional space, light and ventilation. Wastewater inspections were undertaken by Bay of Plenty Regional Council (BOPRC) staff at Ōhope, Murupara, Edgecumbe and Tāneatua, with stations meeting the standards required. Council staff, along with BOPRC staff and a contractor, have met to discuss the rebuilding of an outfall pipe at the Tāneatua Sewer Ponds, which collapsed during the flooding in April 2017. In Ōhope, a highly corroded manhole on Pohutukawa Avenue was replaced with a new polyethylene pipe. These new pipes are resistant to gas-related corrosion and much faster to install than traditional models. If the trial is deemed successful, these pipes will be added to the standard code of practise going forward.

Shaw Road/Huna Road subdivision wastewater service

The preliminary design of a wastewater pump station and rising main to service the Shaw/Huna Road subdivision has been completed. The preliminary cost estimate is \$994,000, an increase on the budget in the LTP of \$795,000. Consultants are progressing with the detailed design of the wastewater pump station and the rising main. Completion of this project is anticipated in 2017/18.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,549	3,453	96	\$	Variance within 10% or \$20,000
Revenue	3,634	3,198	(436)	\$	Capital subsidies not received for Ōhope project not progressing, development contributions less than anticipated, trade waste recoveries less than anticipated.
Net Cost of Service Surplus/(Deficit)	85	(255)	(340)	\$	
Capital Expenditure	4,100	1,706	2,394	\$	Ōhope wastewater project completed under budget. Edgecumbe wastewater project not progressed in 2016/17.













Key: \$ = Favourable \$ = Unfavourable

Update on major capital projects

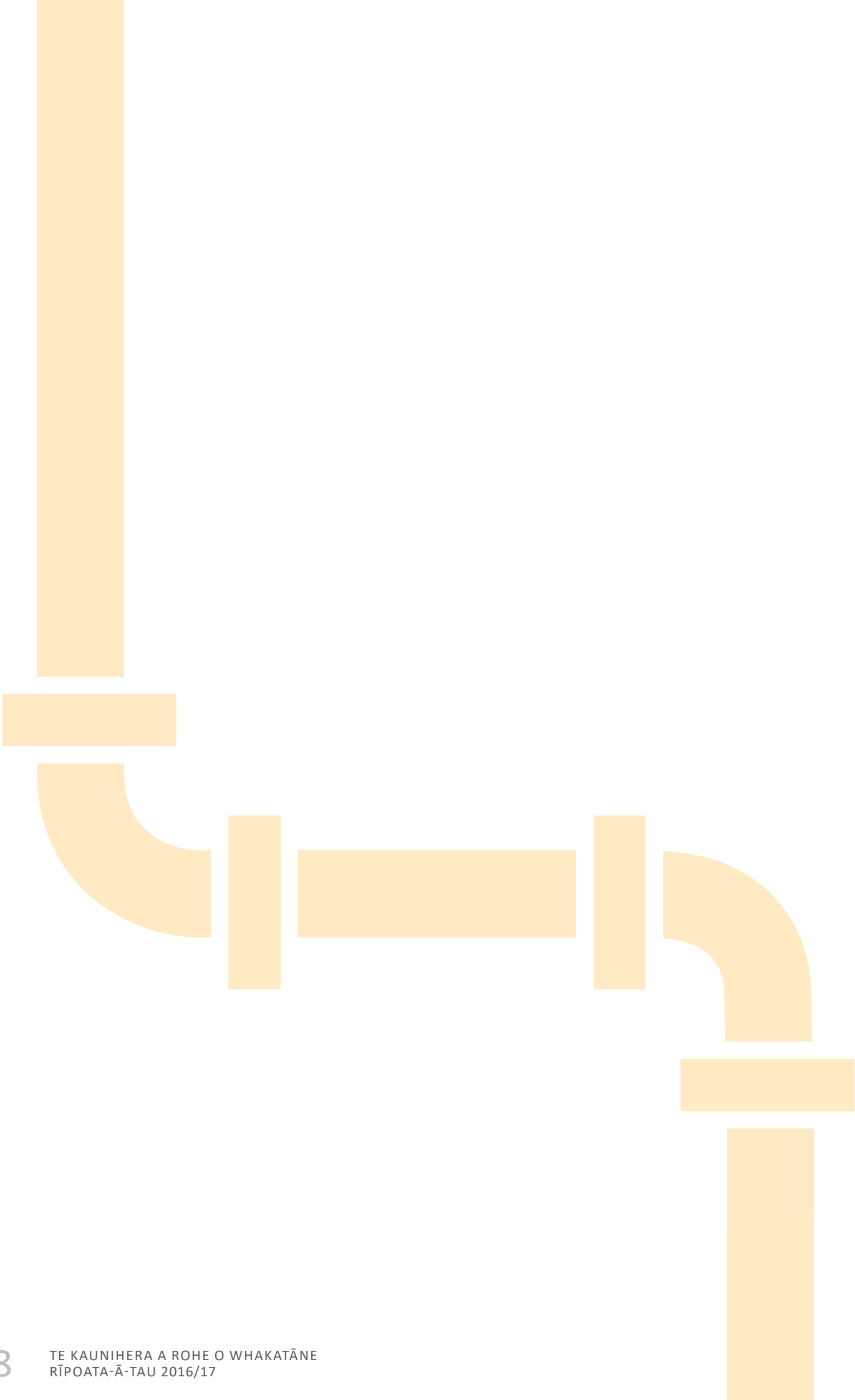
PROJECT	LTP 2015/16 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne wastewater - Huna Road Development	413	-	108	Resource consent application for subdivision received. Awaiting contract for design project to be awarded. Remaining budget carried forward to 2017-18.
Upgrade Whakatāne wastewater treatment plant	210	210	33	Investigations underway for purchase of new equipment. Unspent budget carried forward to 2017/18.
Ōhope wastewater pump replacement	6	24	12	Project completed.
Whakatāne wastewater - Mill Road development	-	-	43	Investigations have resulted in this project not being scheduled to proceed.
Ōhope wastewater - Rising main number 5 pump station	2,808	3,102	1,169	Total spend of \$1.8 million anticipated for this project. Some works completed with a section remaining along Wainui Road – delayed due to flood-related road closures. Expected to be completed in late July 2017.
Edgecumbe wastewater treatment plant – upgrade and additional storage	520	520	10	No works planned in foreseeable future. Project will be part of a comprehensive wastewater scheme which is on hold pending funding considerations.

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 sewerage system	90-95% Survey Results		NOT ACHIEVED 86% satisfaction (2015/16 result: 91%)
	Number of complaints received, per 1000 connections to the Council's sewerage system, about:			
	a) sewage odour*	a) 25 complaints per 1,000 connections		ACHIEVED 1.71 complaints about sewage odour per 1,000 connections. (2015/16 result: 1.47)
	b) sewerage system faults*	b) 20 complaints per 1,000 connections		ACHIEVED 11.16 complaints about sewerage system faults per 1,000 connections (2015/16 result: 13.67)
	c) sewerage system blockages*	c) 25 complaints per 1,000 connections		ACHIEVED 8.14 complaints about sewerage system blockages per 1,000 connections (2015/16 result: 6.67)
	d) the Council's response to issues with our sewerage system*	d) 2 complaints per 1,000 connections		ACHIEVED 0.67 complaints received about the Council's response per 1,000 connections (2015/16 result: 0.45)
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system*	90% < 3 hours		ACHIEVED 92% attended within 3 hours, median time between job received and time work started 0.02 hours. (2015/16 result: 70.3%, 20m)
	Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system*	90% < 10 hours		ACHIEVED 92% resolved within 10 hours, median time between job received and time work started 3 hours. (2015/16 result: 64.9%, 4h)
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*	25 overflows per 1,000 connections		ACHIEVED 1.81 overflows per 1,000 connections. In 2016/17, dry weather overflows were caused by: tree roots blocking sewage flow; foreign material flushed into the sewer system (particularly baby wipes, feminine hygiene products and cloth); a build-up of fat deposits; a collapsed mains pipe; the emergency re-route of sewerage during a mains pipe breakage; and as a result of extra pressure caused by seasonal tourism. Council is purchasing a CCTV camera to be used for scoping of sewer pipes as part of the annual maintenance program. This will allow us to proactively assess areas that are prone to blockages/overflows, and mitigate the risk of future dry-weather overflows. (2015/16 result: 2.37)
	Number of:			
	a) abatement notices*	a) zero notices received		ACHIEVED Zero notices received (2015/16 result: zero notices)
	b) infringement notices*	b) zero notices received		ACHIEVED Zero notices received (2015/16 result: zero notices)
	c) enforcement orders*	c) zero orders received		ACHIEVED Zero orders received (2015/16 result: zero orders)
	d) convictions* received by the Council in relation to the resource consents for discharge from our sewerage systems.	d) zero convictions received		ACHIEVED Zero convictions received (2015/16 result: zero convictions)

* 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 2017 – STORMWATER DRAINAGE

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	341	395	348		
Targeted rates	2,848	2,948	3,067		
Subsidies and grants for operating purposes	-	-	-		
Fees and Charges	-	-	1		
Internal charges and overheads recovered	1,096	1,189	1,443		
Local authorities fuel tax, fines, infringement fees, and other receipts	193	200	206		
Total operating funding (A)	4,478	4,732	5,065		
Applications of operating funding					
Payments to staff and suppliers	1,788	1,899	2,133		
Finance costs	1,130	1,192	865		
Internal charges & overheads applied	612	643	827		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	3,530	3,734	3,826		
Surplus (deficit) of operating funding (A-B)	948	998	1,239		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-		
Development and financial contributions	26	26	2		
Increase (decrease) in debt	3,522	(628)	1,870		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	3,548	(602)	1,872		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-		
- to improve level of service	4,890	1,007	2,472		
- to replace existing assets	251	53	1,163		
Increase (decrease) in reserves	(646)	(662)	(524)		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	4,495	398	3,111		
Surplus (deficit) of capital funding (C-D)	(948)	(998)	(1,239)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	18,546,280	2,594,909	724,817	20,416,372	865,257

Stormwater Drainage



A year in review

April 2017 flood events

The April floods caused major damage to stormwater infrastructure throughout the District. In Edgecumbe, flooding resulting from the stopbank breach tracked north-west towards the sewage ponds of Soldiers Road. This combined with water which over-flowed out of the Omeheu Canal next to the ponds. The combination of these two waters extended over the Western Drain stop bank into Edgecumbe south, exceeding the capacity of the pump station. Contractors were engaged to remove silt and debris from stormwater drains, cesspits and open drains throughout the Edgecumbe area.

Maintaining stormwater assets

Before the flood events, the maintenance of stormwater assets was major focus throughout the District. In Matatā, silt was cleared from the Waitepuru stream detention pond, weeds sprayed, a drain cleared at Clark Street, and repairs undertaken on an eroded stream bank. In Tāneatua, a stormwater drain in farmland at the bottom of Morrison Road was cleared to improve stormwater flow. In Edgecumbe, several areas were cleared of debris and vegetation, and a stormwater grate was installed on the corner of Otakiri Road and Main Street, which decreased stormwater from ponding. In Ōhope, regular clearing of logs and debris from Miller, Wharekura, Mahy and Maraetōtara streams was completed during the year, and maintenance was undertaken on several stormwater soakage areas off Ocean Road. In Whakatāne, a revised method of pumping fresh water to Sullivan Lake to maximise flow has resulted in a healthier waterway.

Wainui Te Whara Stream channel works

The final stage of a major flood protection project along the urban section of the Wainui Te Whara Stream channel in Whakatāne was delayed until late-2017 due to resource consent issues. This work will deepen and widen the channel and see some 12,500 cubic metres of material removed (equivalent to about 1,500 truckloads of soil), increasing its flood flow capacity by about 60% to 32 cubic metres per second. Additional funding was approved by the Council in late-2016 to cover unbudgeted costs for stage one works and a higher than expected tender cost for the work required to finish the channel upgrading. The total cost of the project is expected to be close to \$3.5 million, or about 40% higher than the original budget, reflecting the complexity of the culvert and bridge installation work involved, and ongoing pressures on contractor availability. This is a key project which will greatly reduce the risk of flooding for some 160 properties.

McAlister Street pump station upgrade reaches final stage

A major upgrade to the McAlister Street stormwater pump station is now nearing completion. This has involved modifications to the previous pump house structure, the installation of three high-capacity pumps and the installation of a new 20-metre long box culvert through the stopbank. Completion of this work was delayed firstly by additional resource consent requirements relating to the culvert installation, and then weather events in April 2017. Auxiliary pumps have been successfully used to control water flows throughout the project period. This is the first major upgrade to the pump station since its construction in the mid-1960s, and it will nearly double the pumping capacity, from 3.2 to 6 cubic metres per second. The gravity discharge through the box culvert will double that capacity before levels rise to the extent that pumping is required. The project is expected to be completed in September 2017.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,770	3,464	306	\$	Interest less than budget owing to favourable interest rates and timing of capital expenditure
Revenue	3,684	3,624	(61)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(86)	159	245	\$	
Capital Expenditure	1,217	3,635	(2,418)	\$	Variance calculated on revised budget; includes carry forwards and revisions

Key: \$ = Favourable \$ = Unfavourable

Update on major capital projects

PROJECT	LTP 2016/17 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Ōhope stormwater upgrades	100	583	673	Project complete. Additional expenditure approved by Council resolution.
Whakatāne stormwater - McAlister Upgrade	650	1,887	2,011	Project delayed. Completion anticipated in September 2017.
Whakatāne stormwater upgrades - Huna Road	442	-	-	Delayed due to resource consent application being filed later than anticipated. Works anticipated in 2017/18.
Whakatāne South - Wainui Te Whara project	-	1,508	777	Contract awarded. Works suspended until 2017/18 due to resource consent delays. Budget carried forward to 2017/18.

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.	✓	ACHIEVED Zero flooding events* affecting habitable floors. (2015/16 result: zero)
	The median response time to attend a flooding event**	80% < 3 hours	✓	ACHIEVED 91% attended within 3 hours, median time from job received to work started 0.7 hours. (2015/16 result: 73.9%, 25m)
	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***	✓	ACHIEVED 8.31 complaints per 1,000 connections (2015/16 result: 11.36)
Reduce the environmental impact of stormwater through an efficient and uninterrupted urban stormwater system	Number of:			
	a) abatement notices**	a) zero notices	✓	ACHIEVED Zero notices received (2015/16 result: zero)
	b) infringement notices**	b) zero notices	✓	ACHIEVED Zero notices received (2015/16 result: zero)
	c) enforcement orders**	c) zero orders	✓	ACHIEVED Zero orders received (2015/16 result: zero)
	d) convictions** received by the Council in relation to the resource consents for discharge from our stormwater system	d) zero convictions	✓	ACHIEVED Zero convictions received (2015/16 result: zero)

* The DIA requires results for this measure to be presented according to the following definitions:

'Flooding event' - an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor

'Stormwater system' - the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off from the point of connection to the point of discharge.

Council acknowledges that these definitions, and thus the results for this measure, do not reflect all of the impacts of the April 2017 Civil Defence emergency flooding events. More information about these events can be found on pages 14-17 of this Annual Report.

** Mandatory measure set by Department of Internal Affairs (DIA).

*** The number of stormwater connections is based on the number of customers changed the stormwater rate. Customers are charged this rate based on their location and provision of service. The number of rating units used in each location is provided in the Rates Statement.

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 2017 – SOLID WASTE

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	989	966	1,213		
Targeted rates	4,342	4,416	3,395		
Subsidies and grants for operating purposes	-	-	139		
Fees and Charges	800	820	791		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	92		
Total operating funding (A)	6,131	6,202	5,631		
Applications of operating funding					
Payments to staff and suppliers	4,932	5,009	4,398		
Finance costs	227	214	159		
Internal charges & overheads applied	705	723	546		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	5,864	5,946	5,103		
Surplus (deficit) of operating funding (A-B)	267	256	528		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	100	-	101		
Development and financial contributions	-	-	(1)		
Increase (decrease) in debt	(239)	(241)	(243)		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	(139)	(241)	(143)		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	210	-	35		
- to improve level of service	50	-	10		
- to replace existing assets	-	15	-		
Increase (decrease) in reserves	(131)	1	340		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	129	16	385		
Surplus (deficit) of capital funding (C-D)	(267)	(256)	(528)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	3,561,597	-	242,782	3,318,815	159,197



A YEAR IN REVIEW

Effects of April 2017 flood events

The April Floods had a huge impact on the amount of waste generated in 2016/17, particularly due to large amounts of material needing to be discarded from flooded homes. Council’s target amount of waste sent to landfill in 2016/17 was 10,900 tonnes, but the actual figure was 16,777 tonnes, with 5,947 tonnes from clean-up activities associated with the April floods. Also as a result of the flood events, the percentage of waste recycled in 2016/17 was much lower than anticipated, dropping from 51.4% in 2015/16 to 38.9% in 2016/17.

New solid waste services contract

A new Solid Waste Services contract commenced in October 2016, and covers kerbside collections, operation of the Whakatāne and Murupara Transfer Stations, and haulage of refuse to landfill. The roll-out of the new service was a massive undertaking, with the distribution of approximately 13,500 new yellow-lid recycling bins to all households who receive kerbside collection. A major element of the new service is the “glass-out” or “two-stream” kerbside recycling system. This system has been shown to increase recycling rates and decrease costs, and has been adapted by many other councils over recent years. It is estimated that the contract will result in operational savings of approximately \$250,000 per year, as well as increasing recycling rates. The contract will run through to June 2024, with the possibility of an extension for a further 7 years and a guarantee that landfill disposal charges will remain constant for this period.

Greenwaste composting facility

The Council’s Keepa Road greenwaste composting facility became fully operational in August 2016. This new facility means that the Council now has a local facility to compost the District’s greenwaste, reducing costs and helping to produce a valuable compost that is used in horticulture across the region. The amount of greenwaste composted in 2016/17 was 578 tonnes more than in 2015/16.

Waste minimisation programmes

Council was involved in a number of waste minimisation programmes in the 2016/17 year. These included:

- The School Waste Education programme continued - 13 of the 30 schools signed up having now received the programme
- Supporting the ‘Paper for Trees’ programme, where schools are encouraged to recycle and receive native plants in return for the amount of recyclables they collect
- Supporting ‘Para Kore,’ a programme which educates and implements recycling programmes in marae
- Providing training and support for organisers and staff to reduce waste generated by events, and providing free ‘Event Waste Stations’
- Participated in the Waikato and Bay of Plenty Waste Liaison Group, which works on collaborative waste minimisation projects
- Supporting the ‘Agrichemicals Programme’ to collect unwanted chemicals and containers from rural properties

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	5,318	5,137	181	\$	Variance within 10% or \$20,000
Revenue	5,467	5,731	263	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	149	594	445	\$	
Capital Expenditure	15	45	(30)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable \$ = Unfavourable

Update on major capital projects

PROJECT	LTP 2016/17 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Green waste processing plant	-	-	41	Residual costs relating to project completed in 2015/16.

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	10,900 tonnes sent to landfill	X	NOT ACHIEVED 16,777 tonnes sent to landfill. Target not met due to waste produced from the clean-up of April 2017 flood event. Without this extra waste, the result would have been 10,830 tonnes, meeting the target. (2015/16 result: 10,152 tonnes)
The community has access to affordable kerbside collection, waste disposal and recycling facilities	User satisfaction with refuse disposal (transfer station facilities)	85-89% survey result	✓	ACHIEVED 92% user satisfaction (2015/16 result: 85%)
	User satisfaction with the kerbside waste collection service	89-93% survey result	✓	ACHIEVED 93% user satisfaction (2015/16 result: 89%)



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 2017 – ENVIRONMENTAL SUSTAINABILITY

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,579	1,703	1,636		
Targeted rates	-	-	-		
Subsidies and grants for operating purposes	-	-	-		
Fees and Charges	275	282	251		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	101	104	185		
Total operating funding (A)	1,955	2,089	2,072		
Applications of operating funding					
Payments to staff and suppliers	1,017	1,209	1,108		
Finance costs	185	172	129		
Internal charges & overheads applied	618	639	673		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	1,820	2,020	1,910		
Surplus (deficit) of operating funding (A-B)	135	69	162		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-		
Development and financial contributions	-	-	-		
Increase (decrease) in debt	(241)	(255)	(264)		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	(241)	(255)	(264)		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-		
- to improve level of service	-	-	-		
- to replace existing assets	-	-	-		
Increase (decrease) in reserves	(107)	(187)	(102)		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	(107)	(187)	(102)		
Surplus (deficit) of capital funding (C-D)	(135)	(69)	(162)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	2,888,431	-	264,404	2,624,027	129,108

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

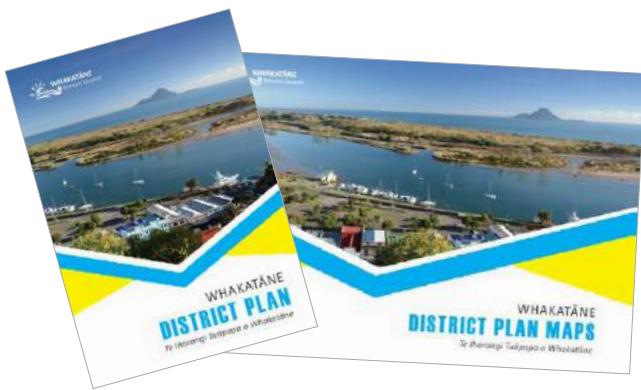
Corporate and District Activities

Council Controlled Organisations

A year in review

District Plan ‘operative’ from June 2017

After some 6,400 submission points, hundreds of hours of hearings and deliberation, and Environment Court-assisted mediation relating to 13 appeals involving more than 200 appeal points, the Proposed Whakatāne District Plan became fully operative on 21 June 2017 – a year before target. A Draft District Plan was released for public comment in July 2011, and following amendments recognising the community’s input, the Proposed Whakatāne District Plan was publicly notified in June 2013. The District Plan establishes the community’s environmental direction and is therefore one of Council’s most important planning tools. This document will guide our District’s development for the next decade and will help ensure that the things we all value — and which make the Whakatāne District such a great place to live — are protected, for the benefit of all residents.



Town Vision –

Creating a Town Centre Plan

Work on the Town Centre Plan is progressing, with feedback being received from multiple stakeholders to date. In order to ensure meaningful consultation with iwi, the timeframe for completion of the Town Centre Plan has been extended.

Resource Management Act Amendment Implementation

The Resource Legislation Amendment Act was enacted on 18 April 2017, and included major changes to the Resource Management Act. Matters of National Importance now include ‘the management of significant risks from natural hazards’. Additionally, Councils’ functions now include ensuring that there is sufficient development capacity in respect of housing and business land. Other changes include new plan change processes and the introduction of iwi participation arrangements.

Plan changes sought

In 2016/17, Council resolved that a private plan change application should be prepared to the Regional Water and Land Plan to address the high loss of life risk to people living in the Awatarariki Stream fanhead area. The Matatā township was struck by devastating debris flows in 2005. Engineering solutions were put in place to address the risk of future debris flows from some streams flowing from the steep escarpment catchments behind the town, but plans to mitigate the risk for the Awatarariki Stream were abandoned in 2012, following advice from experts that no viable engineering solution was available. In May 2017, the Council decided to initiate a change to the District Plan which, if approved, would remove the current residential zoning and prevent any future development in the fanhead area. That change would not affect existing uses, however, and most elected members agreed that the loss of life risk was such that a change to the Bay of Plenty Regional Council’s Regional Water and Land Plan should also be sought. If a Regional Plan change was implemented, existing use rights would be extinguished and the risk to life managed by a compulsory retreat from the debris flow hazard. The Committee decision followed heartfelt public forum presentations from or on behalf of people who own properties in the fanhead area. Councillors acknowledged that property owners had faced a stressful situation for far too long and noted that the plan change processes would run in parallel with a managed retreat package, which is dependent upon Government and Regional Council financial support. The Committee also agreed to add \$250,000 to the 2017/18 Annual Plan to underwrite the cost of the private plan change process.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,078	1,014	64	\$	Variance within 10% or \$20,000
Revenue	1,117	1,123	5	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	39	109	70	\$	

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 of Whakatāne District Plan	No target specified for 2016/17	(2015/16 result: Not achieved)

Resource Management – Consents



A year in review

Resource consent applications

Over 2016/17, the Resource Management team made decisions on 51 land use consents, 53 subdivision consents, and 5 land use consents required by the National Environmental Standard. This included a resource consent relating to the construction and use of an emergency housing “relocatable home park” at the Whakatāne Holiday Park, to house people displaced from their homes by the April 2017 floods.

Ensuring projects run smoothly

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. A new Resource Management Advisor position was created in 2016/17 to assist Council’s service delivery functions in the preparation of their resource consents. This has resulted in resource consent processes within both the Whakatāne District Council and Bay of Plenty Regional Council running more smoothly, which is expected to reduce the time and costs involved in resource consent applications.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	938	934	3	\$	Variance within 10% or \$20,000
Revenue	938	949	12	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	15	15	\$	

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)	62-66/100	✓	ACHIEVED 78.7/100 (2015/16 result 79.3/100)
	Time for processing non-notified land-use resource consents	15 days	✓	ACHIEVED Average 13.69 days (2015/16 result 10.08 days)
	Time for processing non-notified subdivision resource consents	20 days	✓	ACHIEVED Average 14.06 days (2015/16 result 12.37 days)
	Land use consents granted in the previous financial year are monitored for compliance with conditions of consent	100%	✓	ACHIEVED 100% monitored (2015/16 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 2017 – COMMUNITY SAFETY

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,640	1,694	2,207		
Targeted rates	-	-	-		
Subsidies and grants for operating purposes	5	5	757		
Fees and Charges	1,075	1,102	1,162		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	400	410	4,374		
Total operating funding (A)	3,120	3,210	8,501		
Applications of operating funding					
Payments to staff and suppliers	1,851	1,923	7,723		
Finance costs	-	-	-		
Internal charges & overheads applied	1,144	1,182	1,487		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	2,995	3,105	9,211		
Surplus (deficit) of operating funding (A-B)	125	105	(710)		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	-	72	-		
Development and financial contributions	-	-	-		
Increase (decrease) in debt	(2)	(2)	(2)		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	(2)	70	(2)		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-		
- to improve level of service	19	103	18		
- to replace existing assets	-	-	-		
Increase (decrease) in reserves	103	72	(729)		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	122	175	(712)		
Surplus (deficit) of capital funding (C-D)	(125)	(105)	710		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	3,790	-	1,843	1,946	169

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

Alcohol licence applications

In 2016/17, the District Licensing Committee received 286 applications, a slight drop from the 306 received in 2015/16. Decisions were made on 311 applications (some of which had been received in the previous financial year).

While there were changes of ownership over the year constituting a new license, there were no licenses granted for completely new premises. As at 30 June 2017, there are 89 licensed premises in the District, and 347 people hold manager's certificates. There was one public hearing in 2016/17, regarding a manager's certificate.

Over 2016/17, Council's Licencing Officer also assisted Ōpōtiki and Kawerau District Councils with their licencing requirements.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	248	265	(17)	\$	Variance within 10% or \$20,000
Revenue	248	238	(10)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	(27)	(27)	\$	

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		ACHIEVED 100% of licenced premises inspected (2015/16 result: 100%)
	Regular controlled purchase operations are conducted	2 operations annually		NOT ACHIEVED No operations were initiated. Controlled Purchase Operations (CPOs) usually involve minors and must be initiated by the Police. A new Alcohol Harm Reduction Officer has been appointed by the Police, which will provide more resource to complete CPOs going forward. (2015/16 result: 0 operations)



A year in review

Food Act 2014

The Food Act 2014 came into force in March 2016, affecting businesses that make, sell, grow, transport, trade in, or serve food. Since then, premises have been transitioning to new registration and verification requirements. In 2016/17, the Council has responded to and assisted with this transition, including providing free workshops and one-on-one training to ensure those who are affected by the changes understand their responsibilities. Council has also consulted on new fees and charges necessitated by responsibilities the Act places on territorial authorities. In addition, Council's Environmental Health Officers completed all 222 required inspections of food premises and registered activities under the Health Act 1956, and assisted the Kawerau and Ōpōtiki District Councils with food safety and environmental health activities.

Orini clean-up

In February 2017, works were started to cover and contain exposed wood waste on the banks of the Orini Stream. The site, near the Keepa Road Bridge, was one of more than 30 known contaminated wood waste sites in the District. These sites are a legacy of the historic use of sawmill waste and other miscellaneous fill to reclaim low-lying land. Some of this waste is known to contain chemicals that may be harmful to human health after prolonged exposure. The key to ensuring that exposure is minimised at these sites is to maintain a capping or containment layer over the wood waste. On the Orini site, the water flow in the river had scoured the bank out over time, exposing some wood waste and fill. Works were completed to re-cover the area and add a rock embankment to ensure that the river cannot erode the area again. There was also significant natural vegetation planting following the earthworks, to help restore the area to a more natural state.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	264	329	(65)	\$	Unbudgeted salary expenditure.
Revenue	262	263	1	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(2)	(66)	(64)	\$	

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*	90%	ACHIEVED 95% of complaints responded to promptly (2015/16 result: 98.3%)
	Environmental health complaints (excluding noise) responded to in a timely manner	100% within 2 working days	NOT ACHIEVED 75% - One complaint was missed in April 2017 due to focus on post flood/cyclone events. (2016/16 result: 81%)
	Food premises are regularly inspected and registrations are issued	100% annually	ACHIEVED 100% of food premises inspected (2015/16 result: 100%)

* 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	Edgumbe, Matatā, Ōtamarākau, Manawahe, Otakiri, Onepū, Te Teko, Te Mahoe and Wainui to the Ōpōtiki intersection	< 100 minutes
Area 3	Murupara, Galatea & Environs	< 120 minutes



A year in review

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 illegal dumping of rubbish, or “fly tipping;” the encroachment of vegetation onto footpaths; overgrown properties presenting a fire risk; and abandoned vehicles.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	72	72	-	\$	Variance within 10% or \$20,000
Revenue	72	74	2	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	2	2	\$	

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	<p>NOT ACHIEVED</p> <p>90% - 30 of 303 service requests were not actioned within timeframes. Prioritising urgent call-outs over recording job progress into the Council's reporting system was the cause of most of the 'not achieved' results, and not a failure to complete the job within the agreed timeframes. Work has commenced to improve the recording process in the future. (2015/16 result: 100%)</p>



A year in review

April 2017 flood events

In the days and weeks after the flood events in April 2017, over 550 building assessments were undertaken to assess property damage. The assessments were completed by Council's Building Control Officers, as well as those from several other organisations. In total, over 300 properties across the District received red or yellow stickers. Red-stickered properties were those that suffered major structural damage and were deemed very unsafe. Yellow-stickered properties suffered less severe damage and were assessed as able to be rebuilt and reoccupied. The Council offered free building consents for works undertaken to repair flood damage, so that property owners could ensure repairs were undertaken correctly and formally signed-off. As a result, the number of building consents issued in the fourth quarter of the year (1 April to 30 June 2017) was higher than normal, with 215 issued compared to 151 for the same period in 2016.

Building consents go online

The Council launched an online building consents system (AlphaOne) in June 2017, which is intended to make the process of applying for and receiving consents faster and more convenient for all concerned. While the previous paper-based system required written forms to be lodged with the Council, the new system provides a user-friendly, interactive portal featuring greater visibility of the application process for builders, agents and owners alike. Customer feedback about the new system has been extremely positive.

Audit of the Building Consent Authority

The biennial IANZ (International Accreditation New Zealand) audit of Council's Building Consent Authority proceeded on 15 and 16 June 2017, after a request for a delay due to April's flood events was declined. Accreditation was maintained; however, a number of items were highlighted that will be rectified by the end of September 2017. Due to the Council introducing an online building consent system shortly before the IANZ assessment, there was insufficient time to accumulate the evidence necessary to demonstrate compliance with the accreditation requirements. Consequently, a further assessment will be carried out in December 2017.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2015/16 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,922	2,459	(537)	\$	Unbudgeted legal expenses incurred relating to leaky homes
Revenue	1,922	2,184	262	\$	Building consent levy revenue higher than anticipated
Net Cost of Service Surplus/(Deficit)	0	(276)	(276)	\$	

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 a building consent (Customer Satisfaction Index score sourced from targeted postal survey)	75-79/100	✓	ACHIEVED 81.2/100 (2015/16 result: 83.1/100)
	Time for processing building consents	15 working days	✓	ACHIEVED 12.98 working days (2015/16 result: 7.64 working days)
	Retain accreditation as a Building Consent Authority	Retained	✓	ACHIEVED Accreditation retained, reassessment in December 2017. (2015/16 result: accreditation retained)



A year in review

Council partnership with Ngāti Manawa

In 2016/17, Council endorsed a partnership arrangement with Ngāti Manawa which saw the iwi take over day-to-day animal control and other regulatory activities in Murupara and the surrounding area. At a hui held in September 2016, the Council acknowledged residents' feedback that there was a community-wide issue with regard to roaming dogs and in response, pursued a locally-based solution with Ngāti Manawa delivering regulatory services within its rohe. Dog control issues have been prominent in the area in recent years, and the lack of a local animal control officer able to respond quickly to complaints was a concern. The partnership with Ngāti Manawa has been very successful and feedback indicates that the Murupara community is happy with the local delivery of service and its outcomes.

Free dog de-sexing programme

In 2016/17, the Council offered free de-sexing of certain breeds of menacing dogs, thanks to central government funding. The programme covered the Brazilian fila, dogo Argentino, Japanese toso, perro de presa canario, and American pit bull terrier breeds, and registered owners of these breeds were contacted by Council to advise of the opportunity. At the same time as the de-sexing, Council also offered free microchipping of these menacing breeds. It is likely that regulations will be introduced requiring all dogs classified as menacing to be de-sexed and microchipped, which will cost around \$300. Funding for the free dog de-sexing programme will also be available for 2017/18. As at March 2017, there were 205 dogs classified as menacing in the District, of which 136 had yet to be de-sexed. By 30 June 2017, 27 dogs had been de-sexed as part of the free programme. Council will continue to encourage owners to make the most of this opportunity.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	660	661	(1)	\$	Variance within 10% or \$20,000
Revenue	606	616	10	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(54)	(45)	9	\$	
Capital Expenditure	0	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
Public safety and comfort is protected	Aggressive/threatening dogs and roaming stock complaints responded to immediately	100% < 1 hour	NOT ACHIEVED 99% responded to in less than 1 hour. Seven out of 473 service requests were not responded to within one hour. Prioritising urgent call-outs over recording job progress into the Council's reporting system was the cause of most of the 'not achieved' results, and not a failure to complete the job within the agreed timeframes. Work has commenced to improve the recording process in the future. (2015/16 result: 100%)
	All other Animal Control complaints responded to in a timely manner	100% < 2 working days	NOT ACHIEVED 99% responded to in less than 2 working days. 25 out of 2,534 service requests were not responded to within 2 working days. Prioritising urgent call-outs over recording job progress into the Council's reporting system was the cause of most of the 'not achieved' results, and not a failure to complete the job within the agreed timeframes. Work has commenced to improve the recording process in the future. (2015/16 result: 100%)

Emergency Management

Community Outcomes



A year in review

Ex-Cyclone Debbie and Ex-Cyclone Cook emergency events

These two storm events in April 2017 resulted in significant flooding and other damage across the District, but especially in Edgecumbe where the Rangitāiki River stopbank breached. The response involved teams of staff from the Whakatāne District Council, Emergency Management Bay of Plenty, Bay of Plenty Regional Council, and a wide range of support agencies and individuals from other Emergency Management Groups and Councils, supported by Council and Community Board elected members. The response phase continued for two weeks, before it was transitioned to the Recovery Phase, which is ongoing.

Tsunami alert systems tested

The Bay of Plenty Emergency Management team tested its tsunami alert systems as part of World Tsunami Awareness Day on 5 November 2016. This was a chance to learn more about tsunami risks and encourage preparation for natural and man-made hazards.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	699	5,589	(4,890)	\$	Unbudgeted expenditure related to April 2017 flooding
Revenue	697	5,127	4,430	\$	Unbudgeted revenue related to April 2017 flooding
Net Cost of Service Surplus/ (Deficit)	(2)	(462)	(460)	\$	
Capital Expenditure	-	2	(2)	\$	Variance within 20% or \$50,000

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	ACHIEVED 93% of roles filled (2015/16 result: 94% of roles filled)
		85% of staff trained	ACHIEVED 95% of staff trained (2015/16 result: 84% 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	ACHIEVED 11 initiatives delivered (2015/16 result: 8 initiatives delivered)

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 2017 – DISTRICT GROWTH

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	931	934	962		
Targeted rates	431	442	472		
Subsidies and grants for operating purposes	46	47	2		
Fees and Charges	2,443	2,537	2,370		
Internal charges and overheads recovered	199	204	187		
Local authorities fuel tax, fines, infringement fees, and other receipts	28	28	105		
Total operating funding (A)	4,078	4,192	4,098		
Applications of operating funding					
Payments to staff and suppliers	1,322	1,347	1,526		
Finance costs	6	6	6		
Internal charges & overheads applied	747	770	745		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	2,075	2,123	2,278		
Surplus (deficit) of operating funding (A-B)	2,003	2,069	1,820		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-		
Development and financial contributions	-	-	-		
Increase (decrease) in debt	(7)	(7)	(7)		
Gross proceeds from sale of assets	-	-	557		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	(7)	(7)	549		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	3		
- to improve level of service	-	-	-		
- to replace existing assets	90	85	30		
Increase (decrease) in reserves	1,905	1,975	2,337		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	1,995	2,060	2,370		
Surplus (deficit) of capital funding (C-D)	(2,003)	(2,069)	(1,820)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	144,098	-	7,475	136,622	6,441

Strategic Property



A year in review

Harbour Lease Land Project

The 'Harbour Lease Land Project' was completed in 2016/17. This involved analysis of whether a moratorium on harbour land sales in the Whakatāne Central Business District is the most appropriate stance for Council to have on land vested by the former Whakatāne Harbour Board. The moratorium has been in place since 2002. An outcome of the project was the development of a draft Leasehold Land Freeholding Policy. Council has sought community feedback on the draft Policy, which could allow the freeholding of some Whakatāne District Council commercial and industrial leasehold land, where there are compelling reasons.

New suburb one step closer

In 2016/17, Council's property at 77 Bunyan Road was placed on the market. An Expression of Interest process resulted in several parties submitting proposals to develop the block into residential housing, including a lifestyle retirement village. The eventual coastal development is intended to open up a range of lifestyle options for older Whakatāne residents, as well as creating an attractive living environment for future generations. Going forward, Council will work closely with the developers to ensure this project progresses swiftly. It is anticipated that subdivision consents for the reserve land on the block will be completed in the 2017/18 year.

Purchase of the Whakatāne Holiday Park

On 19 April 2017, Council approved the purchase of the business assets of the Whakatāne Holiday Park, including the unexpired term of the lease, with rights of lease renewal. The Council took possession of the business on 5 May, 2017. The immediate action plan was to retain business continuity through the changeover. After the April floods, Council resolved to develop a relocatable house park on the site to provide temporary accommodation for displaced Edgumbe residents for a 12-month period. Site works for the relocatable homes commenced early in the 2017/18 financial year.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	527	687	(160)	\$	Consultant costs and depreciation higher than anticipated
Revenue	2,541	2,417	(124)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	2,014	1,730	(284)	\$	
Capital Expenditure	133	15	118	\$	Expenditure on strategic property renewals under budget. Bunyan Road woodwaste remediation project not commenced, budget carried forward to 2017/18.

Key: \$ = Favourable \$ = Unfavourable

Business and Economic Development

Community Outcomes



A year in review

Driving economic growth

In 2016/17, Council continued to work towards areas of potential development set out in the Toi-Moana Regional Growth Strategy. This includes the visitor economy, and over the year staff attended several key expos and events to promote our District, including New Zealand Agricultural Fieldays, Explore Central North Island, the New Zealand Experience Travel Expo, the New Zealand Motor Home Caravan and Leisure Show, and the Beacon Business & Leisure Show. The Grow Whakatāne Advisory Board was replaced by the Commercial Advisory Board (CAB) after the 2016 Local Government election. The CAB will provide strategic advice on Council's harbour lease land portfolio; the development of assets with a commercial imperative (including ports, harbours and the airport); and the purchase, divestment, and development of strategic landholdings. The CAB will also concern itself with broader economic and business development opportunities as they arise.

Providing Business Support

Over the year Council has continued to support and promote local businesses. This includes producing monthly newsletters for businesses, tourism operators and the Chamber of Commerce which keep them informed of projects and events. Council has also planned and facilitated quarterly Tourism Cluster Group meetings, and annual Cruise Ship Market and Export Ready workshops for the Tourism/Accommodation sector. In addition, a new Business Development Advisor role was created to assist new business owners to navigate their way through Council's regulatory processes.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	492	421	71	\$	Marketing and promotion expenses under budget
Revenue	496	494	(2)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	4	73	69	\$	

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	36-40% survey results	✓	ACHIEVED 49% satisfied (2015/16 result: 51%)
	Satisfaction with Council's efforts to attract and retain residents into the District	46-50% survey results	✓	ACHIEVED 54% satisfied (2015/16 result: 57%)

Events and Tourism



A year in review

District a rising destination

Accommodation statistics continue to reflect an upswing in the popularity of the Whakatāne area as a tourism destination, particularly with overseas visitors. In 2016/17, the Whakatāne i-SITE had more than 59,785 visits and tourism delivered \$123 million into the District's economy - international visitors contributed \$28 million of this. In comparison to 2015/16, total guest nights rose 12.7% to 285,455, and international guest nights rose 42.5% to 65,409, with an average stay of 2.38 nights. The Council continues to work closely with and provide funding to Tourism Bay of Plenty, which has contributed to an increased awareness of the District's attractions - particularly Whakaari/White Island - with Tourism New Zealand and offshore tourism markets. Whakaari/White Island offers a real point of difference for our region, and its proximity to Whakatāne could be leveraged to attract more international and domestic travellers. Council wants to maintain tourism growth by positioning Whakatāne as the 'Gateway to White Island/Whakaari' and has received support from the business community for the concept. Going forward, Council will investigate options for a land-based experiential centre to showcase Whakaari/White Island, connecting Whakatāne township and the island more strongly.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,193	1,219	(27)	\$	Variance within 10% or \$20,000
Revenue	1,094	1,000	(94)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(99)	(219)	(121)	\$	
Capital Expenditure	21	17	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
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	68-72% survey results	✓	ACHIEVED 71% satisfied (2015/16 result: 75%)
	Satisfaction with Council's efforts to enable and promote events	62-66% survey results	✓	ACHIEVED 72% satisfied (2015/16 result: 73%)



Oxfam Trailwalker 2017



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 2017 – RECREATION AND COMMUNITY SERVICES

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	9,001	9,327	8,800		
Targeted rates	16	17	(1)		
Subsidies and grants for operating purposes	458	363	391		
Fees and Charges	1,339	1,425	1,379		
Internal charges and overheads recovered	1,012	1,095	1,613		
Local authorities fuel tax, fines, infringement fees, and other receipts	169	173	1,041		
Total operating funding (A)	11,995	12,400	13,223		
Applications of operating funding					
Payments to staff and suppliers	6,756	6,768	7,392		
Finance costs	698	707	566		
Internal charges & overheads applied	4,290	4,468	4,844		
Other operating funding applications	-	-	-		
Total applications of operating funding (B)	11,744	11,943	12,802		
Surplus (deficit) of operating funding (A-B)	251	457	421		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	382	-	12		
Development and financial contributions	-	-	(10)		
Increase (decrease) in debt	68	(208)	1,831		
Gross proceeds from sale of assets	625	625	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	1,075	417	1,833		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	279	1,024	1,151		
- to improve level of service	1,727	451	2,146		
- to replace existing assets	1,009	1,917	1,176		
Increase (decrease) in reserves	(1,689)	(2,518)	(2,219)		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	1,326	874	2,254		
Surplus (deficit) of capital funding (C-D)	(251)	(457)	(421)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	11,479,924	2,341,293	510,106	13,311,111	566,387



A year in review

Public programmes still prove popular

The Whakatāne Library has continued to offer successful public programmes with over 3,200 children and families attending events during 2016/17. These included a Pokémon Hunt, compose a library song competition, the inaugural Poetry Slam and a Street Dance workshop. The annual Summer Reading programme included Games Days with Giant Jenga, Giant Connect 4 and Table Tennis and the return of the Library's Reading Dogs several times. Literary events included a visit from local author Nikki Slade-Robinson; local resident Ronna Funtelar launched her first book "Stuck;" and a Tea and Tales event was organised by the Friends of the Whakatāne District Libraries with Whakatāne writer Elaine Bell telling stories about farming life, many linked to Waimana. The most popular events for the year were during Māori language week and Matariki, the Māori New Year. This included Māori storytelling sessions by Te Reo Wainene o Tua held over three days with over 700 children from kōhanga reo, primary and intermediate schools and te reo immersion classes attending.

Te Kōputu turns five

Te Kōputu a te whanga a Toi - the Whakatāne Library and Exhibition Centre, marked its fifth anniversary on 28 June 2017. Since opening, the Centre has seen 1.1 million visitors and loaned over 1 million items. The Museum and Arts team has delivered 78 exhibitions in the Centre's gallery spaces, with 37% showcasing local artists, 43% national artists, and 20% displaying items from the collection.

Supporting the community with new initiatives

More languages were added to the self-checkout kiosks in Te Kōputu this year. Language options now include Māori, Japanese, Mandarin, Portuguese, Spanish, German, Dutch, Hindi, French and English. A floor sign welcoming visitors in ten languages was also installed. Free Beginners Computer Skills sessions for adults commenced in August 2016 and will continue in 2017/18. This initiative is a partnership between the Whakatāne District Libraries, Eastbay Rural Education Activities Programme (REAP) and the 2020 Communications Trust. A "Cans for Fines" promotion supported the local food bank and SPCA was very well received by the community. New collections created this year include "Staff Pick" to help customers discover new reads, and "Books to Movies" for those who enjoy watching films. Special promotions included "Mystery Read" parcels; distribution of 15,000 postcards highlighting eBooks and digital resources; and "Blind Date with a Book" parcels. New promotional platforms for Whakatāne Library were launched on Pinterest and Facebook.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,112	2,110	2	\$	Variance within 10% or \$20,000
Revenue	2,049	2,042	(7)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(63)	(68)	(4)	\$	
Capital Expenditure	100	107	(7)	\$	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	✓	ACHIEVED 95% satisfaction (2015/16 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	✗	NOT ACHIEVED 213,920 people. Less visitors in January and after April floods. (2015/16 result: 215,521)

Museum and Arts

A year in review

Breaking ground for Museum redevelopment

The redevelopment of the Whakatāne Museum and Research Centre, stage two of Council's Arts and Culture project, commenced in 2016/17. October 2016 saw an exciting and hugely valuable \$1.5 million grant confirmed to support the project from the Ministry for Culture and Heritage. Construction started on the Boon Street site following a ceremony in June 2017. The Museum redevelopment is expected to be completed in August 2018, and involves the demolition of the southern end of the existing building, an extension into Burgess Park, and the refurbishment of the northern part of the building. New features will include enlarged collection storage areas with environmental control systems; a dedicated, multi-functional room for delivering outreach and education programmes; secure collection viewing areas for families and researchers; and a community research centre providing enhanced access to Museum resources. The Centre has been closed to the public from March 2017, and will reopen on completion of the project. The Museum and Arts activity continues to implement funding initiatives to support the cost of the redevelopment, as per the Revenue Generation Strategy for the project.

Gallery and public programmes

In 2016/17, Te Kōputu a te Whanga a Toi – the Whakatāne Library and Exhibition Centre – hosted 16 exhibitions and over 30 public programmes, including artist talks, artistic and professional development workshops, and children's arts and craft events. Over half of the exhibition programme featured local artwork or showcased objects from the Whakatāne Museum collection. Leading New Zealand artist John Walsh's solo exhibition and artist talk were highlights of the 2016/17 summer programme. Running from November 2016 until January 2017, the exhibition featured 14 paintings and transformed Te Kōputu's largest gallery space into a shadowy collection of ethereal landscapes, oscillating between the worlds of the everyday and dreams. Walsh is of Te Aitanga-a-Hauiti and New Zealand Irish descent and was born in Uawa, Tolaga Bay. Exhibited alongside John Walsh was *The Aunties*, a solo exhibition from well-known local artist Rita Hague. This exhibition was made up of narrated stories, six paintings and seven prints, all founded on Hague's childhood memories and the personal histories of her family. Hague also presented a humorous and insightful talk. For the first time in August 2016, the Molly Morpeth Canaday Award – 3D (sculpture, craft, installation) exhibited entrants' artworks across all three galleries at Te Kōputu a te Whanga a Toi. Nearly 50 artworks were selected for the exhibition from over 90 entries from across the country. In April 2017, Whakatāne Museum and Arts facilitated a series of print-making workshops with local artist Sue Pearson with the support of Whakatāne Creative Communities. Overall 30 participants took part over three weekends for adults, teachers and children.



Cost of service

	ANNUAL PLAN 2016/17 \$'000	ACTUAL 2016/17 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	1,322	1,312	9	\$	Variance within 10% or \$20,000
Revenue	1,204	1,206	2	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(118)	(106)	12	\$	

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	ACHIEVED 88% satisfaction (2015/16 result: 94%)
The Council provides for the safe storage, preservation and access to our community's treasures and archives.	User satisfaction with the Museum	No target specified* for 2016/17	(2015/16 result: no target specified*)

* No targets were set for this performance measure for 2015/16, 2016/17, and 2017/18.

This is due to the Museum undergoing redevelopment over this time, therefore limiting services. As such, no current or prior year result is provided.

Pensioner Housing



A year in review

Pensioner housing units sold in 2015

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 whakatane.govt.nz.

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*	✓	ACHIEVED 0 units - units sold (2015/16 result: 0 units)

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



A year in review

Whakatāne War Memorial Hall

This year, an architectural brief was developed to inform a preferred redevelopment option for the Whakatāne War Memorial Complex. The work will consider options for the enlargement and upgrade of the current facility. These include upgrading the standard of the existing facility, including earthquake strengthening, upgrading services, fittings and technology, and extension of spaces to provide greater capacity. This could see a separation of the arts and sports facilities via two options – to build a new theatre/arts/conference facility and develop an upgraded indoor sports facility; or to convert the current stadium into a theatre/arts/conference space and build a new sports facility. Options include a completely new integrated building on the site, or two new separate facilities.

Ōhope Hall

Exterior painting and upgrades of the Ōhope Hall were completed during the year, including roof fixing replacements, remedial rust protection work to entrance steelwork, and the installation of wide mowing strips. Work was also completed to refurbish the internal upper gable end-linings of the facility.

Murupara Hall

Following the opening of a new shared-use hall at Murupara Area School, the Murupara Hall was demolished during the past year. A working party made up of Council staff and members of the Murupara community worked on concept plans for the future development of the former hall site.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	866	1,665	(798)	\$	Loss on removal of Murupara Hall (\$931,000), depreciation expenses less than budgeted (\$183,000)
Revenue	682	756	75	\$	Variance due to an accounting entry related to the Murupara Hall
Net Cost of Service Surplus/(Deficit)	(185)	(909)	(724)	\$	
Capital Expenditure	302	286	17	\$	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 community is provided with sufficient community halls and pavilions that are functional, affordable and available	User satisfaction with public halls	76-80% survey result	<p>ACHIEVED 84% satisfaction (2014/15 result: 86%)</p>

Parks, Reserves, Recreation and Sportsfields

A year in review

Mowing, litter, and footpath sweeping services brought in-house

From 1 October 2016, mowing and vegetation control services were brought in-house to be delivered by Council staff, a decision based on the findings of a detailed business case which indicated that cumulative savings in excess of \$125,000 per year could be achieved over a 10-year period. The business case took into account the cost of purchasing required plant and machinery, minor upgrading work at Council's Keepa Road depot, and maintenance, debt servicing, depreciation and staff costs. The annual savings offered represented more 0.5 percent of the Council's 2016 rates revenue. Council also brought its litter collection and footpath sweeping services in-house from 1 November 2016. The change followed a statutory review of the services, which indicated that savings in the order of \$33,000 per year could be achieved over 10 years if the services were delivered by Council staff. The function involves emptying about 150 litter bins in the central business areas and Council reserves every day, and twice a day if required during the summer months, plus litter collection services in the Awatapu Lagoon and Sullivan Lake reserves. It also involves a weekly sweeping and cleaning of the footpaths in the Whakatāne and Kopeopeo CBD areas.

Ngā Tapuwae o Toi track upgrade

Over 2016/17, 1000 metres of the coastal section of Ngā Tapuwae o Toi Walkway were upgraded. Work was undertaken on the track between Ōtarawairere Bay and the Kōhī Point outlook. Improvements were made to drainage, track benching and box steps, guide rails, essential safety barriers, and the installation of new signage. An archaeological assessment report was completed and an application to Heritage New Zealand was approved. The track remained open, under caution, during the upgrade except for short-term local closures required for helicopter operations.

New funding for camping infrastructure

The Whakatāne District received Ministry of Business, Innovation and Employment funding this year to improve infrastructure at several of its restricted overnight parking areas. The enhanced facilities help Whakatāne become 'motorhome friendly' by helping to meet visitor expectations through the provision of quality overnight facilities. The enhancements also help minimise impacts on residents and other users sharing the designated public areas.

The funding meant Council could give several sites much-needed upgrades. Works included improved access to sites, installation of two greywater disposal tanks, upgraded signage, installing fencing, and upgraded public conveniences.

Magical Parks a fantastical challenge

Parks Week ran from 4-12 March 2017, and was marked with some fantastical additions to some of the Whakatāne District's public spaces. Warren Park in Whakatāne, Matatā Lagoon Reserve in Matatā and Ratihi Reserve in Edgecumbe were turned into digital fantasy playgrounds with the 'Magical Parks' mobile app for two weeks with locals and visitors invited to come along and experience some great new technology. The Magical Parks app was created in New Zealand, and blends a virtual world with an existing park. Users get to interact and explore a fantasy world where they have to herd kittens, run away from a bad fairy or come face to face with a giant T-Rex — all in a local park, using a smartphone or tablet.

Wairaka Centennial Park redevelopment

Work on the river-edge components of the Wairaka Centennial Park redevelopment in Whakatāne started in January 2017. The first stage of the project involved the construction of a tidal pool, and the uncovering of a large rock resulted in minor changes to the pool design after discussions with Te Runanga o Ngāti Awa and Ngāti Hokopu. In-kind contributions to the project have been received from Te Rūnanga o Ngāti Awa and the Bay of Plenty Regional Council, while the balance of the project cost came from sponsorships, Harbour Fund reserves and playground renewal reserves.

Warren Park dog exercise area

Stage one of a dog exercise area located at Warren Park has been completed, and the project committee has fundraised for equipment and lighting to complete the second stage of the project. The Sunrise Rotary Club committed \$1,000 towards the installation of a pergola and seating area, with the Rotary Interact Club staining the pergola on 17 June 2017. Bins, seating, picnic tables, and dog exercise equipment have been installed as part of stage one of the project.



Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	4,137	3,942	195	\$	Cycle Strategy (\$25,000), Heritage Hikoi (\$75,000) and Sullivan Lake dredging (\$110,000) not complete in 2016/17. Remaining budgets carried forward to 2017/18.
Revenue	3,794	3,774	(20)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(343)	(168)	175	\$	
Capital Expenditure	2,114	2,361	(247)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable \$ = Unfavourable

Update on major capital projects

PROJECT	LTP 2016/17 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Walking and cycling projects	75	75	16	No external funding received for project.
Harbour beautification	50	50	46	Project complete.
Coastal land acquisition	100	200	209	Purchase of coastal land at Bunyan Road completed.
Wairaka Centennial Park	720	870	493	Project commenced and anticipated to be complete in 2017/18. Remaining budget carried forward.
Dog park	40	88	50	Project nearing completion, remaining budget carried forward to 2017/18.

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 92% satisfaction (2015/16 result: 91%)
Adequate playgrounds are provided to meet the needs of users and are kept to a high standard	User satisfaction with playgrounds in the Whakatāne District	85-89% survey result	✓ ACHIEVED 90% satisfaction (2015/16 result: 94%)
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 (2015/16 result: 90%)
	Amount of active recreation space available in the District per 1,000 people	1.5 hectares	✓ ACHIEVED 1.64 hectares per 1,000 people (2015/16 result: 1.5 hectares per 1,000 people)

Cemeteries and Crematorium



A year in review

Maintaining and developing facilities

Over 2016/17, Council has continued to manage six cemeteries throughout the District, and the crematorium and chapel located at Hillcrest cemetery. The development of new berms has continued as part of an annual programme which is partly funded by Veterans' Affairs New Zealand.

Cremation services increase

The 2016/17 year saw a total of 113 burials and 218 cremations across the District. There was a marked decrease in burials when compared to the 2015/16 year, and a slight increase in cremations. The choice for families to cremate their loved ones is a growing trend evident not only in the Whakatāne District but across the country.

Technology provides new options to remember

For many, an important part of the grieving process is to gather together with others to remember the person who has died. Filming or live-streaming funerals and memorial services allows families to share these "digital biographies" with those who are not able to attend in person. A high demand for film and live-streaming facilities was noted in 2016/17. As technology and infrastructure develops, Council aims to increase the connectivity at the Hillcrest chapel to provide options for recording and sharing funerals and memorial services.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	379	350	30	\$	Variance within 10% or \$20,000
Revenue	412	448	36	\$	Revenue from fees and charges higher than anticipated.
Net Cost of Service Surplus/(Deficit)	32	98	66	\$	
Capital Expenditure	40	26	14	\$	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	✓ ACHIEVED 97% satisfaction (2015/16 result: 96%)
	User satisfaction with crematorium facility	83-88%	✓ ACHIEVED 92% satisfaction (2015/16 result: 93%)

Public Conveniences



A year in review

Maintaining our facilities

During 2016/17, the Council has continued to operate and maintain 41 public conveniences, 14 drinking fountains, and 7 public showers across the District. These are located in parks, reserves, and at popular recreational locations.

New public toilet - Jack Knowles Reserve - Tāneatua

A new prefabricated toilet was installed at Jack Knowles Reserve in Tāneatua this year, along with associated landscaping works. Once the toilet block was operational, follow-on work was scheduled to demolish the town's old toilet block on Morrison Street. Tūhoe Te Uru Taumatua contributed \$15,000 towards the project and art works for the front façade.

West End public convenience

A refurbishment of the West End public convenience was completed this year, with an external and internal tidy-up of the facilities including removing all asbestos-based linings and replacement with plywood and over-lining. Other work included new commercial wall partitions, an additional disabled access toilet cubicle in the men's facility and a cubicle conversion for disabled access in the women's facility, replacement bench seating, hardware and interior repaint.

Short Street public convenience

The refurbishment of Whakatāne's Short Street public convenience was completed, including minor construction work, an interior refresh, and full recoat of floors with heavy duty terra-flake surfacing.

Boon street toilet

A refresh of this facility was completed in September 2016. The works included the installation of new internal wall linings, door locks, new hardware, and LED lighting.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	723	689	35	\$	Variance within 10% or \$20,000
Revenue	585	601	16	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(139)	(88)	51	\$	
Capital Expenditure	212	171	41	\$	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>NOT ACHIEVED</p> <p>66% satisfaction. Council has identified a trend of decreasing satisfaction with public toilets over recent years. A number of replacement and renewal projects have been completed and are scheduled over the next few years to enhance the level of service delivered. (2015/16 result: 72%)</p>

Aquatic Centres

A year in review

Whakatāne Aquatic Centre granted Poolsafe accreditation

In April 2017, The Whakatāne Aquatic and Fitness Centre was granted Poolsafe accreditation by the New Zealand Recreation Association (NZRA) for the 2017/18 year. The Poolsafe scheme is an independent assessment of public pools and is a joint initiative of the NZRA and Water Safety New Zealand. To receive accreditation, the Centre completed an extensive, three-month audit process, including a documentation and procedures review, onsite inspection, health and safety review, and staff assessments.

Green prescription memberships

A Green Prescription (GRx) is a health professional's written advice to a patient to be physically active as part of their health management. Over 2016/17, the Whakatāne Aquatic Centre has attracted increased numbers of GRx and aqua aerobics clients, with over 150 members of the facility being part of GRx. Gym memberships have increased by more than 12% from 2015/16, and staff have been working closely with Sport Bay of Plenty to keep members engaged. A survey was held for key users of the Aquatic Centre in May 2017, providing an opportunity to share information, ideas, and plans to enable user needs to be met.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,343	2,416	(72)	\$	Variance within 10% or \$20,000
Revenue	2,574	2,534	(40)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	231	118	(113)	\$	
Capital Expenditure	247	207	40	\$	Redesign of reception deferred to 2017/18 due to other urgent renewals required

Key: \$ = Favourable \$ = Unfavourable





Update on major capital projects

PROJECT	ANNUAL PLAN 2016/17 \$000	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne Aquatic Centre - Redesign of reception area	155	159	7	Project postponed to 2017/18 year and remaining budget carried forward.

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%	 ACHIEVED 92% satisfaction (2015/16 result: 85%)
	Numbers of admissions at the Aquatic Centres	102,000 per year	 ACHIEVED 141,444 admissions (2015/16 result: 106,174)

Ports and Harbours

A year in review

Port damage from April cyclones

The cyclone events in April 2017 resulted in damage to Port structures and incurred a higher level of clean-up activity than normal. In particular, a section of the Western Timber Infill Wharf was damaged when some of the support piles were undermined and similar problems occurred at the wharf at Thornton. Options for repairs, together with some upgrades were prepared and restoration activity is programmed for early in 2017/18.

Wharf monitoring and investigations continue

The monitoring of the Main Commercial Wharf (part of which was built 98 years ago) by structural engineers to ensure safety for public use was continued in 2016/17. Discussions commenced with Te Rūnanga o Ngāti Awa following their concerns about further structures along the river's edge, identifying considerations for future wharf development. Options for renewal of the Main Commercial Wharf have been developed and first-stage hydraulic modelling of these has been completed. A revised resource consent application for the Quay Street Wharf was resubmitted.

Keeping ports and harbours accessible and safe

There were less bar restrictions during 2016/17 than in recent years, due to a combination of complementary weather, sea and river conditions, and dredging interventions. These interventions involved the use of a long reach digger to lessen the migration of sand onto the outer bar and scarification of the outer bar with a bottom-hauled dredge bucket. Trials of dredging equipment were undertaken with a barge mounted excavator along the inner harbour channel near the Whakatāne Yacht Club. This equipment proved to be unsuitable at the entrance but very successful in the inner harbour. Barging of excavated material to the opposite side of the river for off-loading to trucks was found preferable to trucking it through the Whakatāne town centre. A planning investigation report was prepared to outline a road map for obtaining a resource consent for disposal of dredged river and bar sediments in the ocean. This consent is necessary as part of the options identified for maintaining a safe bar crossing, in particular if larger equipment is necessary to dredge from the ocean side of the bar. The resource consent application will be prepared in 2017/18.

In March 2017, a build-up of sand on the western side of the Whakatāne River mouth was removed to reduce the potential for upstream flooding issues during extreme rain events. Council advised the Department of Conservation of the work, and every effort was made to ensure that shorebird nesting habitats were protected. Earthmoving equipment was also kept well away from the high tide mark to ensure that there was no possibility of sand being pushed into the river and deposited on the bar at the harbour entrance.



Cost of service

	ANNUAL PLAN 2016/17 \$'000	ACTUAL 2016/17 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	1,254	1,196	58	\$	Variance within 10% or \$20,000
Revenue	234	185	(49)	\$	Berthage fees received less than anticipated
Net Cost of Service Surplus/(Deficit)	(1,020)	(1,011)	9	\$	
Capital Expenditure	1,692	256	1,436	\$	Works on Eastern Wall, Quay, and Main Wharf deferred to 2017/18.

Key: \$ = Favourable \$ = Unfavourable

Update on major capital projects

PROJECT	LTP 2016/17 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$'000			
Port Ōhope Wharf	337	337	35	Consultant engaged to undertake a detailed design and contract document.
Renewals – Whakatāne Main Wharf replacement	320	320	148	Initial stakeholder engagement with iwi undertaken. Project will develop to Better Business Case assessment, and geotech assessment and hydraulic study will be completed. Remaining budget carried forward to 2017/18.
Quay Street Wharf extension	500	727	5	Objections relating to the Resource Consent for this project are being progressed.

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	72-76% survey result	ACHIEVED 78% satisfaction (2015/16 result: 75%)



A year in review

Supporting youth leadership

Through the Mayor's Taskforce for Jobs, two young people were selected this year to participate in the annual Future Leaders programme in partnership with Inspiring Stories. The programme supports young people in rural and provincial New Zealand to build their leadership and entrepreneurship capability. A local part-time Coordinator was recruited to support these future leaders. Ten young people from across the District were also selected to attend 'Festival for the Future,' an inspiring event for youth empowerment taking place in August 2017. In October 2016, the Whakatāne District Youth Council ran 'Glo Rush,' a glow-in-the-dark fun run/walk along the Warren Cole Walkway. The event was a huge success, with over 350 participants.

Murupara Healthy Homes project

A programme to promote healthy homes in the Murupara area continued in 2016/17, in partnership with the Ngāti Manawa Charitable Trust, Bay of Plenty District Health Board, BayTrust and Eastern Bay Energy Trust. As at 30 June 2017, over 80 families were engaged, 31 properties had been insulated, 65 homes had received maintenance assessments, and six community days were held.

Encouraging safety on our roads

The Eastern Bay Road Safety Programme is a combined effort of the Bay of Plenty Regional Council (BOPRC), and the Kawerau, Ōpotiki, and Whakatāne District Councils focused on reducing death and serious injuries on the road. One of the top five road risk areas is driving under the influence of alcohol and drugs. In partnership with the New Zealand Transport Agency, New Zealand Police, Department of Corrections, and iwi, including Ngāti Awa Social Health Services, three programmes were delivered for repeat drink and drug driving offenders in 2016/17. The programmes aimed to improve decision-making, foster alcohol and drug awareness, and identify local support systems for those involved. As of 30 June 2017, 94% of participants had not committed a subsequent drink driving conviction.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	768	678	90	Ⓢ	Contract expenses below anticipated
Revenue	733	629	(105)	Ⓢ	Subsidies and grants received less than anticipated
Net Cost of Service Surplus/ (Deficit)	(35)	(49)	(14)	Ⓢ	
Capital Expenditure	30	59	(29)	Ⓢ	Unbudgeted expenditure on CCTV facilities at Whakatāne Wharf

Key: Ⓢ = Favourable Ⓢ = Unfavourable

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	✓	ACHIEVED 93% of respondents rate the District definitely/mostly safe (2015/16 result: 96%)
	Change in the number of fatalities and serious injury crashes on the local road network per annum*	<10	✗	NOT ACHIEVED 19 crashes, 11 more than 2015/16 result of 8 crashes.** Council continues to work as a partner in the Eastern Bay Road Safety programme, which aims to reduce death and serious injuries on the local road network.

* Mandatory measure set by Department of Internal Affairs.

** This result does not match the number of crashes reported in the Annual Report 2015/16 (7) due to one crash incident being added to the reporting system after the Annual Report 2015/16 was published.



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 2017 – CORPORATE AND DISTRICT ACTIVITIES

	LTP 2015/16 \$000	LTP 2016/17 \$000	ACTUAL 2016/17 \$000		
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	278	223	1,403		
Targeted rates	-	-	-		
Subsidies and grants for operating purposes	-	-	-		
Fees and Charges	353	362	359		
Internal charges and overheads recovered	11,539	11,873	11,045		
Local authorities fuel tax, fines, infringement fees, and other receipts	326	329	(985)		
Total operating funding (A)	12,496	12,787	11,822		
Applications of operating funding					
Payments to staff and suppliers	10,726	11,104	9,060		
Finance costs	665	734	892		
Internal charges & overheads applied	610	621	514		
Other operating funding applications	870	887	1,137		
Total applications of operating funding (B)	12,871	13,346	11,604		
Surplus (deficit) of operating funding (A-B)	(375)	(559)	218		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	257	2,795	176		
Development and financial contributions	-	-	-		
Increase (decrease) in debt	1,044	(96)	591		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Total sources of capital funding (C)	1,301	2,699	767		
Applications of capital funding					
Capital expenditure					
- to meet additional demand	255	1,651	124		
- to improve level of service	740	357	289		
- to replace existing assets	1,290	2,899	988		
Increase (decrease) in reserves	(1,359)	(2,767)	(416)		
Increase (decrease) of investments	-	-	-		
Total applications of capital funding (D)	926	2,140	985		
Surplus (deficit) of capital funding (C-D)	375	559	(218)		
Funding Balance ((A-B) + (C-D))	-	-	-		
	OPENING \$ (1 JULY 2016)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2017)	INTEREST \$
Internal borrowing	2,330,755	877,013	285,650	2,922,118	699,125

A year in review

Serving our community

The Customer Services team answered 80,287 phone calls in 2016/17, averaging more than 325 calls a day. Over the year, the team logged 5,358 service requests on behalf of the community. The most common service request types were animal control (957), solid waste (809), rates enquiries (775), and property file requests (718).

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 and currently, land and water rates, dog registrations, parking, infringements, and sundry invoices can be paid via the website, using a method of payment to suit the customer. In 2016/17, Council decided to remove credit card surcharges for customers, making it even more attractive to transact online. More options will be added to the online suite of services in the future, including the ability to view property file information. The digitisation of Council's paper-based property files began in 2016/17. This is a major undertaking, due to the volume of documents involved (estimated at 5.5 million pieces of paper), but once the scanning process has been completed in late-2018, all files will be instantly available online, making access to property information much easier for residents.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	481	490	(9)	\$	Variance within 10% or \$20,000
Revenue	481	490	9	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	0	(0)	(0)	\$	

Key: \$ = Favourable \$ = Unfavourable

What we delivered

How we performed against our targets for the year

GOAL	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	82%	✓	ACHIEVED 83% of calls answered in 30 seconds (2015/16 result: 78%)
	User satisfaction with the overall service from Council's front desk	90-95% survey result	✓	ACHIEVED 95% satisfied (2016/17 result: 97%)

Public Affairs

A year in review

Website use and services continue to grow

Use of the Whakatāne District Council's website continues to grow, with 211,400 site visits recorded in 2016/17, up more than 70 percent on 2015/16. Unique visitors also increased by more than 50% to 94,000, while individual page views were up 46% at 597,000 for the year. The increased usage reflects the benefit of ongoing site design modifications and website service enhancements such as account-to-account payments for online services and the introduction of the online building consent application process. The Council website was judged the supreme winner among the 78 local government websites evaluated in the Association of Local Government Information Management (ALGIM) rankings for both 2015 and 2016. Survey results for this year will be available in September 2017.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	464	466	(2)	\$	Variance within 10% or \$20,000
Revenue	464	466	2	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	0	(0)	(0)	\$	

Key: \$ = Favourable \$ = Unfavourable

Social media an important emergency communications tool

The value of effective social media tools was graphically illustrated during the April 2017 cyclone events, with the Council Facebook page likes increasing from 2,114 on 1 April to 3,123 on 5 April and 5,036 by 13 April. Typical reach pre-flood averaged around 1,000 per day, with peaks of up to 2,500 at times. On 6 April 2017, Council's total post reach (through direct access to the page or shared posts) was 115,652, with a post about the evacuation of Edgecumbe reaching 60,100 people (an all-time record). On 13 April 2017 (the day of Cyclone Cook), the daily post reach totalled 105,919. Website usage also increased significantly during the emergency event, demonstrating the value of effective social media platforms in delivering real-time information quickly and efficiently to the community.

Keeping the community informed

The Public Affairs activity provides a proactive media release service, which shares news about Council activities via local and national media organisations; and directly via the Council website and Facebook page. During the 2016/17 year, the Council produced and distributed more than 200 media releases, while the Ko Konei – Our Place newsletter was published monthly (except in January) as a two-page centrespread in the free-delivery Eastern Bay Life publication.

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	70-74% survey result	✓	ACHIEVED 70% of survey respondents rate information provided as 'more than enough' or 'enough' (2015/16 result: 72%)
	Website users receive a satisfactory experience and remain engaged*	75% survey result	✓	ACHIEVED 77% satisfied (2015/16 result: 81.1%)

* 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

Health and Safety

The previous twelve months has seen the implementation of some significant health and safety systems and improvement initiatives throughout the organisation. 'Vault' health and safety software has been implemented across all departments, providing a centralised repository for the storage and management of health and safety information, a centralised system for managing workplaces risks and events, improved reporting functionality and tools for data analysis. The implementation of the system has seen a significant increase in employee incident reporting, including near misses. Council's Drug and Alcohol Policy, which took effect from 1 October 2016, was implemented to protect all staff from potential injury, or more serious harm, resulting from the consumption or use of alcohol and/or drugs. Pre-employment screening and random testing of employees in safety sensitive roles are carried out regularly. Officer's due diligence checks have been implemented and continue to ensure that Officer's obligations are met under the Health and Safety at Work Act.

Recognising staff achievement

Recognising and celebrating the achievements of staff is an important function of the Human Resources activity. The annual Hautipua and Kotahitanga awards recognised the efforts and achievements of staff throughout Council activities in 2016/17. In April 2017, Council's Team Leader Strategic Policy – Cashy Ball – was acknowledged for her leadership potential by being awarded the Brookfields Emerging Leader of the Year award at the Society of Local Government Managers Local Government Excellence Awards.

Personal and professional development

In March 2017, a group of staff participated in the annual Society of Local Government Managers Management Challenge. The Challenge is designed to enhance skills of managers and staff working in local government. In April 2017, a staff member attended a high energy, action-packed programme at Outward Bound. The May-June 2017 World Business Forum provided an opportunity for three staff to be exposed to world class speakers from diverse backgrounds to discuss issues and trends that are shaping the future of business. The forum highlighted a world where new technologies emerge at pace, and those who anticipate change and are quickly able to adapt will flourish. Also in 2016/17, Council entered into a staff exchange programme with the Department of Internal Affairs (DIA). This valuable learning opportunity allowed Council's Cashy Ball to visit the DIA's Local Government Policy office in Wellington to learn about how central government operates and get a feel for some of the direction that might be influencing local government's work in the future. The reciprocal arrangement also meant that a representative from the DIA spent a week in the Whakatāne District, to gain a greater understanding of the wide-ranging responsibilities of local government and the diverse communities that Council serves.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	867	887	(20)	\$	Variance within 10% or \$20,000
Revenue	867	887	20	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	0	0	0	\$	

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. In 2016/17, 1,138 applications were received from across the Whakatāne District. To find out if you are eligible, check out the rates rebate calculator on our website (www.whakatane.govt.nz).

Supporting Council activities

In 2016/17, 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, procurement and contract management, fleet management, insurance, 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 in the 2016/17 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 due for completion by the end of September 2017, and will enhance user experience and functionality particularly in the projects module.

District revaluation completed

The revaluation for the Whakatāne District was completed in September 2016. Individual property values can be viewed on our website (www.whakatane.govt.nz). All property categories saw a rise in values, with residential properties increasing on average by 20%, dairy 21.6% and commercial 14.3%. The total average capital value increase for the district was 15.7%.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,038	3,092	(55)	Ⓣ	Variance within 10% or \$20,000
Revenue	3,038	3,092	55	Ⓛ	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	0	0	0	Ⓛ	

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. A new asset management system has been introduced for more effective management of Council's broad range of assets and services, and the pilot phase of a project to digitise property files was completed, focusing on quality assurance. Council held a "soft launch" for the digital processing of building consents in June 2017, with the full public release launched later in the month. The soft launch allowed for the fine-tuning of systems and enabled training opportunities for Council's consulting engineers and other users in a more managed way. Council has started roll out of the Windows 10 operating system following a successful pilot earlier in the year. This is an upgrade on the previous system, providing more efficiency to applications and significantly improving security. The organisation has also started to move from Office 2010 to Office 2016.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	4,124	3,875	249	\$	Variance within 10% or \$20,000
Revenue	3,342	3,577	235	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(783)	(299)	484	\$	
Capital Expenditure	743	733	10	\$	Variance within 10% or \$20,000

Key: \$ = Favourable \$ = Unfavourable

Update on major capital projects

PROJECT	LTP 2016/17 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Replace asset management system	40	227	73	Project commenced, remaining budget carried forward to 2017/18.

Providing support via online mapping data

Council's GIS (Geographic Information System) team played an important role in the management of the April 2017 floods and continues to be involved in the recovery phase. Building on the experience and knowledge gained during Exercise Tangaroa (a national Civil Defence training event in August and September 2016), the team provided data management and analysis tools that aided decision-makers and helped bring clarity to an enormous amount of information. Early in 2017, the team produced professional quality mapping products for the Whakatāne District Plan. The team also provided valuable mapping support for the organisers of the Oxfam Trailwalker event in March 2017. On a technical note, the internal map viewer was upgraded, which means no more reliance on plug-ins to view maps either internally or externally.

CCTV coverage extended to include harbour facilities

In March 2017, CCTV coverage was extended to some of Whakatāne's key harbour facilities. This will improve security and community safety at the main commercial wharf, game wharf and boat ramp. The decision followed a number of issues involving the theft of vehicles from the boat ramp and game wharf car park, damage to Council and boat refuelling facilities and moored vessels, and safety risks for swimmers in the boat ramp area. Discussions with the Bay of Plenty Regional Council Maritime Unit, Police, the Whakatāne Community Safety Group, and harbour stakeholders confirmed a need for greater security and safety monitoring.

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.

Upgrades to the Whakatāne Airport Terminal Building facility

A programme of minor improvements to the Whakatāne Airport terminal building continued in 2016/17, to deliver an improved customer experience for Air Chathams passengers. These improvements included installing new café-style furniture in the terminal lounge, installation of new signage, door frosting and poster frames, and establishing waste recycling facilities.

Civic Centre earthquake strengthening programme

This year, a detailed seismic assessment (DSA) was done on the Civic Centre in Whakatāne. This was to provide a technical basis for engineers to carry out seismic assessments to determine whether or not the building is earthquake prone. This work will inform the engineering design options required to bring the building up to the desired earthquake strength for public buildings.

Cost of service

	ANNUAL PLAN 2016/17 \$000	ACTUAL 2016/17 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,066	1,979	87	\$	Variance within 10% or \$20,000
Revenue	3,294	1,878	(1,416)	\$	Variance related to Museum redevelopment. Whilst subsidy has been received, an accrual has been processed to match to anticipated expenditure in 2017/18.
Net Cost of Service Surplus/(Deficit)	1,228	(100)	(1,329)	\$	
Capital Expenditure	2,614	637	1,977	\$	Museum redevelopment and earthquake strengthening project behind schedule.

Key: \$ = Favourable \$ = Unfavourable

Update on major capital projects

PROJECT	LTP 2016/17 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Civic Centre earthquake strengthening	700	700	32	Review of detailed seismic assessment finalised. Remaining budget carried forward to 2017/18.
Whakatāne Museum and Research Centre redevelopment	1,600	1,600	176	Contract for physical works awarded in June 2017. Ground broken on-site in June 2017. Physical works expected to begin in early July 2017. Fundraising for the project will continue.

Council Controlled Organisations

Ngā mahinga matakite ā rohe

WHAKATĀNE AIRPORT

BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED
(BOPLASS)

THE LOCAL GOVERNMENT FUNDING AGENCY (LGFA)

TOI-ECONOMIC DEVELOPMENT AGENCY (TOI-EDA)



Whakatāne Airport

About the Whakatāne Airport

The Whakatāne Airport provides facilities for scheduled passenger transport, and general commercial and recreational aviation. The Airport was formed as a Council Controlled Organisation 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. In 2016/17, day-to-day operation and maintenance of the airport, including the delivery of projects, services and initiatives, was managed by the Council. As of 1 July 2017, operation and maintenance will be managed through a contract for service with JNP Aviation.

A year in review

June 30, 2017 marked the end of the second full financial year of Air Chathams providing air services to the Whakatāne District. Over the year, Air Chathams carried a total of 23,280 passengers, an increase of 17.5% on the 2015/16 financial year. As well as providing regular scheduled flights between Auckland and Whakatāne by metroliner, in 2016/17 Air Chathams continued to offer customers the chance to fly in their lovingly restored DC-3.

The Council appreciates its positive working relationship with Air Chathams. In addition to providing air services, Air Chathams continues to support the wider community by sponsoring many local events. The Council looks forward to building this relationship in the future.

Whakatāne Airport's initial Civil Aviation Rule Part 139 Operating Certificate expired at the end of April 2017. An application for renewal of the Operating Certificate was made, which required a Civil Aviation Authority audit prior to the issuance of a new certificate. This audit was originally scheduled for 6 April 2017 and was postponed to 17 May 2017 due

to the ex-tropical Cyclone Debbie and Cook weather events. The audit was undertaken and achieved positive results, with a new 5-year operating certificate issued on 28 May 2017.

A recent Court of Appeal decision relating to the proposed runway extension of Wellington International Airport has resulted in implications for the operation of scheduled passenger services at Whakatāne Airport. The decision relates to the length of Runway End Safety Areas (RESA) and means that Air Chathams is unable to utilise its larger Saab 340 and Convair 580 aircraft at Whakatāne until the issue is resolved. The use of the Metroliner and DC-3 is unaffected, as these aircraft contain fewer than 30 dedicated passenger seats. The decision is being appealed to the Supreme Court by Wellington International Airport Limited and the Director of Civil Aviation. The appeal is being joined by the New Zealand Airports Association, representing Whakatāne Airport and other potentially affected airports. The appeal hearing is set for the end of August 2017. Investigations into the cost of establishing the required RESA are underway, in case the appeal is unsuccessful.

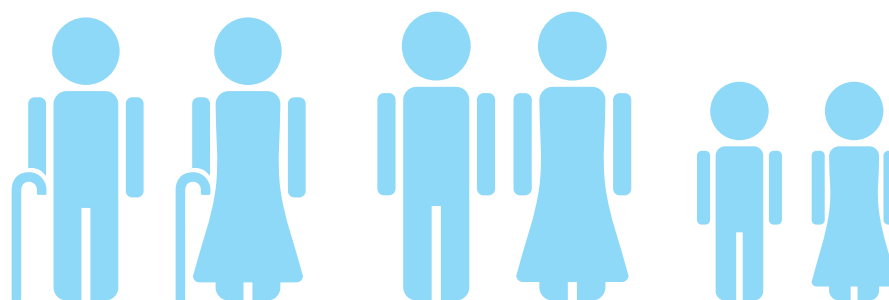


Performance targets

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	NOT ACHIEVED Revenue was \$49,434 unfavourable due to lower passenger numbers than budgeted and changes to landing fees. Expenses were \$20,061 unfavourable, with a number of direct costs variances but primarily owing to over budget maintenance and repairs expenses. (2015/16 result: not achieved)
No non-compliance reports are received.	✓	ACHIEVED No non-compliance reports received. (2015/16 result: no reports)
Spot inspection of runway and components are conducted monthly and results actioned.	✓	ACHIEVED Monthly inspections completed and results actioned. (2015/16 result: achieved)
Less than five environmentally related complaints are received in a year	✓	ACHIEVED One complaint received in January 2017. (2015/16 result: no complaints)
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).	✓	ACHIEVED Certification maintained. (2015/16 result: achieved)

More information is available in the Whakatāne Airport Annual Report

The full Whakatāne Airport Annual Report for 2016/17, along with further information about this CCO, can be found on our website: whakatane.govt.nz.



23,280

PASSENGERS

departed from or arrived into Whakatāne Airport in 2016/17



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. Whakatāne District Council holds a one ninth share in BoPLASS 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.

About the year

2016/17 has seen collaboration between BoPLASS councils continue to develop. This has seen an increased number of inter-regional projects delivered, providing savings to other councils via Local Authority Shared Services (LASS). This successful inter-regional collaboration has assisted with the development of further standardisation of services across a greater number of councils. The uptake of the online Collaboration Portal increased over the year, with a wide range of councils and agencies leveraging benefits through the opportunity to share information or collaborate on projects or services. Central government agencies have expressed interest in participating in the Collaboration Portal, as a means to engaging directly with councils. Working closely with Waikato LASS, a number of Health and Safety projects were delivered across the greater region this year, with some rolled out on a national basis. BoPLASS' ongoing involvement in the representation of 39 councils in negotiations for placement councils' infrastructure insurance has provided substantial savings to all participants. This demonstrates how, nationally, councils can work together, where there is a common drive to achieve economies of scale. There were two changes of directors over 2016/17, Nadine Thatcher-Smith (CEO of Gisborne District Council), and Gareth Green (CEO of Taupō District Council), were both welcomed onto the Board.

Performance targets

The following performance targets for 2016/17 were set through the BoPLASS Statement of Intent 2016/17:

TARGET	RESULT	
Investigate new joint procurement initiatives for goods and services for BOPLASS councils. Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.	✓	ACHIEVED
Provide support to BOPLASS councils that are managing or investigating shared services projects. BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects. Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.	✓	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. Provide access to the Collaboration Portal for councils outside of BOPLASS and utilise technologies to provide secure access. Proactively market the benefits to councils. All NZ councils are made aware of the Collaboration Portal and its benefits. Portal is operational outside of the LASS groups with a minimum of ten additional councils having utilised the Portal.	✓	ACHIEVED
Ensure appointed vendors remain competitive and continued best value is returned to shareholders. Manage and/or renegotiate existing contracts. 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. Perform review of governance. Affirmative feedback received from shareholding councils at least annually.	✓	ACHIEVED
Communicate with each shareholding council at appropriate levels. Meeting with each Executive Leadership Team. At least one meeting per year.	✓	ACHIEVED
Ensure current funding model is appropriate. Review BOPLASS expenditure and income and review council contributions and other sources of funding. Performance against budgets reviewed quarterly. Company remains financially viable.	✓	ACHIEVED

Further information about BoPLASS, including the full Annual Report for 2016/17 can be found at boplass.co.nz

About 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.

About the year

LGFA total interest income for the financial year (\$320.7 million) was a 15.3% increase over 2015/16 (\$278.2 million) while net operating profit for the year (\$11.05 million) was a 15.7% increase on 2015/16 (\$9.55 million). Net interest income and operating profit exceeded both the 2015/16 result and the Statement of Intent forecast. Expenses have been managed under budget this year. LGFA bonds continue to be an attractive investment for investors and LGFA has delivered improvements in funding costs and extended the tenor of lending available to council borrowers. The financial strength of LGFA was reaffirmed in late 2016 by credit rating agencies Standard & Poor's and Fitch who both maintained its credit rating at AA+, which very importantly is the same as the New Zealand Government.

LGFA issued \$1.285 billion of bonds over the year and outstandings now total \$7.855 billion across eight maturities from 2017 to 2033. LGFA is now the largest issuer of NZD securities after the New Zealand Government and its bonds are amongst the largest and most liquid New Zealand dollar debt instruments available for investors. LGFA continues to issue short-dated LGFA Bills ranging in maturities from three months to 12 months through a combination of monthly tenders and private placements. Outstandings under the programme have reached \$350 million. These instruments provide funding for short-dated lending to council borrowers and assist with liquidity management.

LGFA lent \$707 million on a bespoke basis over 2016/17. This was approximately 49% of the total long-dated lending over the year. Short-dated lending for terms less than 12 months has been well received by councils and as at 30 June 2017, LGFA had \$222 million of short-term loans outstanding to 18 councils. The tenor of lending by LGFA to the sector continued to lengthen with the average term of borrowing by councils over the 12-month period of 8.0 years.

Performance targets

The following performance targets for 2016/17 were set through the LGFA Statement of Intent 2016/17:

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 twelve-month period to 30 June 2017 will be less than 0.50% higher	X	NOT ACHIEVED*
The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to 30 June 2017 will be no more than 0.10%.	X	NOT ACHIEVED*
LGFA's annual issuance and operating expenses (excluding AIL) for the period to 30 June 2017 will be less than \$4.80 million.	✓	ACHIEVED
Total lending to Participating Local Authorities at 30 June 2017 will be at least \$7,341 million.	✓	ACHIEVED
Demonstrate savings to council borrowers on a relative basis to other sources of financing.	✓	ACHIEVED

* These two targets were not met due to councils borrowing for longer tenors. This resulted in higher margins charged to councils reflecting a term premium and LGFA issued longer dated bonds at a higher spread to New Zealand Government securities.

Further information about the LGFA, including the Annual Report for 2016/17, can be found at lgfa.co.nz

Toi Economic Development Agency (Toi-EDA)

About Toi-EDA

Toi-EDA is the Economic Development Agency for the Eastern Bay of Plenty, which includes the Opotiki, Whakatāne and Kawerau Districts. Toi-EDA is funded primarily by these three District Councils, on a per capita basis, as well as being supported by the Bay of Plenty Regional Council. As well as funding grants, the councils provide administration, financial, information technology and office support. Additional funding has been gained from philanthropic organisations and central government to support programmes such as workforce development and kiwifruit expansion. Toi-EDA's main purpose is to facilitate growth in the economic performance of the Eastern Bay of Plenty by identifying opportunities to attract investment and create new employment.

About the year

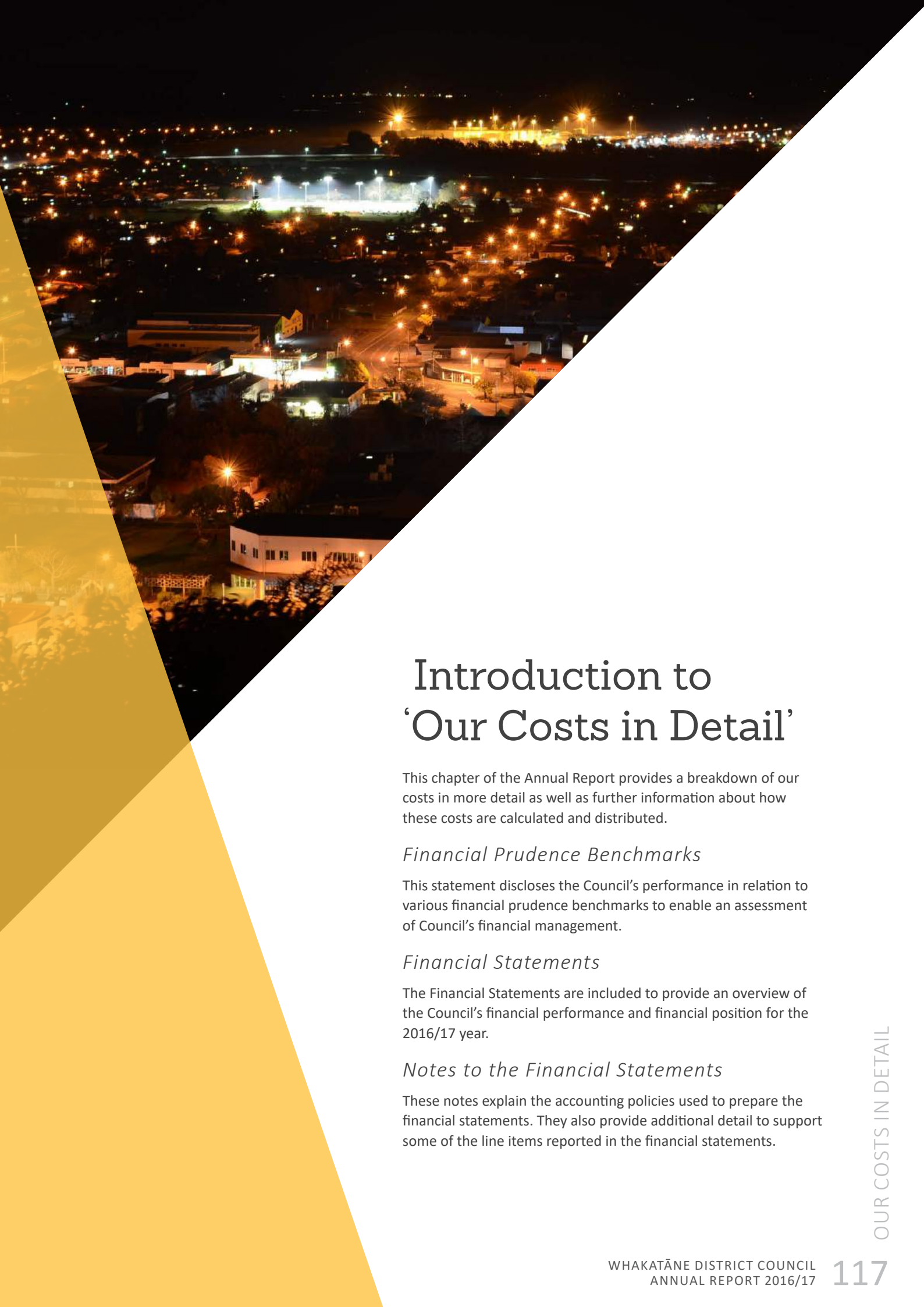
During 2016/17, Toi-EDA has been systematically verifying and collating various economic opportunities across the Eastern Bay of Plenty. As the year has gone on, many of these are advancing towards implementation. In total, there are some 35 known 'projects' being worked on by various entities, as well as Toi-EDA, which will require an estimated total of \$2.2 billion in capital investment and create some 3,500 direct jobs. In each sector, there is a multiplier effect for servicing and contracting companies that can double or treble those figures. As with many other regional growth sectors, this creates opportunities and implications for each district - including Whakatāne - such as public transport, residential land availability, schooling requirements, logistics, transport access (including airport) and District Plan rules. Toi-EDA is represented on the "Bay of Connections" Regional Growth Strategy for the wider Bay of Plenty, in both the Governance and Management groups.





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 as well as further information about how these costs are calculated and distributed.

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 2016/17 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 2017

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.

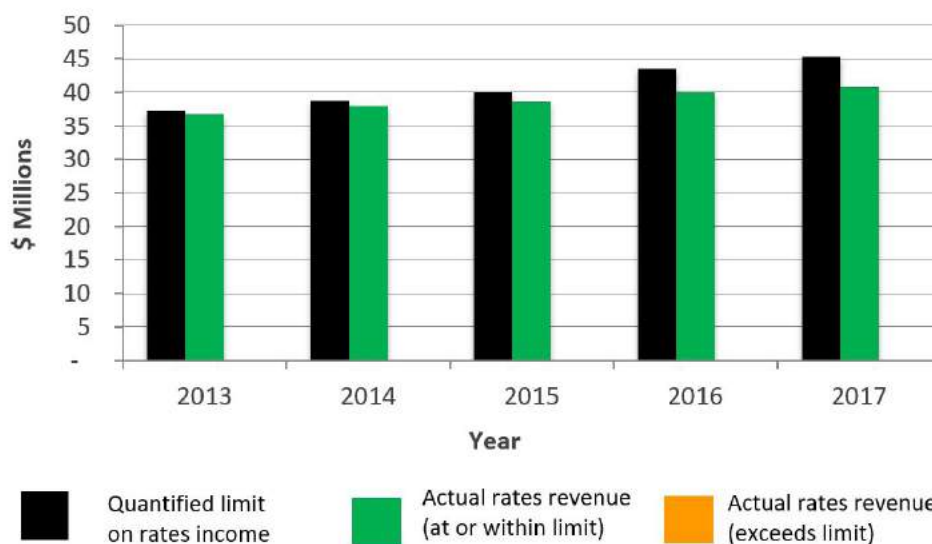
Rates include volumetric water charges.

Rates Revenue Affordability

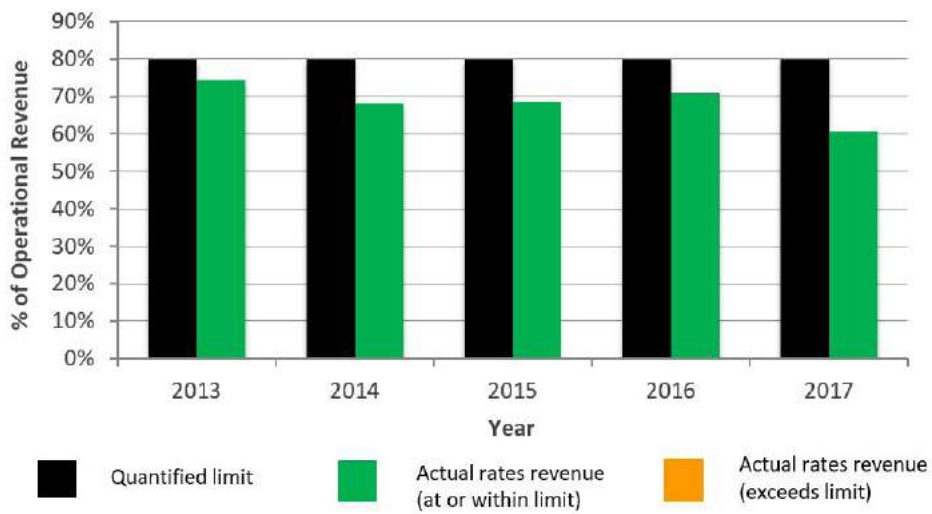
- The following two graphs compare the Council's actual rates revenue with quantified limits on rates contained in the Financial Strategy included in the Council's Long Term Plan.

Quantified Limits on Rates

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



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



Rates Increases Affordability

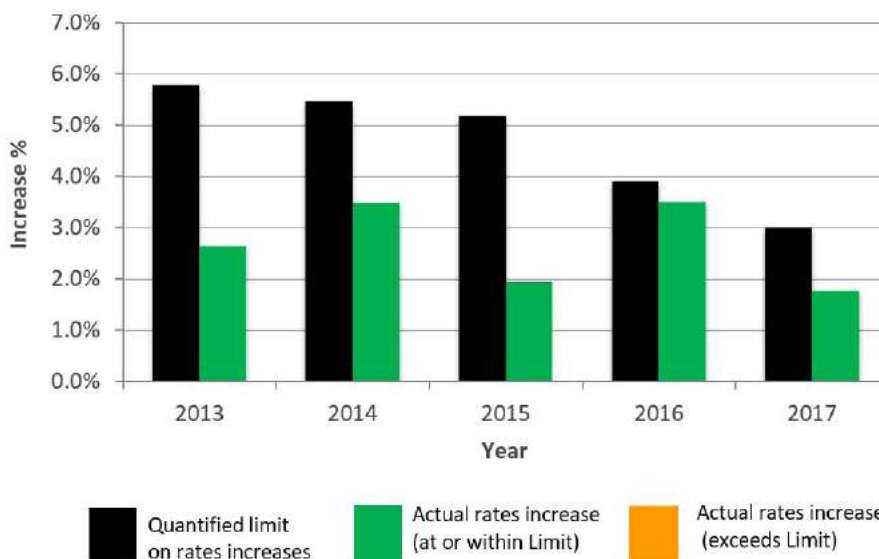
The following graph compares the Council's actual rates increases with a quantified limit on rates increases contained in the Financial Strategy included in the Council's Long Term Plan.

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



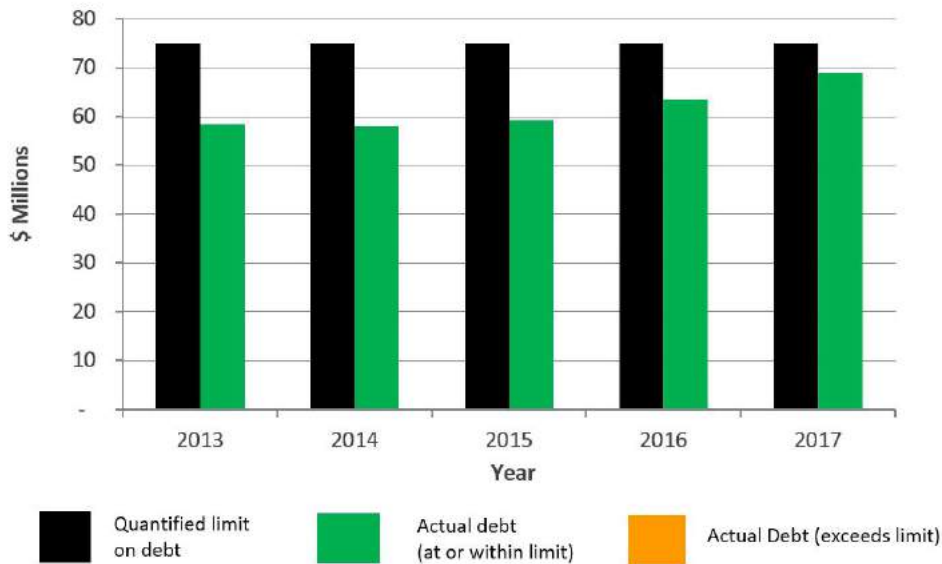
* Using the most recent Local Government Cost Index, published by Berl, available at the time the draft and then final Annual Budget Update (Annual Plan) or Long Term Plan is prepared.

Debt Affordability Benchmark

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

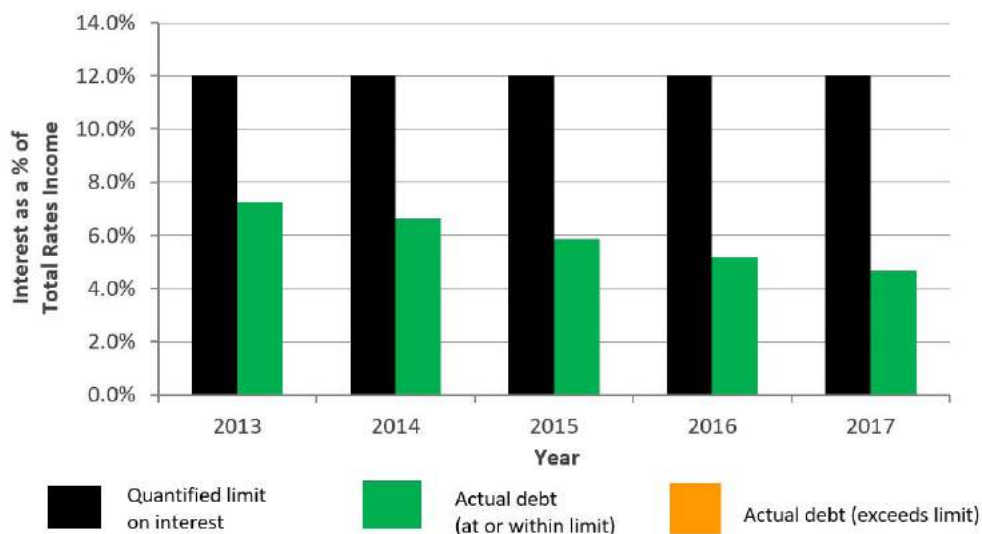
Our Limits for Debt

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.



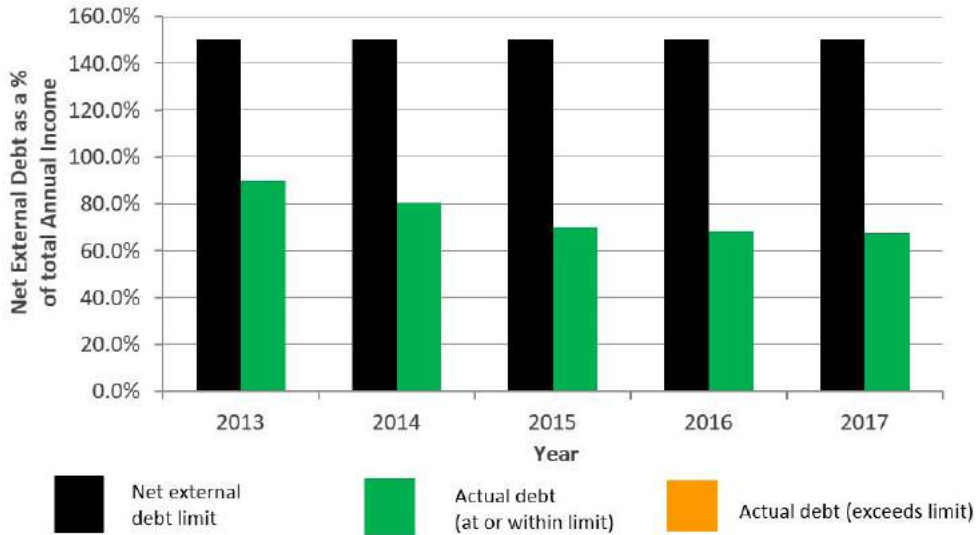
Our Limit on Interest as a Percentage of Total Rates Revenue

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.



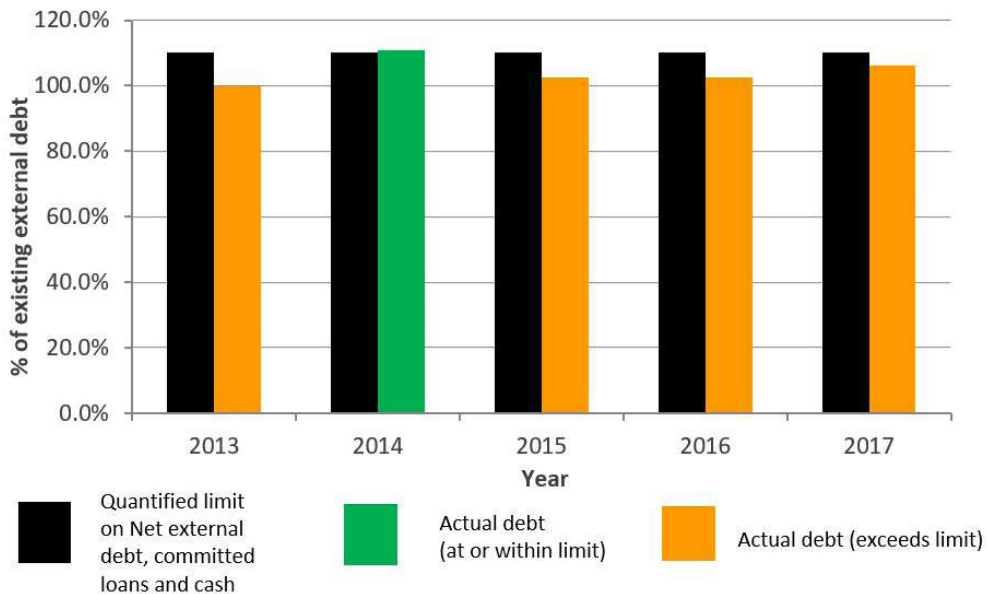
Our Limit on Net External Debt as a Percentage of Total Annual Income

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.



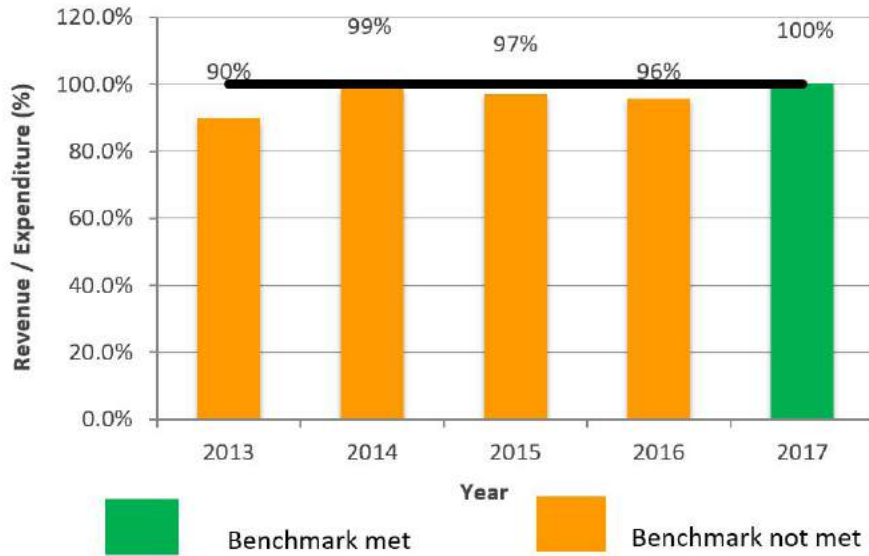
Our Limit on Net External Debt, Committed Loan Facilities and Available Cash Equivalents is maintained at 110% of existing external debt

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.



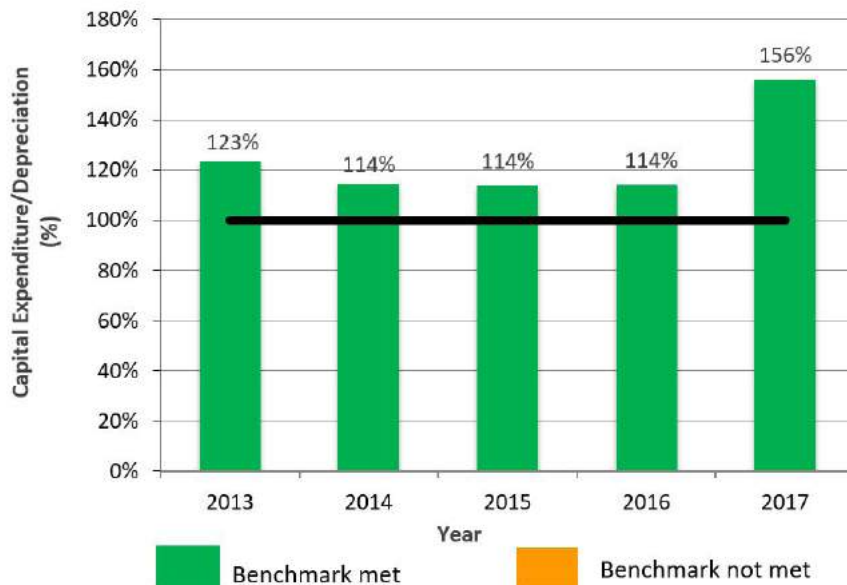
Balanced Budget Benchmark

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

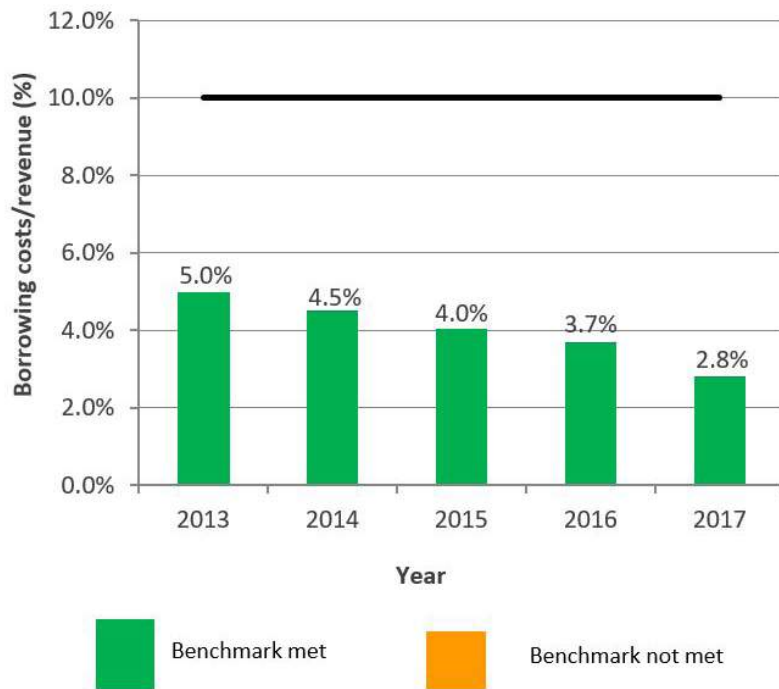
The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

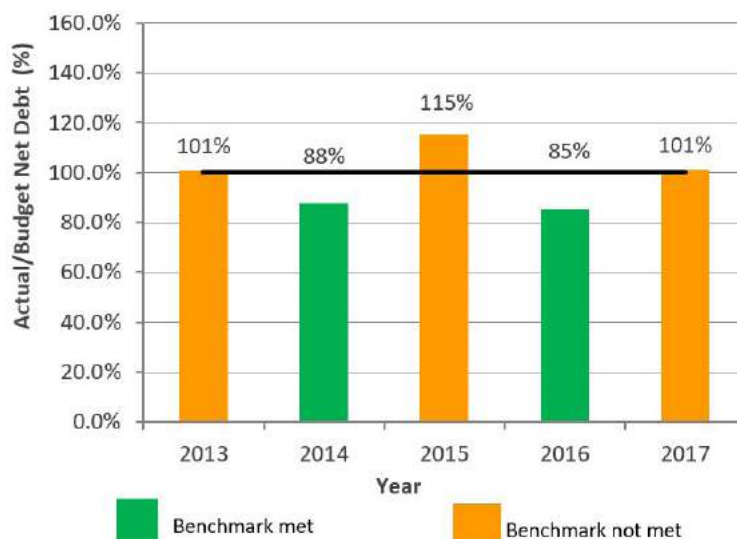
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



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.

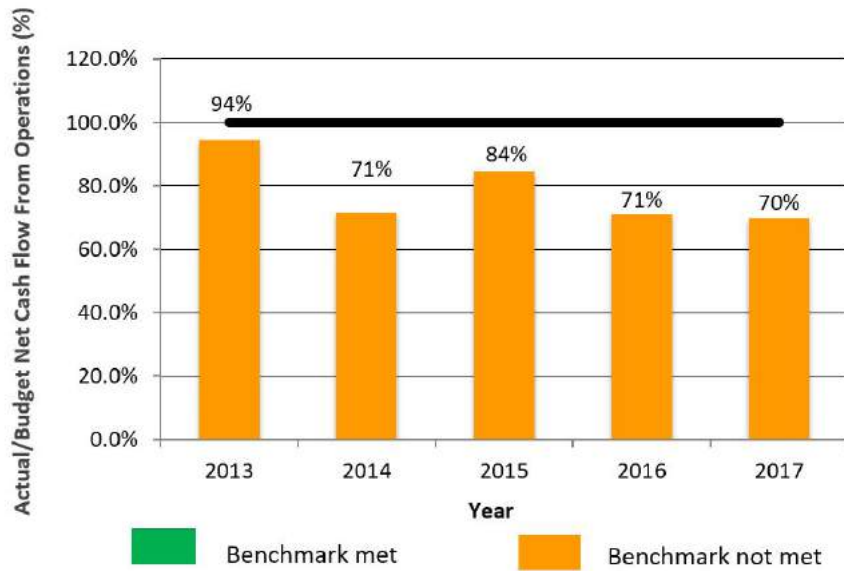


Operations Control Benchmark

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 2017

ACTUAL 2016 \$000			ACTUAL 2017	BUDGET 2017
			\$000	
	REVENUE			
40,052	Rates	Note 2	40,760	41,654
7,235	Subsidies and Grants	Note 3	13,227	13,485
(166)	Development and Financial Contributions		(2)	94
5,085	Fees and Charges		5,437	6,000
49	Interest Revenue	Note 6	35	50
3,987	Other Revenue	Note 3	7,849	3,804
691	Gains	Note 7	3,722	448
56,933	Total Revenue		71,028	65,535
	EXPENSES			
13,789	Personnel Costs	Note 4	15,181	13,664
14,533	Depreciation and Amortisation Expense	Note 5 & Note 14	14,090	15,120
2,082	Finance Costs	Note 6	1,903	2,920
28,955	Other Expenses	Note 5	35,838	27,417
1,981	Revaluation Losses	Note 5	-	-
61,340	Total Expenses		67,012	59,121
(4,407)	Surplus (Deficit) Before Tax		4,016	6,414
2	Income Tax Expense (Benefit)	Note 8	(25)	-
(4,409)	Surplus (Deficit) After Tax		4,041	6,414
	OTHER COMPREHENSIVE REVENUE AND EXPENSE			
(500)	Gains (Loss) on Property, Plant and Equipment Revaluations	Note 23	14,410	6,307
-	Tax on Revaluation Surplus		-	-
(4,909)	Total Comprehensive Revenue and Expense		18,451	12,721

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

The Notes and the Statement of Accounting Policies on pages 129 to 180 form part of the Financial Statements.

Statement of Financial Position

As at 30 June 2017

ACTUAL 2016 \$000			ACTUAL 2017	BUDGET 2017
			\$000	
	EQUITY			
412,054	Accumulated Funds	Note 23	411,791	429,632
19,038	Restricted Equity	Note 23	20,277	13,445
154,993	Asset Revaluation Reserves	Note 23	169,403	164,661
586,085	TOTAL EQUITY		601,471	607,738
	ASSETS			
	Current Assets			
1,651	Cash and Cash Equivalents	Note 9	2,557	1,646
8,401	Receivables	Note 11	13,485	9,073
-	Derivatives Financial Instruments	Note 12	-	-
-	Goods and Services Tax	Note 11	600	-
108	Inventory	Note 10	211	90
9,653	Non-current Assets Held for Sale	Note 17	9,696	-
19,813	Total Current Assets		26,549	10,809
	Non-Current Assets			
-	Derivative Financial Instruments	Note 12	-	-
607	Investment in CCOs and other similar entities	Note 13	703	607
71,927	Operational Assets	Note 14	75,822	74,087
473,522	Infrastructural Assets	Note 14	478,839	496,067
106	Intangible Assets	Note 14	145	421
50	Forestry Assets	Note 16	50	38
34,506	Investment Property	Note 17	34,655	43,782
34,857	Restricted Assets	Note 18	39,246	36,907
9,038	Work in Progress	Note 14	16,693	5,000
624,613	Total Non-Current Assets		646,153	656,909
644,426	TOTAL ASSETS		672,702	667,718
	LIABILITIES			
	Current Liabilities			
10,459	Payables and Deferred Revenue	Note 19	17,635	9,653
-	Derivatives Financial Instruments	Note 12	-	-
3,000	Borrowings and Other Financial Liabilities	Note 22	6,000	16,000
1,689	Employee Entitlements	Note 21	2,040	2,300
25	Provisions	Note 20	64	-
381	Goods and Services Tax	Note 19	-	-
15,554	Total Current Liabilities		25,739	27,953
	Non-Current Liabilities			
4,574	Derivative Financial Instruments	Note 12	2,994	2,656
36,300	Borrowings and Other Financial Liabilities LT	Note 22	41,500	28,251
466	Employee Entitlements LT	Note 21	469	500
1,324	Provisions LT	Note 20	431	620
123	Deferred Tax Liability	Note 8	98	-
42,787	Total Non-Current Liabilities		45,492	32,027
58,341	TOTAL LIABILITIES		71,231	59,980
586,085	NET ASSETS (Assets minus Liabilities)		601,471	607,738

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

The Notes and the Statement of Accounting Policies on pages 129 to 180 form part of the Financial Statements.



Tony Bonne
MAYOR
31 October 2017



Marty Grenfell
CHIEF EXECUTIVE
31 October 2017

Statement of Changes in Net Assets and Equity

For the Year Ended 30 June 2017

ACTUAL 2016 \$000		ACTUAL 2017	BUDGET 2017
		\$000	
590,531	Balance at 1 July	586,085	586,085
(4,909)	Total Comprehensive Revenue and Expense for the Year	18,451	12,721
463	Other Adjustment	(3,064)	8,932
586,085	Balance at 30 June	601,471	607,738

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

The Notes and the Statement of Accounting Policies on pages 129 to 180 form part of the Financial Statements.

Statement of Cashflows

For the Year Ended 30 June 2017

ACTUAL 2016 \$000			ACTUAL 2017	BUDGET 2017
			\$000	
	CASH FLOWS FROM OPERATING ACTIVITIES			
47,874	Receipts from Rates Revenue		49,103	53,046
7,516	Subsidies and Grants Received		11,262	13,485
8,968	Fees and Charges and Other Revenue received		10,140	9,659
49	Interest Received		83	50
6	Dividends Received		6	6
(38,937)	Payments to Suppliers & Employees		(45,769)	(41,099)
(7,945)	Payments to Agencies		(6,107)	(9,566)
(2,085)	Interest paid		(1,903)	(2,920)
(420)	GST (Net)		(981)	-
15,026	Net Cash Flow from Operating Activities	Note 25	15,834	22,661
	CASH FLOWS FROM INVESTING ACTIVITIES			
2,581	Receipts from Sale of Property, Plant and Equipment		858	-
(16,259)	Purchase of Property, Plant and Equipment		(23,890)	(24,165)
-	Acquisition of Investments		(96)	-
(13,678)	Net Cash Flows from Investing Activities		(23,128)	(24,165)
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Proceeds from Borrowings		19,200	2,650
(700)	Repayment of Borrowings		(11,000)	
(700)	Net Cash Flow from Financing Activities		8,200	2,650
648	Net Increase (Decrease) in Cash Cash Equivalents and Bank Overdrafts		906	1,146
1,003	Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year		1,651	500
1,651	Cash, Cash Equivalents and Bank Overdrafts at the End of the Year		2,557	1,646
	Represented by:			
1,651	Cash at Bank		2,557	1,646

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

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

The Notes and the Statement of Accounting Policies on pages 129 to 180 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 2017. The financial statements were authorised for issue by Council on 31 October 2017.

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.

Statements issued and not yet effective and not early adopted

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

Impairment of Revalued Assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards.

This Standard amends *PBE IPSAS 21 Impairment of Non-Cash-Generating Assets* and *PBE IPSAS 26 Impairment of Cash-Generating Assets* so that assets measured at revalued amounts under the revaluation model in *PBE IPSAS 17 Property, Plant and Equipment* and *PBE IPSAS 31 Intangible Assets* are within the scope of *PBE IPSAS 21* and *PBE IPSAS 26*.

As a result of the amendments, the Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Council can therefore impair a revalued asset without having to revalue the entire class-of-asset to which the asset belongs.

The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (*PBE IPSAS 34 - 38*). These new standards replace the existing standards for interests in other entities (*PBE IPSAS 6 - 8*). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

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
Roading	
Land – road reserve	N/A
Road formation	N/A
Pavement Basecourse	22-90
Sealed Pavement surface	2-20
Unsealed roads	2-7
Traffic control device	50
Road signs and markers	7-15
Kerbs and channels and cesspits	40-60
Surface water Channel	15-50
Street Railings	10-20
Traffic Islands	50
Street lighting	10-50
Footpaths	20-50
Bridges – concrete	100
Bridges – wooden	30
Car-parks	50
Water	
Treatment plant – structure	70-90
Treatment plant – contents	15-50
Pump stations – structure	80-100
Pump stations – contents	10-50
Reservoirs – concrete and wooden	70-90
Water lines and service lines	50-80
Valves and hydrants	30-65
Water meters	15-25
Wharves	
Wharves (concrete)	50
Stormwater	
Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90
Pump stations – structure	80-100

INFRASTRUCTURAL ASSETS	YEARS
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50
Sewer	
Sewer lines and service lines	60-80
Manholes	70-80
Pump station – structure	60-70
Pump station – contents	12-25
Ponds – structure	60
Ponds – plant and equipment	15-25

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 generally independently revalued annually at fair value less estimated costs to sell for one growth cycle. A valuation was not carried out in 2016/17 due to very little change. However, the forestry assets will once again be revalued in 2017/18. 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 2017. 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 Long Term Plan 2015-25. 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:

Asset valuations and fair value assumption

Note 14 provides information about the valuation dates of assets. During the 2017 year, independent valuations were carried out on operational land, operational buildings, parks and reserves, harbour assets, the library collection, investment property and property held for sale.

All assets have been valued on the fair value assumption. Fair value is the amount at which asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Landfill aftercare provision

Note 20 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Flood Recoveries

Within the Other Revenue category of the Statement of Comprehensive Revenue and Expense is an accrual of \$3.4M. This relates to the recovery of flood costs from the Ministry of Civil Defence and Emergency Management, the Earthquake Commission and Insurance. This accrual is also stated separately in Note 3 of the Financial Statements.

As at 30 June 2017, negotiations were still ongoing but there is an assumption that these costs are recoverable.

Critical judgements in applying accounting policies

Management has exercised no critical judgements in applying accounting policies for the year ended 30 June 2017.

Note 2 - Rates

ACTUAL 2016 \$000		ACTUAL 2017	BUDGET 2017
		\$000	
	GENERAL RATES		
16,821	General Rates	18,733	19,151
	TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:		
14	Recreation and Community Services	(1)	-
434	District Growth	472	479
4,346	Solid Waste	3,395	3,367
2,863	Stormwater Drainage	3,067	3,092
2,692	Sewage Treatment and Disposal	2,772	2,812
4,790	Water Supply	5,092	5,314
7,553	Roads and Footpaths	6,935	6,936
312	Leadership	341	343
598	Rate Penalties	623	600
(371)	Rates Remissions	(669)	(440)
40,052	Net Rate Revenue	40,760	41,654

Comparative 2016 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 2017	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	16,586	16,610
The total capital value of rating units within the District	\$ 8,690,591,900	\$7,427,490,900
The total land value of rating units within the District	\$ 4,515,152,450	\$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 2017 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2017 \$000	2016 \$000
Rates	40,760	40,052
Lump Sum Contributions	-	-
Total Annual Rates Revenue	40,760	40,052

Note 3 - Other Revenue and Subsidies & Grants

ACTUAL 2016 \$000		ACTUAL 2017	BUDGET 2017
		\$000	
	SUBSIDIES AND GRANTS		
540	Government Grants	2,399	4,101
6,695	NZTA Subsidies	10,828	9,384
7,235	Total Subsidies and Grants	13,227	13,485
	OTHER REVENUE		
-	Vested Assets	-	233
251	Infringements & Fines	228	322
275	Petrol Tax	291	250
2,317	Rental Revenue from Investment Properties	2,325	2,423
451	Rental Revenue Other	306	367
6	Dividend Revenue	6	6
29	Flood Recoveries	3,407	-
658	Other Services	431	203
-	Provision Movement*	855	-
3,987	Total Other Revenue	7,849	3,804
11,222	Total Subsidies & Grants and Other Revenue	21,076	17,289

* Landfill aftercare provision and weather tightness provision.

Note 4 - Personnel Costs

ACTUAL 2016 \$000		ACTUAL 2017	BUDGET 2017
		\$000	
14,090	Salaries and Wages	14,505	13,364
303	Defined Contribution Plan for Employer Contributions*	361	300
(604)	Increase (Decrease) in Employee Entitlements	315	-
13,789	Total Personnel Costs	15,181	13,664

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

Note 5 - Depreciation & Other Expenses

ACTUAL 2016 \$000		ACTUAL 2017	BUDGET 2017
		\$000	
	DIRECTLY ATTRIBUTABLE DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY		
-	Leadership	-	-
71	Community Safety	48	51
119	District Growth	42	79
2,458	Recreation and Community Facilities	1,796	2,249
7	Solid Waste	7	10
6,451	Roads and Footpaths	6,649	7,006
1,781	Water Supply	1,821	1,905
1,041	Stormwater Drainage	1,058	1,160
1,327	Sewage Treatment and Disposal	1,349	1,427
15	Reportable Council-controlled Organisations	26	81
1,263	Corporate & District Activities Funds Applied	1,294	1,152
14,533	Total Depreciation and Amortisation Expense	14,090	15,120
	OTHER EXPENSES		
129	Audit NZ - Council Financial Statements	129	196
-	Audit NZ - Annual Plan / Long Term Plan	-	-
4	Audit NZ - Whakatāne Airport Joint Venture	4	-
-	Audit fees - internal audit	-	-
-	IANZ - BCA accreditation	21	-
622	Grants and Subsidies	430	425
443	Insurance Premiums	416	456
-	Investment Property Expenses	-	-
1,982	Loss on Disposal of Assets	940	-
13	Movement in Doubtful Debt Impairment	422	-
6	Operating Leases	29	6
25,047	Other Operating Expenses	28,938	26,334
-	Flood costs incurred	4,509	
-	Impairment	-	-
709	Movement in Provision*	-	-
28,955	Total Other Expenses	35,838	27,417
	<i>* Movement in Landfill and Weathertight Provisions</i>		
	REVALUATION LOSSES		
-	Investment Property	-	-
-	Non Current Assets Held for Sale	-	-
-	Operational Land	-	-
1,981	Derivative Financial Instruments	-	-
1,981	Total Revaluation Losses	-	-

Note 6 - Interest Revenue and Finance Costs

ACTUAL 2016 \$000		ACTUAL 2017	BUDGET 2017
		\$000	
49	Interest Revenue	35	50
(2,082)	Finance Costs - interest on borrowings	(1,903)	(2,920)
(2,033)	Net Finance Costs	(1,868)	(2,870)

Note 7 - Gains

ACTUAL 2016 \$000		ACTUAL 2017	BUDGET 2017
		\$000	
	NON FINANCIAL INSTRUMENTS		
657	Revaluation - Investment Property	1,894	448
-	Revaluation - Forestry	-	-
34	Gain on Disposal of Assets	249	-
691	Total Non-Financial Instruments	2,143	448
	FINANCIAL INSTRUMENTS		
-	Revaluation - Derivative Financial Instruments	1,579	-
-	Total Financial Instruments	1,579	-
691	Total Gains	3,722	448

Note 8 - Income Tax

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	COMPONENTS OF TAX EXPENSE	
-	CURRENT TAX	-
-	Adjustments to Current Tax in Prior Years	-
(2)	Deferred Tax	(25)
(2)	Total Tax	(25)
	RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING SURPLUS	
(4,407)	Surplus (Deficit) Before Tax	4,016
(1,234)	Tax @ 28% (2016: 28%)	1,124
	Plus (Less) tax effect of:	
1,234	Non-deductible Expenditure	(1,124)
-	Non-taxable Revenue	-
2	Deferred Tax Adjustment	(25)
-	Prior Year Adjustment	-
2	Tax Expense (Benefit)	(25)

DEFERRED TAX ASSET (LIABILITY)	PROPERTY, PLANT AND EQUIPMENT \$000	TAX LOSSES \$000	TOTAL \$000
Balance at 30 June 2015	(590)	470	(120)
Charged to Surplus or Deficit	(89)	85	(4)
Charged to Other Comprehensive Revenue and Expense	-	-	-
Balance at 30 June 2016	(679)	556	(124)
Charged to Surplus or Deficit	(76)	101	25
Charged to Other Comprehensive Revenue and Expense	-	-	-
Balance at 30 June 2017	(756)	657	(99)

A deferred tax asset has not been recognised in relation to unused tax losses of \$4,715,230 (2016: \$4,418,808) in relation to the Whakatāne Airport joint venture (50% share).

Note 9 - Cash & Cash Equivalents

ACTUAL 2016 \$000		ACTUAL 2017 \$000
1,651	Cash at Bank and on Hand	2,557
1,651	Total Cash and Cash Equivalents	2,557
<i>The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.</i>		
INTEREST RATES		
<i>The weighted average effective interest rates during the year on Cash and Cash Equivalents were:</i>		
2016		2017
2.14%	Cash and Cash Equivalents	1.16%

Note 10 - Inventories

ACTUAL 2016 \$000		ACTUAL 2017 \$000
HELD FOR DISTRIBUTION:		
108	Water and Sewerage Spare Parts	211
108	Total Inventories	211

No inventories are pledged as security for liabilities (2016: \$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 2017 amounted to \$Nil (2016: \$Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

Note II - Receivables

ACTUAL 2016 \$000		ACTUAL 2017 \$000
5,035	Rates Receivables	4,495
2,726	Metered Water Receivables	3,038
1,688	Sundry Debtor Receivables	2,465
185	Regulatory Receivables	189
871	NZTA Receivable	2,836
372	Income Accrued	3,557
169	Airport Debtors	(59)
-	GST Receivable	600
11,046		17,122
(2,919)	Less Provision for Impairment of Receivables	(3,341)
8,127		13,781
274	Prepayments	304
8,401	Total Receivables including GST Receivable	14,085
	TOTAL RECEIVABLES COMPRISE:	
5,212	Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	10,829
3,189	Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	3,256

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:

	2017	2016
	\$000	
At 1 July	2,919	2,906
Provision Adjustment Made During the Year	889	348
Receivables Written Off During the Year	(467)	(335)
Balance at 30 June	3,341	2,919

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 2016 \$000		ACTUAL 2017 \$000
	CURRENT ASSETS PORTION	
-	Interest rate swaps	-
	CURRENT LIABILITIES PORTION	
-	Interest rate swaps	-
	NON-CURRENT ASSETS PORTION	
-	Interest rate swaps	-
	NON-CURRENT LIABILITIES PORTION	
(4,574)	Interest rate swaps	(2,994)
(4,574)	Total Derivative Financial Instrument Liabilities	(2,994)

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 2017.

Information About Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$48 million (2016: \$35.8 million). At 30 June 2017 the fixed interest rates of cash flow hedge interest rate swaps were 4.383% (2016: 4.731%)

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2017 are released to the surplus or deficit as interest is paid on the underlying debt.

The Council have no fair value hedges.

The following interest rate swaps are currently held:

	Swap 1	Swap 2	Swap 3	Swap 4	Swap 5	Swap 6	Swap 7	Swap 8	Swap 9
Maturity Date	20/07/2023	31/08/2021	22/09/2025	21/03/2024	22/03/2022	22/03/2024	22/06/2020	22/06/2020	23/06/2021
Fixed Rate	4.9900%	4.4800%	4.8000%	4.8700%	5.7900%	4.9500%	5.5100%	4.3500%	4.8500%
Amount	\$2,000,000	\$2,000,000	\$3,000,000	\$1,600,000	\$2,500,000	\$1,000,000	\$2,000,000	\$2,000,000	\$1,000,000
Fair Value	(235,669)	(142,830)	(353,758)	(178,973)	(333,849)	(116,703)	(173,678)	(105,982)	(82,192)

	Swap 10	Swap 11	Swap 12	Swap 13	Swap 14	Swap 15	Swap 16	Swap 17	Swap 18
Maturity Date	22/01/2021	22/03/2023	22/11/2018	22/09/2023	22/09/2024	22/02/2021	20/04/2024	20/12/2024	22/05/2019
Fixed Rate	4.2000%	4.9700%	3.9700%	5.9000%	5.0000%	3.3100%	4.4000%	4.7300%	3.9800%
Amount	\$2,500,000	\$1,000,000	\$3,000,000	\$1,700,000	\$1,000,000	\$2,000,000	\$2,500,000	\$2,000,000	\$3,000,000
Fair Value	(144,643)	(108,133)	(80,435)	(282,030)	(124,419)	(15,143)	(216,644)	(216,737)	(15,155)

	Swap 19	Swap 20	Swap 21	Swap 22	Swap 19	Swap 23	Swap 24
Maturity Date	22/05/2019	24/05/2021	31/03/2025	20/04/2027	22/06/2027	22/07/2026	23/09/2026
Fixed Rate	3.9800%	3.5900%	3.7800%	3.7600%	3.7500%	3.1900%	3.2400%
Amount	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$1,700,000	\$2,500,000	\$1,000,000
Fair Value	(28,314)	(62,064)	(85,592)	10,875	10,449	64,040	23,758

FAIR VALUE TOTAL (2,993,822)

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

ACTUAL 2016 \$000		ACTUAL 2017 \$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	544
607	Total Investment in Council Controlled Organisations and Other Similar Entities	703

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 nine councils in the region holding shares. Whakatane District Council holds 9.7% of the shares. 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:

2017	CURRENT YEAR										30 JUNE 2017			
	COST / VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	ADDITIONS	VESTED	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON DISPOSAL / REVALUATION	DEPRECIATION	REVALUATION	COST / REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE
OPERATIONAL ASSETS														
Land*	19,539	-	19,539	-	-	-	1,259	-	-	2,876	-	23,674	-	23,674
Buildings**	40,898	2,797	38,101	1,693	-	907	-	3,780	983	(3,947)	-	37,737	-	37,737
Plant & Equipment	3,417	2,163	1,254	507	-	-	-	-	152	-	-	3,924	2,315	1,609
Furniture & Fittings	2,152	1,402	750	130	-	2	-	-	176	-	-	2,280	1,578	702
Office Equipment	4,484	3,086	1,398	338	-	-	-	-	467	-	-	4,822	3,553	1,269
Motor Vehicles	1,962	1,329	633	772	-	165	-	121	229	-	-	2,569	1,437	1,132
Harbour Vessels	269	255	14	-	-	236	-	231	8	-	-	33	32	1
Museum Collection	8,812	62	8,750	-	-	-	-	-	-	-	-	8,812	62	8,750
Library Books	1,906	422	1,484	107	-	-	-	651	230	(1,069)	-	944	1	943
Total Operational Assets	83,439	11,516	71,923	3,547	-	1,310	1,259	4,783	2,245	(2,140)	-	84,795	8,978	75,817
INFRASTRUCTURAL ASSETS														
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	-	91,363	-	91,363
Stormwater	43,691	2,048	41,643	1,672	-	-	-	-	1,058	-	-	45,363	3,106	42,257
Harbour	4,936	363	4,573	81	-	-	-	568	206	(2,474)	-	3,112	569	2,543
Parks	10,370	1,314	9,056	400	-	-	-	2,025	711	5,524	-	16,294	-	16,294
<i>Core Council Infrastructure Assets</i>														
Roading Network	245,413	13,025	232,388	7,036	-	-	-	-	6,648	-	-	252,449	19,673	232,776
Water - Treatment Plants & Facilities	3,254	426	2,828	-	-	-	-	-	213	-	-	3,254	639	2,615
Water - Other	52,958	3,131	49,827	1,541	-	-	-	-	1,608	-	-	54,499	4,739	49,760
Sewerage - Treatment Plants & Facilities	5,516	251	5,265	-	-	-	-	-	126	-	-	5,516	377	5,139
Sewerage - Other	38,617	2,038	36,579	737	-	-	-	-	1,223	-	-	39,354	3,261	36,093
Total Infrastructural Assets	496,118	22,596	473,522	11,467	-	-	-	2,593	11,793	3,050	-	511,204	32,364	478,840
INTANGIBLE ASSETS														
Computer Software	3,654	3,548	106	92	-	-	-	-	53	-	-	3,746	3,601	145

* Includes Airport land \$2,290,000 (2016: \$2,720,000) ** Includes 50% Airport assets including runway \$1,565,116 (2016: \$1,449,675 including runway and land)

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

No property, plant and equipment is pledged as security. Refer to 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:

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 / REVALUATION	DEPRECIATION	REVALUATION	COST / REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE								
OPERATIONAL ASSETS																						
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								
Total Operational Assets	88,453	14,725	73,728	1,981	-	6,256	-	6,310	3,101	(740)	-	83,439	11,516	71,923								
INFRASTRUCTURAL ASSETS																						
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Core Council Infrastructure Assets																						
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								
Total Infrastructural Assets	486,341	11,464	474,877	9,943	-	-	(342)	-	11,132	176	-	496,118	22,596	473,522								
INTANGIBLE ASSETS																						
Computer Software	4,130	3,998	132	168	-	644	-	750	300	-	-	3,654	3,548	106								
Total	578,924	30,187	548,737	12,092	-	6,900	(342)	7,060	14,533	(564)	-	583,211	37,660	545,551								

* ** 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 Continued

Work in progress

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

	ACTUAL 2017 \$000	ACTUAL 2016 \$000
Water, Stormwater & Wastewater Systems	12,411	5,927
Roading Network	59	1,181
Buildings	915	796
Parks and Reserves	992	117
Ports and Harbour	399	225
Intangible Assets	982	664
Airport	2	126
Plant and Equipment	933	1
Total Work in Progress	16,693	9,038

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

Valuations on Operational and Restricted Assets

	FAIR VALUE	VALUATION
Operational Land	83,584	30 June 2017
Operational Buildings	37,800	30 June 2017
Park Assets	15,894	30 June 2017
Harbour Assets	3,031	30 June 2017
Library Books	836	30 June 2017
Harbour Land Not Leased (Restricted Asset)	4,425	30 June 2017
Recreational Reserves	34,614	30 June 2017
Museum Collection	8,812	30 June 2016

Insurance of assets

The following information relates to the insurance of Council assets at 30 June 2017

	2017 \$000	2016 \$000
The total net book value of all Council assets covered by insurance contracts	206,844	202,157
The maximum amount to which insured assets are insured	259,780	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	324,139	323,751
The value of funds maintained for self-insurance	731	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 2017.*

Note 15 - Valuation

Land (operational, restricted and infrastructural)

The most recent valuation was performed by an independent Certified Practising Valuer, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2017.

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, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2017.

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 2017.

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.

Harbour Assets

The most recent valuation was performed by an independent Certified Practising Valuer, P Erceg of Aon Risk Solutions. The valuation was effective as at 30 June 2017.

Harbour structures are valued at fair value using market-based evidence based on its highest and best use with reference to comparable harbour structure values.

Note 16 - Forestry Assets

ACTUAL 2016 \$000		ACTUAL 2017 \$000
38	Balance at 1 July	50
12	Gains (Losses) Arising from Changes in Fair Value on Valuation	-
-	Decreases due to Sales	-
50	Balance at 30 June	50

Council owns 26.61 hectares of land predominantly held for soil conservation and river control reserve, 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. A valuation was not carried out as at 30 June 2017

No trees have been harvested during the year (2016: nil).

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

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	INVESTMENT PROPERTY	
43,134	Balance at 1 July	34,506
-	Sales and Disposals	
914	Fair Value Gains (Losses) on Valuation	1,408
-	Transfer (to) from Restricted Assets	-
(9,542)	Transfer to Non-Current Assets Held for Sale	
-	Transfer from Operational Land	-
-	Transfer to Operational Land	(1,259)
-	Transfer from Restricted Land	-
-	Transfer to Restricted Land	-
34,506	Balance at 30 June	34,655
Information about the revenue and expenses in relation to investment property is detailed below:		
2,317	Rental Revenue	2,325
-	Direct Operating Expenses from Investment Property Generating Revenue	-
	NON-CURRENT ASSETS HELD FOR SALE	
4,521	Balance at 1 July	9,653
(4,406)	Sales	(442)
	Fair value Gains (Losses) on valuation	486
(4)	Other Adjustments	-
-	Transfer from Operational Assets	-
9,542	Transfer from Investment Property	-
9,653	Balance at 30 June	9,697

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 2017 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 (2016: \$nil).

Note 18 - Restricted Assets

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
Total	34,857	-	-	-	-	-	-	-	-	34,857
2017	COST/ REVALUATION 1 JULY 2016	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 2017
	\$000									
Harbour Land (Not Leased)	3,619	-	-	-	-	-	-	-	806	4,425
Recreational Reserves	31,238	207	-	-	-	-	-	-	3,376	34,821
Total	34,857	207	-	-	-	-	-	-	4,182	39,246

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 2016 \$000		ACTUAL 2017 \$000
Payables and deferred revenue under exchange transactions		
6,083	Trade Payables	9,803
900	Accrued Expenses	1,769
964	Revenue Received in Advance	2,863
493	Deposits	2,324
473	Amounts due to Customers for Contract Work	582
Payables and deferred revenue under non-exchange transactions		
381	Other Taxes Payable (GST)	-
1,546	Revenue Received in Advance	294
10,840	Total Payables and Deferred Revenue	17,635

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 2016 \$000		ACTUAL 2017 \$000
	Current Portion	
25	Landfill Aftercare Provision	25
-	Weathertightness Provision	39
25	Total Current Portion	64
	Non-current Portion	
286	Landfill Aftercare Provision	292
1,038	Weathertightness Provision	138
1,324	Total Non-current Portion	430
1,349	Total Provisions	494
Movements for each class of provision are as follows:		
	LANDFILL AFTERCARE PROVISION	
297	Balance at 1 July	311
14	Increase (Decrease) in Net Present Value	6
311	Balance at 30 June	317
	WEATHERTIGHTNESS PROVISION	
343	Balance at 1 July	1,038
695	Increase (Decrease) in Provision	(861)
1,038	Balance at 30 June	177

LANDFILL AFTERCARE COSTS

Council's responsibilities include closure costs, incremental drainage control features, facilities for leachate collection and monitoring, 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. Four outstanding claims were registered at 30 June 2017 and are being dealt with on a case by case basis (2016: Five). 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 2017 financial statements of \$177,000 based on the expected outcome of negotiations on known claims with four of the affected parties - an decrease of \$861,000 to the provision at 30 June 2016. The provision also includes future claims relating to weathertightness issues not yet identified and reported.

OTHER CLAIMS

Carter Holt Harvey have notified a potential legal claim. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

Further details on potential liabilities are explained in Note 27 - Contingent Liabilities

Note 21 - Employee Entitlements

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	Current Portion	
281	Accrued pay	418
1,380	Annual and Long Service Leave	1,595
28	Sick Leave	28
1,689	Total Current Portion	2,041
	Non-current Portion	
454	Long Service Leave	457
12	Sick Leave	12
466	Total Non-current Portion	469
2,155	Total Employee Entitlements	2,510

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 2017.

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 2017. A long term annual rate of salary growth of 3.0% per year has been used.

Note 22 - Borrowings

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	Current Portion	
3,000	Secured Loans	6,000
	Non-current Portion	
36,300	Secured Loans	41,500
39,300	Total Borrowings	47,500
	The fair values of borrowings including current portion equate to their carrying values	
	Maturity Profile	
3,000	Maturing in under one year	6,000
8,000	Maturing in 1-2 years	11,500
12,300	Maturing in 2-3 years	-
-	Maturing in 3-4 years	13,000
13,000	Maturing in 4-5 years	-
3,000	Maturing in 5 years+	17,000
39,300		47,500

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 2017 range from 2.175% to 3.095% (2016: 2.5% to 4.22%) with a weighted average rate of 2.72% (2016: 3.35%). Interest expense for 2017 was \$1.9 million (2016: \$2.08 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 of this 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 2016 \$000		ACTUAL 2017 \$000
	EQUITY	
412,054	Accumulated Funds	411,791
19,038	Restricted Reserves	20,278
154,993	Asset Revaluation Reserves	169,403
586,085	Total Public Equity	601,472
	ACCUMULATED FUNDS	
403,232	Balance at 1 July	394,202
459	Other Reserve Movements	(3,064)
(4,409)	Surplus/(Deficit) for the Year	4,041
(14,948)	Transfers to Council Created Reserves	(14,717)
(5,641)	Transfers to Restricted Reserves	(3,742)
11,695	Transfers from Council Created Reserves	16,662
3,814	Transfers from Restricted Reserves	2,502
394,202	Balance at 30 June	395,884
	Add Council Created Reserves (Incl. Depreciation Reserves)	
14,599	Balance at 1 July	17,852
-	Adjusting Categories of Equity	-
14,948	Transfer from Accumulated Funds	14,717
(11,695)	Transfer to Accumulated Funds	(16,662)
17,852	Balance at 30 June	15,907
412,054	Total Accumulated Funds	411,791
	RESTRICTED RESERVES	
17,211	Balance at 1 July	19,038
-	Adjusting Categories of Equity	-
5,641	Transfers from Accumulated Funds	3,742
(3,814)	Transfer to Accumulated Funds	(2,502)
19,038	Balance at 30 June	20,278
	ASSET REVALUATION RESERVE	
155,489	Balance 1 July	154,993
-	Other Reserve Movements	-
(925)	Revaluation of Operational Assets	4,585
253	Revaluation of Restricted Assets	4,182
176	Revaluation of Roading	-
-	Revaluation of Water	-
-	Revaluation of Sewerage	-
-	Revaluation of Land Drainage	-
-	Revaluation of Other Infrastructural Assets	5,643
-	Adjustment	-
154,993	Balance at 30 June	169,403

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	2016 - \$'000			2017 - \$'000			
			CLOSING BALANCE 2015	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING 2017
COUNCIL OPERATING RESERVES									
Separate Operating Reserves									
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits	782	734	(957)	555	1,935	(2,454)	37
Roading Rate - Asstd/Non asstd/Special & Safety	Roads and Footpaths	For Rooding Rate funded Surpluses or Deficits	96	496	(61)	531	275	(53)	753
Refuse Collection rate	Solid Waste	For Refuse Collection Rate Surpluses or Deficits	188	264	-	451	699	(697)	453
District Growth Rate	District Growth	For District Growth Rate funded Surpluses or Deficits	-	-	(93)	(93)	70	(20)	(43)
Whakatāne Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	97	551	(662)	(14)	541	(693)	(167)
Ōhope Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	(9)	-	-	(9)	-	-	(10)
Edgecumbe Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	2	-	-	2	-	-	2
Matatā Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	(2,010)	-	(790)	(2,800)	175	(220)	(2,846)
Tāneatua Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	(1)	-	-	(2)	-	-	(2)
Te Teko Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	-	-	-	1	-	-	1
Murupara Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	(12)	-	(5)	(18)	-	(5)	(23)
Te Mahoe Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	-	-	-	-	-	-	-
Equalised Water	Water Supply	For Water Supply Rate funded Surpluses or Deficits	(482)	348	(467)	(600)	744	(535)	(392)
Murupara Water	Water Supply	For Water Supply Rate funded Surpluses or Deficits	(94)	3	(5)	(96)	33	(4)	(67)
Plains Water	Water Supply	For Water Supply Rate funded Surpluses or Deficits	1,133	56	(84)	1,105	108	(762)	450
Dog Control	Animal Control	For Animal Control Surpluses or Deficits	175	9	(20)	165	6	(74)	97
Parking Enforcement	Parking	For Parking Enforcement Surpluses or Deficits	448	20	(124)	345	13	(118)	239
Pensioner Housing	Pensioner Housing		248	2,600	-	2,848	116	(513)	2,452
Airport Whakatāne 50%	Whakatāne Airport	Fow Whakatāne Airport Operating Surpluses or Deficits	(1,041)	404	(357)	(995)	-	(175)	(1,170)
SOP - Fixed Assets			-	1,014	(817)	198	1,227	(229)	1,197
DM - Matatā Grant Funded	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	169	9	-	178	8	-	186
DM - Matatā Non-Grant Funded	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	6	38	(2)	42	7	-	49
DM - Edgecumbe	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	3	9	-	12	11	-	23
DM - Awatapu	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(9)	9	-	(1)	9	-	9

RESERVE	ACTIVITY	PURPOSE	2016 - \$'000			2017 - \$'000			
			CLOSING BALANCE 2015	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE 2016	TOTALIN	TOTALOUT	CLOSING 2017
DM - West End	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	11	14	-	25	16	-	41
Whakatāne Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	3	132	-	134	28	-	163
Ōhope Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(43)	21	(2)	(24)	114	1	92
Edgecumbe Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	61	3	(11)	54	5	-	59
Matatā Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(26)	13	(1)	(14)	29	-	15
Murupara Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(-)	-	-	-	-	-	-
Tāneatua Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(2)	3	-	1	2	-	2
Te Teko Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(1)	-	-	(1)	1	-	(-)
Te Mahoe Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	-	-	(1)	-	-	-	(-)
Total Separate Operating reserves			(\$307)	\$6,750	\$4,461	\$1,982	\$6,172	(\$6,551)	\$1,600
Other Reserves									
Car parks Development	Parking	For the Development of Car Parks in the District	40	2	-	40	2	-	42
Museum Collections	Exhibition, Research, Storage and Archives	For the purchase of Assets for the Museum Collection	1	-	-	1	-	-	1
Galatea Reserve Development	General Council	For amenities within Galatea and Murupara areas	2	-	-	2	-	-	2
Disabled Facilities		For the improvement of Disabled Facilities throughout the District	(9)	-	-	(9)	-	-	(9)
Roading Emergency	Roads and Footpaths	To fund costs associated with storm damage to the Councils Rooding network	1,181	61	-	1,242	43	(554)	731
Te Mahoe Water - special	Water Supply	For the purchase of Capital Expenditure for the Te Mahoe Water Scheme	178	5	(153)	30	1	(11)	20
Disaster/LAPP Reserve	Corporate and District	To fund contributions to the LAPP scheme over and above annual insurance	298	15	-	313	14	-	327
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets	(286)	-	(285)	(571)	150	(255)	(676)
Sale of Bennett Block		Surplus funds from the Divestment of Council Assets	(86)	-	(4)	(91)	-	(4)	(95)
Leaky Homes Reserve	Building	To fund weathertight claims	399	16	(210)	204	-	(446)	(241)
Whakatāne Community Board	Leadership	Separately collected rates for community projects	85	11	-	96	29	(12)	113
Rangitāiki Community Board	Leadership	Separately collected rates for community projects	(19)	3	(1)	(17)	9	(1)	(8)
Ōhope Beach Community Board	Leadership	Separately collected rates for community projects	36	2	(13)	24	49	(24)	49
Tāneatua Community Board	Leadership	Separately collected rates for community projects	4	5	-	9	5	-	14
Murupara Community Board	Leadership	Separately collected rates for community projects	20	1	(11)	10	14	-	24
Iwi Liaison Committee	Leadership	Separately collected rates for community projects	6	-	-	7	-	-	7
Digitisation	Corporate and District	Separately collected rates for corporate digitisation project	250	677	(120)	807	912	(348)	1,370
Waste Minimisation	Solid Waste	Funding for Waste Minimisation Projects	-	-	-	-	110	-	110

RESERVE	ACTIVITY	PURPOSE	2016 - \$000			2017 - \$000			
			CLOSING BALANCE 2015	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING 2017
Part Council Created (Other)			2,100	798	(797)	2,097	1,338	(1,655)	1,781
Council Created Reserves									
Depreciation Reserves									
Whakatāne Water	Whakatāne Water	To fund the renewal of Water Supply Assets	(540)	777	(700)	(463)	613	(905)	(756)
Ōhope Water	Ōhope Water	To fund the renewal of Water Supply Assets	110	83	(10)	183	87	(54)	215
Edgecumbe Water	Edgecumbe Water	To fund the renewal of Water Supply Assets	126	82	-	207	81	(153)	135
Matatā Water	Matatā Water	To fund the renewal of Water Supply Assets	293	20	-	314	18	(36)	296
Tāneatua Water	Tāneatua Water	To fund the renewal of Water Supply Assets	316	32	-	348	32	(2)	378
Murupara Water	Murupara Water	To fund the renewal of Water Supply Assets	537	52	-	589	50	(25)	614
Rūātōki Water	Rūātōki Water	To fund the renewal of Water Supply Assets	139	17	-	156	17	-	172
Waimana Water	Waimana Water	To fund the renewal of Water Supply Assets	13	5	-	18	5	-	23
Plains Water	Plains Water	To fund the renewal of Water Supply Assets	1,272	95	(21)	1,345	106	(83)	1,368
Te Mahoe Water	Te Mahoe Water	To fund the renewal of Water Supply Assets	40	2	-	42	2	-	44
Whakatāne Wastewater	Whakatāne Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	1,158	365	(78)	1,445	366	(229)	1,582
Ōhope Wastewater	Ōhope Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	288	297	(225)	360	280	(1,215)	(575)
Edgecumbe Wastewater	Edgecumbe Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	(277)	207	(40)	(109)	273	1	165
Tāneatua Wastewater	Tāneatua Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	318	30	-	348	29	-	377
Te Mahoe Wastewater	Te Mahoe Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	37	-	(67)	(30)	3	(13)	(40)
Murupara Wastewater	Murupara Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	(55)	82	(1)	27	85	3	115
Whakatāne Land Drainage	Whakatāne Land Drainage	To fund the renewal of Stormwater Drainage Assets	(102)	-	(427)	(529)	448	(631)	(712)
Ōhope Land Drainage	Ōhope Land Drainage	To fund the renewal of Stormwater Drainage Assets	223	26	(9)	240	15	(337)	(81)
Edgecumbe Land Drainage	Edgecumbe Land Drainage	To fund the renewal of Stormwater Drainage Assets	(45)	4	(2)	(44)	4	(2)	(42)
Matatā Land Drainage	Matatā Land Drainage	To fund the renewal of Stormwater Drainage Assets	8	-	-	8	-	-	9
Tāneatua Land Drainage	Tāneatua Land Drainage	To fund the renewal of Stormwater Drainage Assets	15	1	-	15	1	-	16
Te Mahoe Land Drainage	Te Mahoe Land Drainage	To fund the renewal of Stormwater Drainage Assets	17	1	-	18	1	-	19
Murupara Land Drainage	Murupara Land Drainage	To fund the renewal of Stormwater Drainage Assets	84	4	-	88	4	-	92
Te Teko Land Drainage	Te Teko Land Drainage	To fund the renewal of Stormwater Drainage Assets	5	-	-	5	-	-	5
Refuse Disposal	Refuse Disposal	To fund the renewal of Solid Waste Assets	168	14	(49)	133	10	(4)	139
Libraries - Deprn	Libraries - Deprn	To fund the renewal of Library Assets	33	124	(105)	52	124	(107)	69

RESERVE	ACTIVITY	PURPOSE	2016 - \$'000			2017 - \$'000			
			CLOSING BALANCE 2015	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING 2017
Museum	Museum	To fund the renewal of Museum Assets	125	6	-	131	6	-	137
Parks and Gardens & Sportfields	Parks and Gardens & Sportfields	To fund the renewal of Parks, Gardens and Sportfields Assets	1,158	391	(329)	1,220	490	(487)	1,223
Cemeteries & Crematoria	Cemeteries & Crematoria	To fund the renewal of Cemeteries and Crematorium Assets	45	25	(9)	61	25	(5)	82
Recreation	Recreation	To fund the renewal of Recreation Assets	-	136	-	136	6	-	142
Swimming Pools	Swimming Pools	To fund the renewal of Aquatic Assets	327	159	(123)	363	157	(200)	319
Halls	Halls	To fund the renewal of Hall Assets	519	259	(179)	599	206	(252)	553
Dog Control	Dog Control		1	-	-	1	-	-	1
Public Conveniences	Public Conveniences	To fund the renewal of Public Convenience Assets	363	18	(27)	354	15	(59)	310
Pensioner Housing	Pensioner Housing		326	17	-	342	15	-	358
Strategic & Investment Property	Strategic & Investment Property	To fund the renewal of Strategic and Investment Property Assets	2	-	-	2	-	-	2
Vehicle & Plant Reserve	Vehicle & Plant Reserve	To fund the renewal of Vehicle and Plant Assets	293	226	(205)	314	433	(325)	422
Corporate Property	Corporate Property	To fund the renewal of Corporate Property Assets	700	312	(277)	734	333	(175)	892
Information Management	Information Management	To fund the renewal of Information Management Assets	2,745	444	(778)	2,411	413	(722)	2,103
Port	Port	To fund the renewal of Port Assets	1,674	447	(409)	1,711	436	(337)	1,811
Roading-assisted/non assisted/special & safety	Roading-assisted/non assisted/special & safety	To fund the renewal of Roothing Assets	640	2,122	(1,827)	934	1,941	(2,021)	854
Airport - Whakatāne 50%	Airport - Whakatāne 50%	To fund the renewal of Whakatāne Airport Assets	(288)	119	(135)	(303)	81	(89)	(311)
Part Council Created (Depreciation Reserves)			12,807	7,001	(6,032)	13,775	7,211	(8,464)	12,525
TOTAL COUNCIL CREATED RESERVES			14,599	14,549	(2,368)	17,854	14,721	(16,670)	15,905
Restricted Reserves									
Develop Contrib.-Whakatāne Water	Water Supply	To fund growth related capital expenditure	104	18	(47)	74	15	(26)	63
Develop Contrib.-Ōhope Water	Water Supply	To fund growth related capital expenditure	142	9	-	150	8	-	158
Develop Contrib.-Edgecumbe Water	Water Supply	To fund growth related capital expenditure	5	-	-	7	-	-	7
Develop Contrib.-Matatā Water	Water Supply	To fund growth related capital expenditure	62	3	-	65	3	-	68
Develop Contrib.-Plains Water	Water Supply	To fund growth related capital expenditure	(47)	-	(12)	(59)	-	(3)	(62)
Develop Contrib.-Whakatāne Wastewater	Sewage Treatment and Supply	To fund growth related capital expenditure	(837)	-	(164)	(1,001)	21	(61)	(1,041)
Develop Contrib.-Coastlands Wastewater	Sewage Treatment and Supply	To fund growth related capital expenditure	(79)	-	(4)	(86)	-	(4)	(90)
Develop Contrib.-Ōhope Wastewater	Sewage Treatment and Supply	To fund growth related capital expenditure	240	12	(5)	248	11	(13)	245
Develop Contrib.-Edgecumbe Wastewater	Sewage Treatment and Supply	To fund growth related capital expenditure	(2)	-	-	(3)	-	-	(3)

RESERVE	ACTIVITY	PURPOSE	2016 - \$000			2017 - \$000			
			CLOSING BALANCE 2015	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING 2017
Develop Contrib.-Community Infrastructure	Arts & Culture, Recreation and Community Facilities	To fund growth related capital expenditure	433	20	(86)	373	17	(9)	381
Develop Contrib.-Parks and Gardens	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	602	31	(12)	621	26	(103)	544
Develop Contrib.-Rural Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	247	13	-	260	12	-	271
Develop Contrib.-Whakatāne Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	(5)	-	-	(7)	-	-	(7)
Develop Contrib.-Ōhope Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	162	8	(26)	144	6	-	150
Develop Contrib.-Edgecumbe Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	50	3	-	52	2	-	54
Develop Contrib.-Murupara Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	13	1	-	12	1	-	12
Develop Contrib.-Solid Waste	Solid Waste	To fund growth related capital expenditure	366	14	(186)	194	111	(42)	263
Develop Contrib.-Roading	Roads and Footpaths	To fund growth related capital expenditure	1,338	60	(357)	1,041	44	(110)	974
Develop Contrib.-Non Fin Asst. Roading	Roads and Footpaths	To fund growth related capital expenditure	3	-	-	4	-	-	4
Develop Contrib.-Whakatāne Land Drain	Stormwater Drainage	To fund growth related capital expenditure	243	10	(104)	148	7	(102)	54
Develop Contrib.-Ōhope Land Drain	Stormwater Drainage	To fund growth related capital expenditure	108	6	(1)	112	5	-	117
Develop Contrib.-Matatā Land Drain	Stormwater Drainage	To fund growth related capital expenditure	-	-	-	0	-	-	-
Develop Contrib.-Whakatāne Car parks	Stormwater Drainage	To fund growth related capital expenditure at Ōtarawairere	(6)	-	-	(8)	-	-	(8)
Ōtarawairere Disaster Mitigation	Stormwater Drainage	To fund growth related capital expenditure	(1,631)	1,631	(42)	(42)	-	(2)	(44)
Capital Contributions-Roading	Roads and Footpaths	Financial Contributions for Roading Capital Projects	53	3	-	55	2	-	58
Subdivision Contributions-Whakatāne	General Council	To fund growth related capital expenditure in the Whakatāne Ward	184	7	(90)	102	5	-	106
Subdivision Contributions-Ōhope	General Council	To fund growth related capital expenditure in the Ōhope Ward	38	2	-	41	2	-	43
Subdivision Contributions-Edgecumbe	General Council	To fund growth related capital expenditure in the Edgecumbe Ward	22	1	-	23	1	-	24
Subdivision Contributions-Matatā	General Council	To fund growth related capital expenditure in the Matatā Ward	19	1	-	20	1	-	21
Subdivision Contributions-Murupara	General Council	To fund growth related capital expenditure in the Murupara Ward	5	-	-	6	-	-	6
Subdivision Contributions-Rural	General Council	To fund growth related capital expenditure in the Rural Ward	28	1	(7)	23	1	(12)	12
Harbour Capital Fund	Ports and Harbour	For Ports and Harbour Operating Surpluses or Deficits	5,500	2,481	(1,870)	6,111	2,407	(2,015)	6,503
Harbour Land Sales	Ports and Harbour	Funds set aside from the sale of Harbour Assets	9,852	507	-	10,359	1,034	-	11,392
Total Restricted Reserves			17,210	4,842	(3,013)	19,038	3,742	(2,502)	20,277
Total Reserves			31,809	19,391	(5,381)	36,892	18,463	(19,172)	36,183

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 2016 \$000	WHAKATĀNE AIRPORT JOINT VENTURE	ACTUAL 2017 \$000
339	Current Assets	582
1,501	Non-current Assets	1,724
755	Current Liabilities	952
-	Non-current Liabilities	-
328	Revenue	183
358	Expenses	384
-	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 2016 \$000		ACTUAL 2017 \$000
(4,409)	Surplus/(Deficit)	4,041
	Add/(Less) Non-cash Items	-
14,533	Depreciation and Amortisation Expense	14,090
765	Bad Debts and remissions	-
13	Movement in provisions	-
1,278	(Gains)/Losses on Revaluation - Investment Property	(1,894)
	(Gains)/Losses on Revaluation - Derivative Financial Instruments	(1,579)
16,589	Total Non-cash Items	10,617
	Add/(Less) Items Classified as Investing or Financing Activities	
1,982	(Gains)/Losses on Disposal of Property, Plant and Equipment	691
1,982	Total Items Classified as Investing or Financing Activities	691
	Add/(Less) Movements in other Working Capital Items	
351	(Increase)/Decrease in Receivables	(5,054)
(118)	(Increase)/Decrease in Prepayments	(30)
(15)	(Increase)/Decrease in Inventory	(102)
508	Increase/(Decrease) in Payables	7,178
709	Increase/(Decrease) in Provisions	(855)
(571)	Increase/(Decrease) in Employment Entitlements	355
-	Increase/(Decrease) in Deferred Tax	(25)
-	(Increase)/Decrease in Receivables	(981)
864	Net Movement in Working Capital Items	486
15,026	Net Cash Inflow/(Outflow) from Operating Activities	15,835

Note 26 - Capital Commitments and Operating Leases

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	Capital Commitments	
531	Roading Network	1,738
1,913	Stormwater	881
	Intangible Assets (Location Services)	
-	Wastewater	631
-	Water System	300
-	Information and Communications Technology	-
2,444	Total Capital Commitments	3,550
Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.		
	Operating Leases as Lessee	
126	Not later than one year	126
178	Later than one year and not later than five years	425
303	Total Non-cancellable Operating Leases	551
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.		
	Operating Leases as Lessor	
1,833	Not later than one year	1,907
6,442	Later than one year and not later than five years	5,821
3,947	Later than five years	4,028
12,222	Total Non Cancellable Operating Leases as Lessor	11,756

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 2016 \$000		ACTUAL 2017 \$000
-	Other Claims	-
-	Total Contingencies	-

Note 27 - Contingencies (continued)

CONTINGENT LIABILITIES

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

Carter Holt Harvey have also indicated potential legal action but at present there is insufficient information to conclude on potential liability and claim quantum, if any. (2016: Nil)

Employment Dispute

There are no employment disputes at 30 June 2017 (2016: 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, until June 2017, provided 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 nine 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 2017, NZLGFA had borrowings totalling \$7.945 billion (2016: \$6.220 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 \$600.00 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 1/9th 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 \$148,392.84 (2016: \$163,219.99).

The Council spent \$5,904.34 with Cheeky Rooster Ltd of which Michael van der Boom, councillor, is a director.

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

No provision has been required for doubtful debts relating to outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

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 \$140,099 (2016: \$101,633) were carried out with the Joint Venture. Funds held by Council on behalf of the Airport total \$898,570 deficit (2016: \$804,981 deficit)

KEY MANAGEMENT PERSONNEL COMPENSATION

	2016 \$000	2017 \$000
Councillors and Mayor		
Remuneration	463	466
Number of elected officials	11	11
Executive Team, including the Chief Executive		
Remuneration	1,310	1,237
Full-time Equivalent Members	6.5	6
Total Key Management Personnel Remuneration	1,773	1,703
Total Full-time Equivalent Personnel	17.5	17

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.

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 \$297,800 (2016: \$295,686) including KiwiSaver, and in addition a benefit of \$12,500 (2016: \$12,500) for a vehicle.

ELECTED REPRESENTATIVES

Elected representatives received the following remuneration:

ACTUAL 2016 \$				ACTUAL 2017 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
MAYOR AND COUNCILLORS						
101,347	-	1,716	Bonne, Tony (Mayor)	104,443	-	4,478
35,250	-	2,665	Iles, Andrew	42,492	-	3,151
28,200	-	900	Jarrett, Scott	28,905	-	1,007
28,200	-	900	Johnston, George	28,905	-	1,030
28,200	-	900	Jukes, Julie	28,905	-	900
35,250	19,973	1,951	Orr, Russell	42,492	15,283 *	1,062
28,200	-	900	Pullar, John	-	-	-
28,200	3,760	900	Sheaff, Dave	-	-	-
28,200	-	7,879	Silcock, Alison	28,905	-	7,095
-	-	-	Tánczos, Nándor	20,280	-	631
39,480	4,640	1,020	Turner, Judy (Deputy Mayor)	51,594	880	900
28,200	4,640	900	Van Beek, Gerard	28,905	880	900
-	-	-	Van der Boom, Michael	20,280	-	1,601
* Russell Orr 2017 Actual includes \$14,182.60 for District Licensing Committee (2016: Nil)						
COMMUNITY BOARD MEMBERS**						
EDGE CUMBE - TARAWERA						
4,800	-	300	Barr Viv	-	-	-
4,800	-	300	Bourk, Graeme	4,920	-	300
4,800	-	300	Byrne, Kris	4,920	-	300
-	-	-	Clark, Alison	3,452	-	210
4,800	-	300	Dennis, Gavin	4,920	-	300
4,800	-	300	Harvey, Evan	4,920	-	300
9,600	-	300	Richards, Vicki	-	-	-
-	-	-	Stevenson, Charelle	6,535	-	210
TĀNEATUA						
3,700	-	300	Chater, Geoffrey	3,793	-	300
3,700	-	300	Knowles, Les	3,793	-	300
3,700	-	343	Kyle, David	-	-	-
3,700	-	300	Meihana-Tait, Basil	-	-	-

Note 29 - Remuneration (continued)

ACTUAL 2016 \$				ACTUAL 2017 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
-	-	-	Ratu, Te Whata (Hohepa-Mclean)	1,332	-	100
-	-	-	Robert, Michael	2,661	-	796
3,700	-	300	Ruiterman, Luke	3,793	-	300
7,400	-	300	Yalden, Diane	7,452	-	300
WHAKATĀNE AND ŌHOPE						
-	-	-	Boreham, Kay	5,771	-	210
7,200	-	477	Casey, Gerard	7,973	-	581
-	-	-	Chambers, Christine	11,048	-	210
5,300	-	300	Chambers, George	-	-	-
5,300	-	300	Delahunty, Neville	7,392	-	300
7,478	-	300	Hall, Tony	-	-	-
-	-	-	Hamill, Carolyn	5,085	-	185
2,150	-	150	Hanna Moira	6,186	-	636
-	-	-	Inman, Mark	5,085	-	185
3,600	-	300	Jenkins, Bruce	923	-	90
3,600	-	300	King, Mike	-	-	-
5,300	-	300	Lander, Peter	-	-	-
5,300	-	1,206	Langdon, Jody	-	-	-
1,200	-	100	Lovelock, Hugh	-	-	-
-	-	-	Manning, Jennifer	5,771	-	358
3,600	-	853	Napier, Steve	-	-	-
8,306	-	350	Naude, Mike	-	-	-
3,600	-	-	Tolley, Allan	-	-	-
MURUPARA***						
-	-	-	Hynes, Ormond	2,661	-	368
-	-	-	Jenkins, Bruce	2,840	-	210
3,700	-	461	Jenner, Memorie	3,793	-	457
3,700	-	300	McCarthy, Patrick	-	-	-
3,700	-	300	Meihana, Carolyn	-	-	-
3,700	-	427	Rangiwai, Byron	3,793	-	300
3,700	-	300	Te Amo, Jackie	3,793	-	300
7,400	-	300	Te Kurapa, Jacob	-	-	-
556,061	33,013	31,299	Total Elected Representatives' Remuneration	550,711	2,860	30,865

** Community Board members listed on this table differ from those on page 5, due to changes in membership over the 2016/17 year as a result of by-elections. Page 5 lists Community Board members as at 30 June 2017 only, whereas this table includes all payments made to Community Board members over the 2016/17 year.

*** While she was a member of the Murupara Community Board as at 30 June 2017, Te Waiti Virginia Rangiwai is not listed on this table due to the timing of remuneration payments.

Note 29 - Remuneration (continued)

COUNCIL EMPLOYEES

	2016	2017
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	150	174
\$60,000 - \$79,999	37	41
\$80,000 - \$99,999	24	26
\$100,000 - \$119,999	8	10
\$120,000 - \$139,999	8	9
\$140,000 - \$299,999	4	5
\$300,000 - \$319,999	1	1
Total Employees	232	266

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

At balance date, the Council employed 176 (2016: 145) full time employees, with the balance of staff representing 50.44 (2016: 41.79) 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 2017 Whakatāne District Council made a \$24,383.34 severance payment to one employee. (2016: One payment of \$10,000).

Note 31 - Events After Balance Date

There were no significant events after balance date (2016: nil).

Note 32a - Financial Instrument Categories

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

ACTUAL 2016 \$000		ACTUAL 2017 \$000
	FINANCIAL ASSETS	
	Fair Value Through Surplus or deficit	
	Financial Instruments	
-	Derivative Financial Instrument Assets	-
	Loans and Receivables	
1,651	Cash and Cash Equivalents	2,557
8,401	Receivables	9,624
10,052	Total Loans and Receivables	12,181
	Fair Value Through Other Comprehensive Revenue and Expense	
	Other Financial Assets:	
50	NZ Local Government Insurance Corporation Limited	50
9	BoP LASS Ltd	9
548	NZ Local Government Funding Agency	644
607	Total Fair Value Through Comprehensive Revenue and Expense	703
	FINANCIAL LIABILITIES	
	Fair Value Through Surplus or deficit	
	Financial Instruments	
4,574	Derivative Financial Instrument Liabilities	2,994
	Financial Liabilities at Amortised Cost	
10,459	Payables	14,480
39,300	Borrowings - Secured Loans	47,500
49,759	Total Financial Liabilities at Amortised Cost	61,980

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			
2016				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
Local Authority Stock	9	-	9	-
Shares	150	-	150	-
Borrower Notes	448	-	448	-
FINANCIAL LIABILITIES				
Derivatives	4,574	-	4,574	-
2017				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
Local Authority Stock	9	-	9	-
Shares	150	-	150	-
Borrower Notes	544	-	544	-
FINANCIAL LIABILITIES				
Derivatives	2,994	-	2,994	-

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:

2016 \$000	MAXIMUM EXPOSURE TO CREDIT RISK	2017 \$000
1,651	Cash at Bank and Term Deposits	2,557
8,401	Trade and Other Receivables	9,624
-	Derivative Financial Instrument Assets	-
448	Local Authority and Government Stock	544
(4,574)	Derivative Financial Instrument Liabilities	(2,994)
5,926	Total Credit Risk	9,731

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:

2016 \$000			2017 \$000
	COUNTERPARTIES WITH CREDIT RATINGS		
1,651	Cash at Bank and Term Deposits	AA-	2,557
1,651	Total Cash at Bank and Term Deposits		2,557
	Local Authority Stock and Government Bonds		
50	NZ Local Government Insurance Corporation Limited	B+	50
548	NZ Local Government Funding Agency	AA+	644
598	Total Local Authority Stock and Government Bonds		694
-	Derivative Financial Instrument Assets	AA-	-
-	Total Derivative Financial Instrument Assets		-
	COUNTERPARTIES WITHOUT CREDIT RATINGS		
9	Bay of Plenty Local Authority Shared Services Limited		9
9	Bay of Plenty Local Authority Shared Services Limited		9

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					
COUNCIL 2017						
Trade and Other Payables	14,480	14,480	14,480	-	-	-
Secured Loans	47,500	47,500	6,000	11,500	13,000	17,000
Financial Derivatives	2,994	2,994	-	124	1,060	1,810
Total	64,974	64,974	20,480	11,624	14,060	18,810
COUNCIL 2016						
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
Total	54,333	55,122	17,451	278	17,529	19,864

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					
COUNCIL 2017						
Cash and Cash Equivalents	2,557	2,557	2,557	-	-	-
Receivables	9,624	9,624	9,624	-	-	-
Net Settled Derivative Assets	-	-	-	-	-	-
Other Financial Assets:						
Local Authority and Government Stock	544	544	-	144	128	272
Total	13,029	13,029	12,485	144	128	272
COUNCIL 2016						
Cash and Cash Equivalents	1,651	1,651	1,651	-	-	-
Receivables	8,401	8,401	8,401	-	-	-
Net Settled Derivative Assets	-	-	-	-	-	-
OTHER FINANCIAL ASSETS:						
Local Authority and Government Stock	448	448	-	-	272	176
Total	10,500	10,500	10,052	-	272	176

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.

	2017 \$'000				2016 \$'000			
	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY
FINANCIAL ASSETS								
Cash and Cash Equivalents	26	-	(26)	-	17	-	(17)	-
Derivatives - Interest Rate Swaps	-	-	-	-	-	-	-	-
Financial Instruments	-	-	-	-	-	-	-	-
<i>Other Financial Assets:</i>								
- Local Authority and Government Stock	7	-	(7)	-	6	-	(6)	-
FINANCIAL LIABILITIES								
Derivatives - Interest Rate Swaps	(5,031)	-	(1,105)	-	(6,577)	-	(2,709)	-
Borrowings:								
- Bank Overdraft	-	-	-	-	-	-	-	-
- Debt	415	-	(415)	-	360	-	(360)	-
Total Sensitivity to Interest Rate Risk	(4,583)	-	(1,553)	-	(6,194)	-	(3,092)	-

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 (2016: -100bps/+100bps). Derivative financial liabilities not hedge accounted include interest rate swaps with a fair value totalling minus \$2,994,000 (2016: minus \$4,573,000). A movement in interest rates of plus or minus 1.0% has an effect on the swap value of minus \$1,105,000 (2016: minus \$2,709,000) and minus \$5,031,000 (2016: minus \$6,577,000).

Local Authority Stock

A total of \$58,000 (2016: \$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 (2016: \$580) on the fair value through equity reserve.

Secured Loans (Floating)

The Council has floating rate debt with a principal amount totalling \$41.5 million (2016: \$36 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$415,000 (2016: \$360,000). 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 2016-17 Annual Plan are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The surplus before tax of \$4.016 million is \$2.396 million lower than the budgeted surplus of \$6.412 million in the 2016-17 Annual Plan. The variance is attributable to the following factors:

Revenue

(\$5.5 million 8.4% more than budget)

- Other revenue was \$3.456 million more than budget. This is mainly representative of accrued flood recoveries.
- Gains were \$3.276 million above the anticipated budget. This was due to Financial Derivatives liability decreasing by \$1.6 million (following a valuation), revaluations on Investment property of \$1.894 million and a gain on disposal of assets of \$249,000
- Fees and charges are \$563,000 less than budgeted as a result of less than forecast:
 - aquatic centre takings (\$42,000)
 - berthage fees (\$38,000)
 - landing fees (\$50,000)
 - licenses (\$23,000)
 - connection fees (\$17,000)
 - and other miscellaneous charges
- Rates were \$894,000 less than budgeted with \$229,000 more remissions being granted than budget (up nearly \$300,000 from the previous year). The extra remissions were water leak and flood related.

Expenditure

(\$7.9 million 13% higher than budget)

- Personnel costs were \$1.5 million higher than budget. Full time equivalent employee numbers moved from 232 to 266 in 2017. Grounds services were brought in-house with extra staff being employed in this service. Extra staff were also employed to administer the many recovery services provided in the wake of the flood.
- Depreciation was \$1 million under budget due to less capital projects being completed, capitalised and depreciated.
- Finance costs were \$1million lower than budget owing to external borrowing being \$3.2 million lower than forecast in the 2016-17 Annual Plan. This related to less capital expenditure being completed than was forecast.
- Other Expenses were above budget by \$8.4 million. This was predominantly due to flood costs, the most significant variance was in roading contracts with a variance of \$5 million, followed by civil defence related contracts with a variance of \$2.4 million. The largest of the flood and civil defence related expenses was waste disposal.

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 surplus of \$17.4 million, which is the net of the surplus after tax of \$4.04 million and a net gain on revaluation of \$13.36 million. The remaining movement of \$2 million is a result of decreases in restricted reserves and council created reserves.

STATEMENT OF FINANCIAL POSITION

The Net Assets variance to budget was a negligible 1 % (\$6.3 million) less than budgeted in the 2016-17 Annual Plan. However, within that variance was \$11.3 million higher than budgeted liabilities with an offset \$5 million higher in assets:

Total Assets

(\$5 million 0.7 % more than budget)

- Receivables exceeded budget by \$4.4 million. In the main, this was reflecting income accrued on flood funding expected from both central government and insurance.
- Non current assets held for sale had a variance of \$9.7 million over budget but this was mostly offset by an under budget variance in investment property of \$9.1 million (effectively the budget for all this property was put against the investment property category resulting in an over budget variance in one and an under budget variance in the other). There was also a \$1.9 million gain on revaluation in these asset categories.
- Infrastructural Assets were \$17 million less than the 2016 Annual Plan budget due to delays in completing projects. Some of this delay can be attributed to flood work taking priority from April 2017 onwards. This is further reflected in the increase of \$11.7 million against budget in the Work in Progress category.
- Property, plant and equipment was 2% over budget at a variance of \$1.7 million. The main contributor to this variance was a comprehensive revaluation of all all operational land and buildings that resulted in a \$2.6 million revaluation gain.

Total Liabilities

(\$11.2 million 18.8% more than budget)

- Payables exceeded budget by \$8 million. This reflects the ongoing increased costs associated with the flood event. The variance also includes \$1.4 million income in advance for the Museum Redevelopment Project.
- External borrowings were \$3.2 million higher than budget owing to financing flood costs until claims could be settled with the Ministry of Civil Defence and various insurance companies.
- Financial Derivatives was up \$338,000 on budget despite decreasing by \$1.6 million from the previous year. The unpredictability of interest rates has affected the accurate forecasting of this.

STATEMENT OF CASHFLOWS

- There was a positive variance of cash held compared to budget of \$911,000 .
- Net Cashflows from operating activities were \$6.8 million less than budget, spending more (\$1.2 million) and receiving less income (\$5.6 million). This reflects some of the extra expenditure incurred due to the flood event and that much of the funding and grants (income) was accrued but not received at balance date.
 - Receipts from rates revenue was under budget by \$3.9 million. Part of the budget set for rates is expected to be generated by council activities to offset rates (District Funds Applied). For the 2017 year, this amounted to \$1.4 million. Contributors to the variance were also postponed rates for flood stricken ratepayers (approximately \$229,000), water leak remissions of \$270,000 and an increase in aged ratepayer debtors which added \$422,000 to doubtful debts.
 - Payments to suppliers and employers was over budget by \$4.7 million due to extra operational expenditure incurred with the flood event.
- Net cashflows from investing activities were \$1 million less than budget with capital purchase cashflows under by \$.28 million and sales over by \$.86 million.
- Financing activities were over by \$5.6 million reflecting the extra loans raised to cover the increased costs from the flooding until civil defence and insurance claims were finalised.

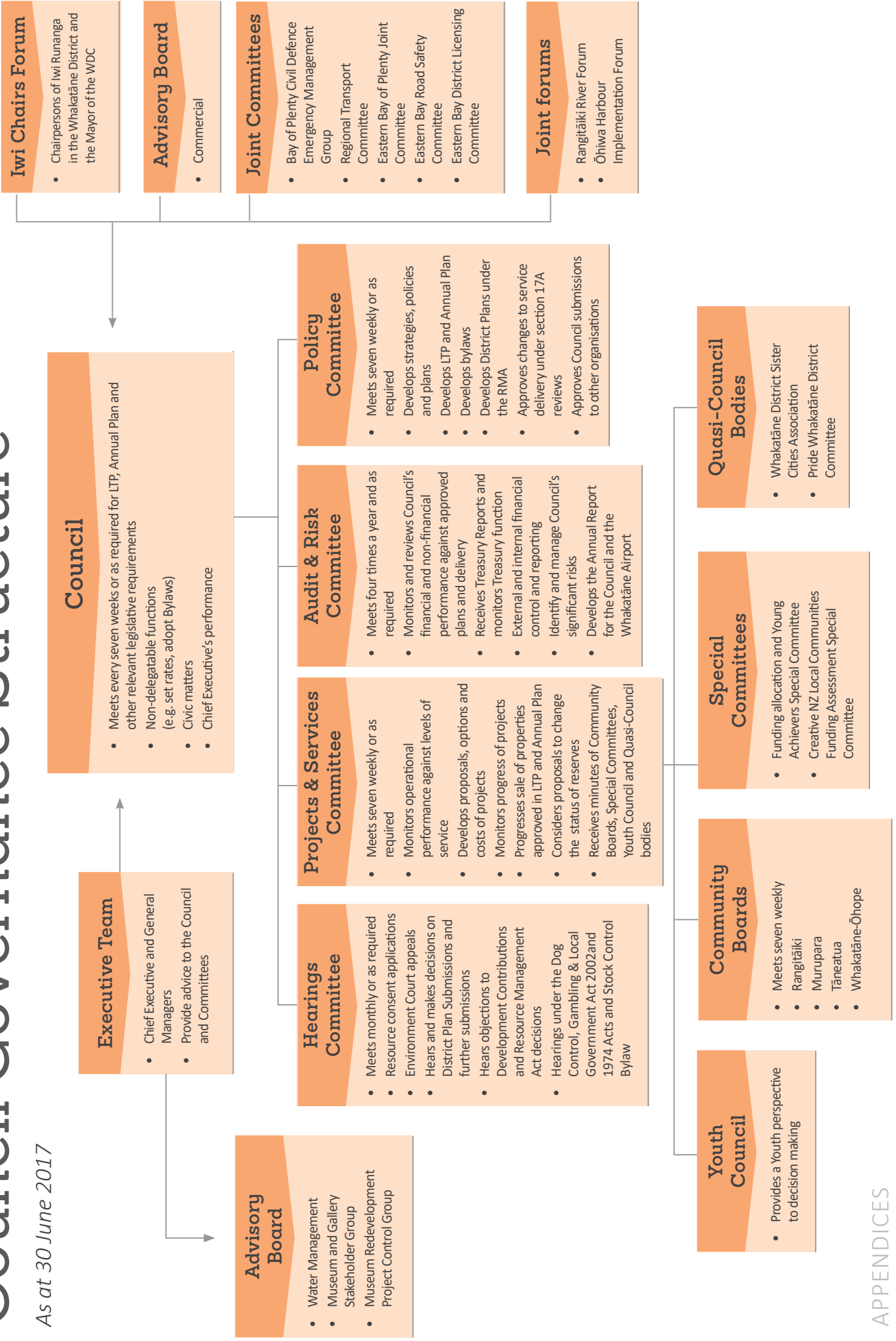


APPENDICES

Ngā Tāpiritanga

Council Governance Structure

As at 30 June 2017



Membership of Standing Committees

As at 30 June 2017

The following committee structure was established in October 2016 following the local authority elections and will be in place until the end of the triennium (October 2019). Dates, agendas, and minutes for Committee meetings can be found on our website, whakatane.govt.nz.

PROJECTS & SERVICES COMMITTEE

Councillor Andrew Iles (Chairperson)

Mayor Tony Bonne

Deputy Mayor Judy Turner

Councillor Gerard van Beek

Councillor Scott Jarrett

Councillor George Johnston

Councillor Julie Jukes

Councillor Russell Orr

Councillor Alison Silcock

Councillor Nándor Tánczos

Councillor Mike van der Boom

AUDIT & RISK COMMITTEE

Mayor Tony Bonne (Chairperson)

Councillor Julie Jukes (Deputy Chairperson)

Deputy Mayor Judy Turner

Councillor Andrew Iles

Councillor Scott Jarrett

Councillor George Johnston

Councillor Russell Orr

Councillor Alison Silcock

Councillor Nándor Tánczos

Councillor Gerard van Beek

Councillor Mike van der Boom

Mr C Leonard

POLICY COMMITTEE

Deputy Mayor Judy Turner (Chairperson)

Mayor Tony Bonne (Deputy Chairperson)

Councillor Andrew Iles

Councillor Scott Jarrett

Councillor George Johnston

Councillor Julie Jukes

Councillor Russell Orr

Councillor Alison Silcock

Councillor Nándor Tánczos

Councillor Gerard van Beek

Councillor Mike van der Boom

HEARINGS COMMITTEE

Councillor Russell Orr (Chairperson)

Deputy Mayor Judy Turner (Deputy Chairperson)

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.

The Youth Council 2016/17 was made up of 16 active members from Edgecumbe, Te Teko, Tāneatua, Ōhope and Whakatāne. Over the year, the group completed various team building activities, designed their own t-shirt to be worn at events and activities, held weekly meetings, and planned the Glo Rush event (see the Community Development section on page 102 for more information). Facebook has been the main way that the group has engaged with other young people, and public views of the Whakatāne Youth Council Facebook page have increased from 230 to 1,730.

Youth Council activities over 2016/17 have included:

- Input into a Whakatāne Ki Mua workshop on 10 May 2017
- Engaging with local youth at the Edgecumbe Oho Ake concert on 28 May 2017
- An information seminar with Councillor Nándor Tánzos and Labour Party representatives on 26 May 2017
 - Assisting local police with a community liquor control activity
 - Assisting with a Blue Light school holiday programme “the Amazing Race”
 - Planning long-term goals and effective engagement with youth to achieve the goals
 - A team building day to strengthen their bond and learn more about working together effectively to deliver events

Members of the Youth Council for the 2016/17 year were:

Jack Nelson
(Chairperson)

Georgia Mellisop
(Vice Chairperson)

Courtney Wilson
(Secretary)

Tayla John

Kailia Lee

Sophie Butler

Anna Manning

William Burke

Hannah van der Horst

Bryant McIntyre

Blake Fortune

Ollie Dobbin

Romy van der Boom

Nicholas Jones

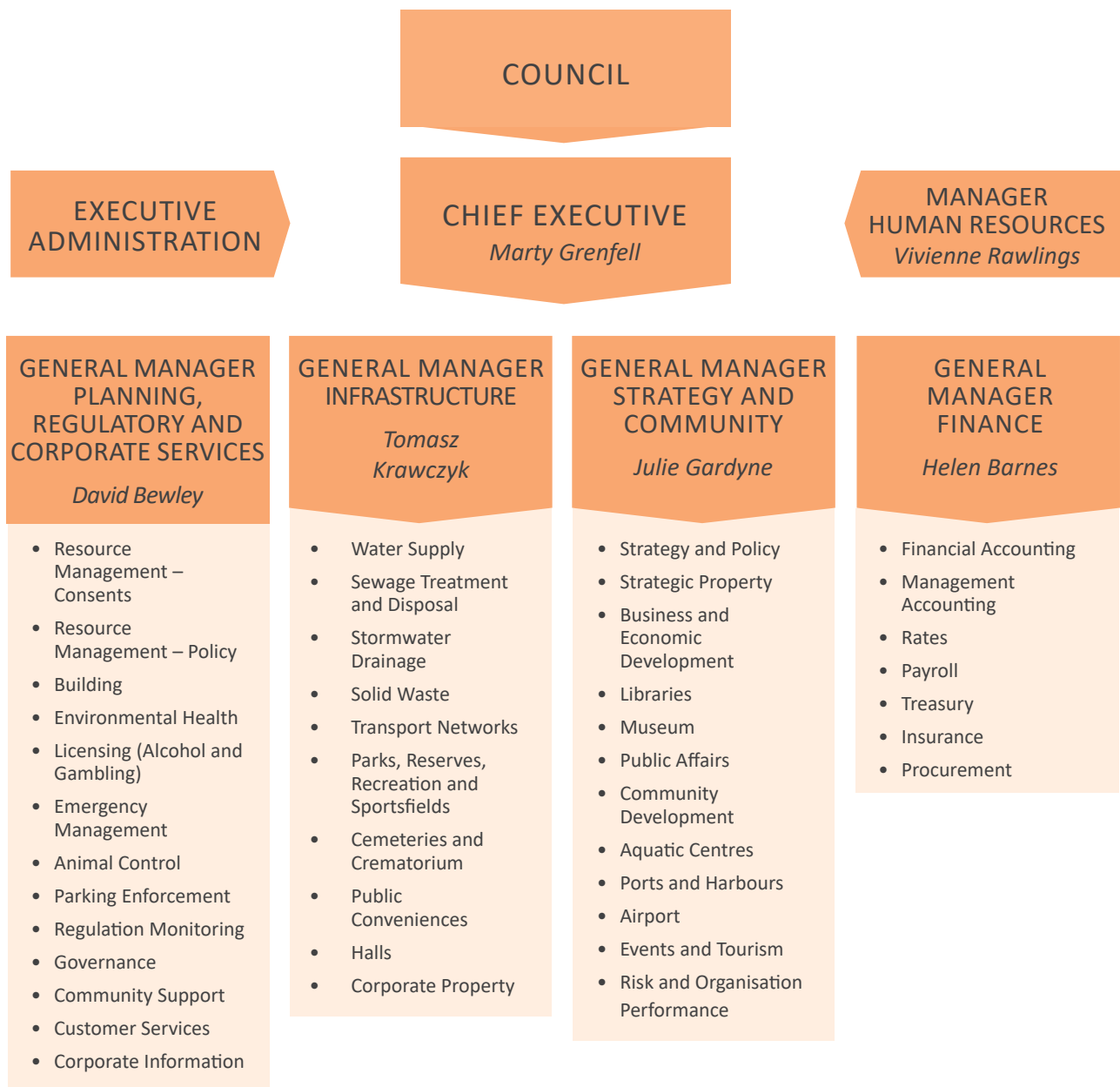
Liam Murfitt



Council Organisational Structure

As at 30 June 2017

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



As a result of the flood events in April 2017, the General Manager Strategy and Community was seconded to manage the Flood Recovery Office. As a result, her areas of responsibility were reallocated to the rest of the Executive Team in April 2017. Corporate Planning, Strategic Initiatives/Organisation Priorities, Policy Development, Public Affairs, and Community Development were added to the General Manager Planning, Regulatory and Corporate Services' portfolio. Strategic Property, Organisation Performance/Risk Management, Internal Audit, Business Services, Economic Development, Recreation Programmes, and Aquatics were added to the General Manager Human Resources' portfolio. Museum and Arts and Libraries were added to the General Manager Finance's portfolio.

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.

FTE staff numbers (including vacancies) over the last five years are compared below:

YEAR	FTE STAFF NUMBERS AS AT 30 JUNE
2012	170.8
2013	176.5
2014	179.7
2015	180.8
2016	187.6
2017	214

**These figures do not include casuals and therefore do not align with Note 29. The figures do include fixed term employees.*

As at 30 June 2017 our organisation included 214 full time equivalent (FTE) staff. There were also 7.7 FTE vacancies at the time. This is a significant increase on FTE staff numbers in previous years, and is due to 8 new FTE equivalent roles resulting from mowing and vegetation being brought back in house in 2016/17, and 14.5 FTE equivalent roles which are fixed term employees as a direct result of the flood recovery project.

WE ARE RESPONSIBLE TO THE COMMUNITY AND MUST MAINTAIN OUR INTEGRITY AND 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 has 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 2016/17 year we had no notifiable incidents involving employees. There was one contractor notifiable incident which was reportable to WorkSafe New Zealand by the contractor.



Statement of Compliance

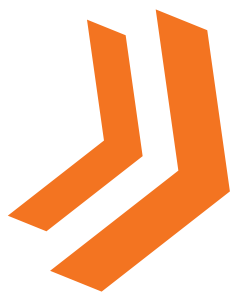
COMPLIANCE

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
31 October 2017

Marty Grenfell
CHIEF EXECUTIVE
31 October 2017





Audit Report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Whakatāne District Council's annual report for the year ended 30 June 2017

The Auditor-General is the auditor of Whakatāne District Council (District Council). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2017. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 125 to 180:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2017;
 - 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 in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 34, 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 annual plan;
- the Service Performance results on pages 29 to 110:

- presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2017, 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
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 29 to 110, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Long-term plan; and
- the funding impact statement for each group of activities on pages 29 to 110, 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.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 117 to 124, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Basis for opinion on the audited information

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the “Responsibilities of the auditor for the audited information” section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

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 enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Service Performance results, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 28 and 181 to 186, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit which includes our report on the disclosure requirements, we have carried out engagements 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

YOUR COUNCIL

Tōu Kaunihera -ā-Rohe

MAYOR

Tony Bonne

P. 07 312 4787

M. 027 440 1126

tony.bonne@whakatane.govt.nz



Tāneatua- Waimana Ward



COUNCILLOR

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WHAKATĀNE
District Council
Kia Whakatāne au i ahau