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Whakatāne Airport Statement of Intent 2022/23





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Introduction

The Whakatāne Airport is a Council-Controlled Organisation (CCO) under the Local Government Act 2002. It was formed as a CCO in 2006. The Whakatāne Airport is a valued community asset, which contributes to residents' quality of life and is considered crucial to the economic well-being of the Whakatāne District and wider Eastern Bay. It provides an important transportation link for all communities across the Eastern Bay of Plenty to other parts of the country.

This Statement of Intent is submitted by the Whakatāne District Council in accordance with section 64 of the Local Government Act 2002. It sets the overall intentions and objectives of the Joint Venture for the period 1 July 2022 to 30 June 2023.

Planning for an aerodrome at Whakatāne was initiated by the Whakatāne County and Borough Council's in 1944, but it was not until 1960 that it was officially opened. A sealed airstrip was completed a few years later in 1962 to provide adequate services for the larger DC3 aircraft.

The Airport is currently operated under a Joint Venture Agreement which was established between the Whakatāne District Council and the New Zealand Government under the Airport Authorities Act (1966). The Joint Venture is deemed to be a company under the Income Tax Act (2004).

Air Chathams is the commercial flight service provider for the Whakatāne Airport and they provide regular daily return services to and from Auckland. The Airport operations are managed under a service delivery contract with JNP Aviation Services Ltd.

Passenger demand and regular airport operations have been significantly affected by COVID-19 and Whakaari/White Island eruption, which occurred in December 2019. The effect of both of these situations continue to have flow-on effects as we look to rebuild passenger numbers. It is anticipated that the impacts of these events will continue over the coming year.

This has in turn impacted the income received from the airport in 2021/22 and continues to impact revenue projections in this Statement of Intent for 2022/23.

2. OBJECTIVES

Whakatāne Airport's primary objectives

- The Whakatāne Airport is a Council-controlled organisation (CCO) under the Local Government Act 2002. It was formed as a CCO in 2006. The Whakatāne Airport is a valued community asset, which contributes to residents' quality of life and is considered crucial to the economic well-being of, not only the Whakatāne district, but also the wider Eastern Bay region, as it provides an important transportation link for all communities across the Eastern Bay of Plenty to other parts of the country.
- This Statement of Intent is submitted by the Whakatāne District Council in accordance with section 64 of the Local Government Act 2002. It sets the overall intentions and objectives of the Joint Venture for the period 1 July 2022 to 30 June 2023.
- Planning for an aerodrome at Whakatāne was initiated by the Whakatāne County and Borough Council's in 1944, but it was not until 1960 that it was officially opened. A sealed airstrip was completed a few years later in 1962 to provide adequate services for the larger DC3 aircraft. Today, daily scheduled services are provided to and from Auckland.
- The Airport is currently operated under a Joint Venture agreement which was established between the Whakatāne District Council and the New Zealand Government under the Airport Authorities Act (1966). The Joint Venture is deemed to be a company under the Income Tax Act (2004).
- Air Chathams is the commercial flight service provider for the Whakatāne Airport and they provide regular daily return services to and from Auckland. The Airport operations are managed under a service delivery contract with JNP Aviation Services Ltd.
- Passenger demand and regular Airport operations were significantly affected by the Whakaari / White Island eruption, which occurred in December 2019. Subsequent to that, on 25 March 2020, the New Zealand Government declared a State of National Emergency due to the outbreak of a coronavirus (COVID-19). The country went into lockdown at Alert Level 4 from 26 March 2020 and has been in varying alert levels since that time. The effect of both Whakaari and COVID-19 continues to have flow-on affects as we work to rebuild passenger numbers. It is anticipated that the impacts of these events will continue over the coming year.
- COVID-19 has affected the ability of Air Chathams to operate daily flights to Whakatāne during escalated COVID-19 National Alert Levels. These events also lowered passenger demand for flights into Whakatāne. It is anticipated that these events will continue to have an effect on passenger numbers over the coming year. This has in turn impacted the income received from the Airport in 2021/22 and continues to impact revenue projections in this statement of intent for 2022/23.

3. GOVERNANCE

The Joint Venture parties have different responsibilities for the governance of Whakatāne Airport. The Council manages the day-to-day operation of the Airport. The Crown has an ownership interest, a monitoring role, and shares pre-approved commercial and capital costs associated with the Airport.

4. NATURE AND SCOPE OF ACTIVITIES

The Airport provides a range of services, both aeronautical and non-aeronautical. Aeronautical services are those that directly assist in the take-off and landing of aircraft. Non-aeronautical are all other activities.

4.1 Aeronautical services

Primarily these relate to physical assets and the services around ensuring their collective safety and fitness for purpose.

Runways, taxiways and aprons

The runway, taxiways and aprons are adequate to meet the take-off and landing requirements of Air Chathams; as well as other commercial and recreational operators.

The 2021/22 planned upgrade of the Whakatāne Airport's visual approach slope indicator system has been rescheduled for this financial period, which will support the safety of regular passenger transport operations. This upgrade is dependant on the return and increase of passenger numbers to support the proposed introduction by Air Chathams of a 32 seat SAAB 340 aircraft.

Grass runway

The existing grass runway is expected to be adequate to meet the current and future needs of both resident and visiting light fixed wing aircraft (which are also capable of using the sealed runway). The limitation of the grass runway is that it does not have the required separation from the main sealed runway to permit simultaneous operation of both runways.

Aircraft parking

The sealed apron space is directly in front of the terminal and is used primarily by scheduled services. The apron can accommodate two aircraft the size of a Saab 340. Informal picketing is also available for light aircraft on the grassed area adjacent and to the west of the apron floodlighting is provided on the terminal apron.

Approach services

There are a range of runway infrastructure in place providing approach guidance. This includes runway perimeter lights, windsocks, emergency power supply, Pilot Activated Lighting system (PAL) and Abbreviated Precision Approach Path Indicator (A-PAPI) lights. Runway perimeter lights, apron and hold point lights were upgraded in 2018.

Fuel services

There is adequate storage facilities for both Avgas (aviation gasoline) and Jet-A1 fuel provided by BP Oil NZ Ltd and Airfuels Ltd.

4.2 Non-aeronautical services

Non-aeronautical services are services that support activities on the aerodrome.

Terminal facilities

The terminal building has an existing ground floor area of 249 m². There is provision for one primary airline check-in facility, and this is currently leased to Air Chathams. Additional CCTV cameras were installed in 2018 to improve both onsite security and operational efficiencies.

In May 2019 Pouhere Taonga, Heritage NZ added the terminal building to the New Zealand Heritage List Rārangī Kōrero as a category 1 historic place. In the short term, planned maintenance and building upgrades will be undertaken to meet Pouhere Taonga requirements, however longer term there is a requirement for a larger, more modern and efficient, fit for purpose terminal building to be provided.

Lease of Airport land and buildings

Land surplus to requirements is leased for grazing and some areas of the terminal building are also leased to people associated with the industry. Airport land is also available to commercial operators for lease.

Car parking services

A large car park is available and free of charge for people to use. There is approximately 80 spaces available including six spaces for rental vehicles.

5. RATIO OF JOINT VENTURE PARTIES FUNDS TO TOTAL ASSETS

- For the year ended 30 June 2021, consolidated shareholders' funds as a ratio to total assets was 0.98. Per the Joint Venture's Annual Report 2021, consolidated funds were \$4.21 million and total assets \$4.29 million.
- The consolidated funds include: Capital, reserve funds and current accounts.
- The minimum equity ratio to total assets will not be less than 0.5 therefore ensuring the Airport authority remains financially viable, unless with agreement by the Joint Venture partners and Council.

6. ACCOUNTING POLICIES

The Statement of Accounting Policies adopted in the preparation of the financial report is attached in Appendix 1.

7. PERFORMANCE TARGETS

7.1 Financial performance measures and targets

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

Financial performance measures and targets provided are based on the flight services at the time of preparing the Statement of Intent.

OPERATIONAL EXPENDITURE	2021/22	2022/23	2023/24	2024/25
	Budget	SOI	LTP (2021-31)	LTP (2021-31)
Income (excluding interest and general rates)	303,930	171,864	199,643	233,767
Expenditure (excluding corporate overheads and depreciation)	805,538	605,092	737,691	751,555
Surplus (Deficit)	(501,608)	(433,228)	(538,048)	(517,788)

Operating costs for the Airport have increased in recent years due to Civil Aviation Authority (CAA) requirements to implement a safety management system, resulting in an increase in contract costs for operational management.

The RESA works have also reduced the area of land available for leasing, reducing lease income.

Income has been revised down compared to the Long-Term Plan 2018/28 projections as the result of COVID-19 and the expected impact on domestic and international air travel passenger numbers.

Expenditure has increased compared to the Long-Term Plan 2018/28 projections and 2020/21 budget due to increased insurance, maintenance and contract costs.

CAPITAL EXPENDITURE	2021/22	2022/23	2023/24	2024/25
	Budget	SOI	LTP (2021-31)	LTP (2021-31)
Runway End Safety Area (RESA)				
Runway Renewals		69,919		69,117
Taxiway & Terminal Apron				54,139
Commercial Lease Taxiway				
Car Park				
Windstock Structures	50,000			
Security gates	20,000			
Airport Terminal Building				
Security Management System				
Runway Lighting Navigation Upgrade	200,000			
Airport Toilet Refurbishment				
Water Supply H&S Upgrades				
TOTAL	270,000	69,919	-	123,256

8. SUSTAINABILITY

The Whakatāne Airport is a key piece of infrastructure for ensuring the continued well-being and resilience of the Whakatāne District. As such, the Council strives to manage the Airport in alignment with our climate change framework. This includes our Climate Change Principles, as well as our recently adopted Climate Change Strategy and Action Plans.

Our contract with JNP aviation includes a 'Green Lease Schedule', which commits both the Council and JNP aviation to a variety of actions, including regular monitoring, sustainable procurement, and the use of sustainable and environmentally friendly

materials.

9. DISTRIBUTIONS TO JOINT VENTURE PARTIES

Appropriations will be made annually to reserves to provide for future renewals and upgrading of facilities. Annual surpluses or deficits will be transferred to a current account. The current account will have an appropriate minimum amount specified to cover short-term operating deficits. If the current account balance exceeds the amount necessary to cover short to medium term operating deficits the joint parties will consider whether a distribution of some of the surplus is warranted. Any distribution to the Joint Venture parties would be in proportion to the respective equity holdings.

10. INFORMATION TO BE SUPPLIED

The following reports will be supplied to the Joint Venture parties within two months after the end of the first half of each financial year (28 February) and within three months of the end of each financial year (30 September):

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Performance Compared to Targets
- Other statements as may be required by legislation or to comply with Generally Accepted Accounting Practice (GAAP)

11. PROCEDURE FOR ACQUISITION OR SALE OF SHARES AND PROPERTY

Before the Joint Venture subscribes for, purchases or acquires shares in any other company, or acquires any interest in any business or property whatsoever, the Joint Venture will shall give at least 21 days' notice to Council and, in turn the Crown, of such proposals prior to the Joint Venture deciding whether or not to proceed.

The Joint Venture shall not proceed to purchase without an ordinary resolution first being completed by Whakatāne District Council and approval from Ministry of Transport (on behalf of the Crown).

12. COMPENSATION

Other than normal business transactions provided to Council there are no activities for which the Joint Venture will be seeking compensation from any local authority.

13. COMMERCIAL VALUE

The Joint Venture partners' estimate of the commercial value of their investments is equal to the net assets of the Joint Venture being \$4.21 million.

14. OTHER MATTERS

- The Joint Venture operates in accordance with the Joint Venture agreement at all times.
- An asset assessment was completed in October 2020 and forms the basis of the current Asset Management Plan for the next 10 years.



APPENDIX ONE

Statement of Accounting Policies

15. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below.

15.1 REPORTING ENTITY

The financial statements are for Whakatāne Airport, which is a 50:50 joint equity venture between the Council and the Crown.

The primary objective of Whakatāne Airport is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Whakatāne Airport has designated itself as a public benefit entity .

15.2 BASIS OF PREPARATION

Whakatāne Airport has adopted accounting practices that comply with New Zealand International Financial Reporting Standards (NZ IFRS), the requirements of the Local Government Act (LGA) and Financial Reporting Act 1993.

As a Public Sector Public Benefit Entity (PS PBE), Whakatāne Airport has elected to report using International Public Sector Accounting Standards for Public Benefit Entities under Tier 3 PBE Standards.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) for reporting earnings and financial position.

Whakatāne Airport has taken advantage of certain exemptions available under NZ IFRS.

The financial statements are presented in New Zealand Dollars (NZD) and all values are rounded to the nearest dollar. Some rounding variances may occur in the finance statements due to the use of decimal places in the underlying financial data. The functional currency of Whakatāne Airport is NZD.

15.3 STATUTORY BASE

Whakatāne Airport is a Council Controlled Organisation (CCO) registered under the Local Government Act 2002. This Act requires compliance with New Zealand Generally Accepted Accounting Practice (GAAP). The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002.

15.4 DIFFERENTIAL REPORTING

The Whakatāne Airport is a qualifying entity within the Framework of Differential Reporting. The Airport is able to apply differential reporting exemptions as it meets the criteria of a differential entity because:

- (a) the Airport is not publicly accountable;
- (b) the Airport is not large.

All differential reporting exemptions have been taken advantage of.

15.5 HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical cost convention. The Whakatāne District Council will continue to provide the necessary support to enable the Whakatāne Airport Joint Venture to pay its liabilities as they fall due, including providing funds through the District Fund Account.

15.6 CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying Whakatāne Airport's accounting policies.

No material estimates were required this accounting period.

15.7 REVENUE RECOGNITION

Revenue comprises the fair value for the sale of goods and services, net of rebates and discounts. All revenue is recognised when earned.

15.8 RENTAL REVENUE

Rental revenue is recognised in the period that it relates to.

15.9 INTEREST INCOME

Interest income is recognised on a time-proportion basis using the effective interest method.

16. INCOME TAX

The Income Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

16.1 GOODS AND SERVICES TAX (GST)

All items in the financial statements are stated exclusive of GST. Commitments and contingencies are disclosed exclusive of GST.

16.2 IMPAIRMENT OF ASSETS

Items of property, plant and equipment and intangible assets with finite useful lives are reviewed at each balance date to determine whether there is any indication that the asset might be impaired. Where such an indication exists, the asset is tested for impairment by comparing its carrying value to its recoverable amount. Intangible assets with indefinite useful lives, intangible assets not yet available for use and goodwill are tested for impairment annually. 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 the assets fair value less costs to sell and its value in use. Where the future economic benefits of the asset are not primarily dependent on its ability to generate net cash inflows, and where Whakatāne Airport would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

16.2 CURRENT ACCOUNT

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Investments held are recorded at cost price. The bank account is held by Whakatāne District Council as part of its General Funds.

16.3 RECEIVABLES

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that Whakatāne Airport will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

16.4 INVESTMENTS AND OTHER FINANCIAL ASSETS

A) 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 arise when Whakatāne Airport provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

B) Property, plant and equipment

Property, plant and equipment consist of operational assets, which include land, buildings, plant and equipment and furniture and fittings. Items of property, plant and equipment are initially recognised at cost, which includes purchase price plus directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

All property, plant and equipment is shown at cost less depreciation and impairment costs. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Whakatāne Airport and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The expected lives, in years, of major classes of fixed assets are as follows:

OPERATIONAL ASSETS:	YEARS	METHOD
Airport Runways, Taxiways and Apron	50	Straight Line
Building	40 - 100	Straight Line
Water Supply	75 - 100	Straight Line
Plant and Equipment	2 - 10	Diminishing Value
Furniture and Fittings	5	Diminishing Value
Fence	10 - 20	Diminishing Value
Terminal site development	70	Straight Line
Signage	10 - 20	Straight Line
Lighting (runway and other)	5 - 10	Diminishing Value
Paths and parking	25 - 50	Straight Line
Automatic sliding doors	5 - 10	Diminishing Value
Electronic security systems	5 - 10	Diminishing Value

The Airport land is vested in the Council under the Reserves Act 1997 for use as an Airport. The Airport holds the land “in substance” and is shown at the value at the date of vesting. Land is not depreciated.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

16.5 INTANGIBLE ASSETS

Acquired computer software and software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to 10 years.

16.6 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to Whakatāne Airport prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Schedule 8 Local Government Act 2002

SCHEDULE 8 STATEMENTS OF INTENT

(cl to cl 10)

ss 64(1) and (4), 65(2)

1 Purpose of statement of intent

The purpose of a statement of intent is to—

- (a) state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute; and
- (b) provide an opportunity for shareholders to influence the direction of the organisation; and
- (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

2 Statements of intent for council-controlled organisations

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

Compare: 1974 No 66 s 594S

3 Completion of statements of intent

The board must—

- (a) consider any comments on the draft statement of intent that are made to it within two months of 1 March by the shareholders or by any of them; and
- (b) deliver the completed statement of intent to the shareholders on or before 30 June each year.

Compare: 1974 No 66 s 594U

4 Modifications of statements by intent by board

The board may, by written notice, modify a statement of intent at any time if the board has first—

- (a) given written notice to the shareholders of the proposed modification; and
- (b) considered any comments made on the proposed modification by the shareholders or by any of them within—
 - (i) 1 month after date on which the notice under paragraph (a) was given; or
 - (ii) any shorter period that the shareholders may agree.

Compare: 1974 No 66 s 594V(1)

5 Modifications of statements of intent by resolution of shareholders

- (1) Despite any other provision of the Act or of the constitution of any council-controlled organisation, the shareholders of a council-controlled organisation may, by resolution, require the board to modify the statement of intent by including or omitting any provision or provisions of the kind referred to in clause 9(1)(a) to (i), and any board to whom notice of the resolution is given must comply with the resolution.
- (2) Before giving notice of the resolution to the board, the shareholders must consult the board concerned as to the matters to be referred to in the notice.

Compare: 1974 No 66 s 594V(2)

6 Statement of intent required if exemption granted under section 7 revoked

If an exemption granted under section 7 is revoked, the council-controlled organisation must—

- (a) if there is more than six months remaining in the financial year, prepare a statement of intent for the following financial year.
- (b) if there is not more than six months remaining in the financial year, prepare a statement of intent for the following financial year.

7 Obligation to make statements of intent available

A completed statement of intent and each modification that is adopted to a statement of intent must be made available to the public by the board within one month after the date on which it is delivered to the shareholders or adopted, as the case may be.

Compare: 1974 No 66 s 594W

8 Savings of certain transactions

A failure by a council-controlled organisation to comply with any provision of this schedule or with any provision in a statement of intent does not affect the validity or enforceability of any deed, agreement, right, or obligation entered into, obtained, or incurred by that organisation.

Compare: 1974 No 66 s 594Y

9 Contents of statements of intent

- (1) Statement of intent must, to the extent that is appropriate given the organisational form of the the council-controlled organisation, specify for the group comprising the council-controlled organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required by clause 3(b) to be delivered and each of the immediately following two financial years, the following information:
 - (a) Objectives of the group; and
 - (b) a statement of the board's approach to the governance of the group; and
 - (c) the nature and scope of the activities to be undertaken by the group; and
 - (d) the ratio of consolidated shareholders' funds to total assets, and the definition of those terms; and
 - (e) the accounting policies of the group; and
 - (f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
 - (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
 - (h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and
 - (i) the procedures to be followed before any member or the group subscribers for, purchases, or otherwise acquires shares in any company or other organisation; and
 - (j) any activities for which the board seeks compensation from any locals authority (whether or not the local authority has agreed to provide the compensation); and
 - (k) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
 - (l) any other matters that are agreed by the shareholders and the board.
- (2) If a council-controlled organisation undertaken to obtain or has obtained compensation from it shareholders in respect of any activity, this undertaking or the amount of compensation must be recorded in—
 - (a) the annual report of the council-controlled organisation; and
 - (b) the annual report of the local authority.
- (3) Any financial information, including (but not limited to) forecast financial information, must be prepared in accordance with generally accepted accounting practice.

Compare: 1974 No 66 s 594T

[10 Additional content of statements of intent

- (1) This clause applies to council-controlled organisations that provides services in relation to the following groups of activities:
 - (a) water supply;
 - (b) sewerage and the treatment and disposal of sewage;
 - (c) stormwater drainage;
 - (d) flood protection and control works;
 - (e) the provision of roads and footpaths.

- (2) The council-controlled organisation’s statement of intent must, in relation to each group of activities described in subclause (1), included a statement of the intended levels of service provision that complies with clause 4(a) and (c) of Schedule 10 as if—
 - (a) the reference to a long-term plan were a reference to the statement of intent; and
 - (b) the reference to a local authority were a reference to a council-controlled organisation.]

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