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Whakatane District Council

BYWAYS

Summary Annual Report 2008/09

NOVEMBER 2009

Council in good shape for the future

Welcome to this snapshot of the Whakatane District Council's activities for the year 1 July 2008 to 30 June 2009. The following pages present information about our achievements and performance during the year. This includes a selection of highlights for each of the Council's activities, including levels of service provided, and a summary of our financial performance for the year. The Annual Report is our way of being accountable to you. It sets out what we have achieved over the past year, comparing our achievements and progress in the year to what we planned to achieve as set out in the 2008/09 Annual Plan. This summary has been extracted from our full Annual Report which provides detailed information about our finances and service performance.

This summary Annual Report was authorised for issue by the Chief Executive and Mayor on 17 November 2009.

The 2008/09 year has been challenging for the Council. One in which media headlines have been dominated by the worst global recession since the 1930's. At a local level the Council has had to come to terms with the subsequent implications on expenditure and priorities. Alongside this, the past year has also seen a change of central government and with it, changes to policies and priorities that impact on the local government sector. Within this context it has been a tough year for the Council financially. However, the Council has continued to deliver services and complete projects that contribute to making the Whakatane District a place that we can all be proud of.

LTCCP

Over and above the Council's normal workload, the development of the LTCCP dominated the year with the Council and the public considering key issues and priorities for the future of the District. The exercise, particularly during the economic recession, has been a demanding process and one in which we have seen major issues emerge. Some of the key issues that were considered included closure of the Murupara Service Centre, sale of pensioner housing and other Council properties, changes to the rating system, review of the harbour endowment fund, introduction of peak water demand pricing, projects related to the closure of the Burma Road landfill and options for library and museum improvements.

The LTCCP also confirmed that a major issue going forward is the catch-up programme for infrastructure to ensure the long-term sustainability of those assets. This has followed major investigations into the state of the District's infrastructure assets over the past three years. The challenge for Council has been one of developing a programme to bring infrastructure up to standard, while at the same time trying to contain expenditure and reduce dependence on funding from rates.

Highlights

Beyond preparation of the LTCCP, the Council delivered major initiatives at all levels. While these are outlined in the groups of activities chapter of the Annual Report, some of our highlights for the year include:

- Winning a merit award for the technically challenging Otarawairere drainage project aimed at ensuring stability of the Ohope escarpment.
- Building the new Whakatane Crematorium (completed in August 2009) with services commencing early in the 2009/10 financial year.



Whakatane's new crematorium opened at the Hillcrest Cemetery in October 2009.

- Completing a further portion of the Ohope Road project (from the Hillcrest intersection to Burma Road) to provide safety improvements and widen the berm to accommodate pedestrians.
- Completing a 50 year Airport Master Plan providing a development framework for any potential improvements such as additional hangers, runway extensions, terminal upgrades and a hotel/business park.
- Installing a floating intake for the Whakatane water supply as a temporary solution to high water salinity until a long term solution can be found. This proved to be very effective at minimising the water salinity levels during low river levels in April 2009.
- Completing the Hinemoa storm water drain to ensure the Hinemoa Road area has improved safety and enhanced maintenance.
- Substantially reducing the age of the library collections, replacing old and un-borrowed collections with new materials.



Nine thousand new library books were purchased in 2008/09.

- Implementing a new contact centre system to improve how customer requests are received and responded to.
- Substantially improving the service provided for the control of grass and weed growth on Council owned land, through new contracts for vegetation control tendered in October 2008.

The Council has continued to deliver quality services to the community. This report shows that the Council has achieved the majority of the non financial performance targets. In a number of cases the Council has performed above and beyond these targets including completing 5.6km of seal extensions to Ruatahuna, Manawahe, McIvor and Mottram Roads, against a target of 3km. In the area of solid waste management the Council has diverted 99% of green waste out of the waste stream against a target of 60%. Internally we have seen our performance in contract and project management improving significantly which reflects favourably in the timeliness, quality and cost of much of our work.

Our Operations Business Unit (OBU), which manages our infrastructure and maintenance of water treatment, water distribution, waste water, stormwater and parks and gardens, is now consolidated on site in Valley Road with improved facilities. This unit has extended its services to include small capital projects which had previously been tendered and managed by consultants.

The year also saw major improvement in performance of the recording and processing of resource and building consent applications. Unfortunately our increased resourcing coincided with the market downturn,

The Council's IT resource continues to be upgraded although one of our significant difficulties is with the functionality of our financial reporting systems. Despite this the accuracy and timeliness of our financial information continues to improve.

Operating Variance

Despite this good performance in many areas, the cost of operating the Council for the year varied by \$19.76 million from what was budgeted in the Annual Plan 2008/09. There were a few key influences on the operating income and expenditure that caused the majority of the \$19.76 million variation. The revaluation downward of some of the Council's land assets, after budgets were set, resulted in a book loss of \$2.34 million. Conversely there was also an increase in depreciation expenditure of \$5.22 million as a result of the revaluation of infrastructure and the writing off of the Council's

Burma Road landfill to recognise closure in December 2009. Both of these expenses represent a book cost, not a direct cash cost to the Council. Statutory adjustments also increased with provision for landfill aftercare, leaky homes and forestry rating appeal provisions, impacting on the operating budget by \$150,000.

The Council incurred \$7.2 million of operating expenditure above that budgeted in areas including legal fees, Aquatic Centre consultancy, refuse collection contracts, roading maintenance, audit costs and ACC levies. Some expenditure that had been budgeted as capital was subsequently classified as operational causing a further \$591,000 increase to expense. This is simply a reclassification of expenditure as opposed to an increase in expenditure above budget. This operating expenditure was off-set in part

by a \$1.28 million reduction in interest costs compared to the budget.

Operating income was under budget, which also impacted on the total operating variation. Grants and subsidies alongside development contributions were the key influencing factors on income variation. \$3.78 million of grants and subsidies were not received. One of the significant projects in this category is the \$2.37 million Matata Wastewater reticulation scheme works which have been rescheduled for late 2009/10. Some projects that will receive subsidies did not progress due to delays. An example of this is the delays to Matata Disaster Mitigation works due to Environment Court appeals. The impact of the economic downturn has seen development contributions \$643,000 below budget and other income, principally from building consents and associated planning charges, \$334,000 below budget.

Despite these conditions and a significant variance from the budgeted surplus, the underlying performance has been sound and we can again report an organisation improving its service delivery and capability.

The achievements outlined in this Annual Report reflect the hard work and commitment of the Councillors, Community Board Members, Staff and the Community. As the Mayor and Chief Executive of the Whakatane District Council we would like to take this opportunity to thank everyone for their input and support. We are confident the Council is in good shape to face the future.



C G H Holmes - MAYOR



Diane Turner - CHIEF EXECUTIVE

A year in Whakatane

Summary of our achievements

Corporate and District Activities

- New contact centre system implemented to improve how customer requests are responded to.
- Systems developed to improve the processing and recording of resource consent applications.
- Civic centre improvements to the wireless network coverage and installation of audio-video equipment in meeting rooms.

Community Leadership and Governance – 100% of service performance targets achieved



Mayor's over '80s morning tea

- The Council adopted the LTCCP 2009-19 following public consultation.
- The Council received a merit award for the engineering of the Ohope escarpment drainage.
- Waimea and Ohinekoao Streams disaster mitigation projects completed.

100%

Transport Networks and Systems – 82% of service performance targets achieved



Ohope Hill Road safety upgrade

- Kirkbride Bridge abutment was replaced; a full bridge replacement was not required.
- Ohope Road project safety improvements and pedestrian facilities was carried out (Hillcrest intersection to Burma Road).
- 5.57km seal extension completed – up from the target of 3km.
- An aggressive media approach was used in "Drink or Drive – you decide" Campaign.
- Whakatane Airport runway was resurfaced.
- Whakatane Airport 50 year Master Plan developed.

82%

Water Related Services- 64% of service performance targets achieved

- Improvements to the Whakatane water supply network and reservoir.
- 97% of faults to wastewater were responded to in 24 hours (target was 90%).
- Hinemoa Drain construction completed.
- Trade Waste Bylaw adopted.

64%

Solid Waste Management- 100% of service performance targets achieved



Recyclables are collected weekly

- 99% of greenwaste diverted for beneficial reuse (target 60%).
- Transfer station design completed (construction underway).
- Only 14,910 tonnes of waste was sent to the landfill, in line with the target of less than 15,000.
- 5,997 tonnes of material recycled.
- 12,800 households have access to weekly kerbside refuse and recycling collection.

100%

Promotion and Economic Development- 75% of service performance targets achieved



Seafire trawler sank for a dive wreck off Whale Island

- Toi-EDA was re-established in July 2008.
- Increased numbers of participants competed in Toi's challenge, Monty's revenge and 24 hour race.
- Wireless hotspot around the visitor information centre continues to increase in popularity.

75%

Environmental Planning – 80% of service performance targets achieved

- Variation 6 (Coastal Hazards) to the Proposed District Plan was completed. The variation aims to manage the effects of development in at risk areas.
- The economic recession resulted in a 40% decrease in subdivision applications and 70% less applications for additions or alterations to dwellings.
- Resource consent processing initiatives improved performance.

80%

Environmental Controls- 80% of service performance targets achieved

- 98.3% of building consents were processed in 18 days (above target of 95%).
- Capacity has been increased in the building consent area.
- Council achieved Building Consent Authority Accreditation.
- All licensed premises were inspected during 2008/09.
- All premises required to be registered for environmental health reasons were compliant under the relevant Acts.

80%

Libraries and Museum- 60% of service performance targets achieved



Glass exhibition



Hihita and Hoani Tuhoe missionaries exhibition

- 9000 new books purchased bringing the average age of the collection in the library down to 6 years (target is less than 9 years).
- Free Internet access was made available in two Council libraries.
- Art Gallery hosts 14 exhibitions and 4 public programmes.

60%

Recreation and Community Facilities – 53% of service performance targets achieved

- Three new playgrounds were developed, bringing the total to 36 playgrounds Council provide or contribute to

53%

(above target of 34.5)

- Consultation was carried out over the temporary closure of the Whakatane Aquatic Centre for repair.
- Council resolved to develop a halls strategy.
- New public toilets were installed in Edgecumbe.
- Council resolved in principle to sell its pensioner housing units.
- Pyne Street building acquired to provide car parking in CBD in line with the Parking Strategy.
- Four boat ramp lanes are provided in Whakatane, five in Thornton/Matata and two in Ohope.

Parks Reserves and Cemeteries- 100% of service performance targets achieved



New Waterways playground opened

- 1.6 ha of sports field are available for every 1000 people in the district.
- Construction of the crematorium and cemetery expansion investigation were undertaken.

100%

Environmental Protection- 63% of service performance targets achieved

- 19 fires responded to by the rural fire team; on all occasions crew were assembled within 15 minutes.
- All general inspection complaints were responded to within 24 hours.

63%

Community Safety- 91% of service performance targets achieved



Bike wise- Mayoral cycle challenge race

- Exercise Quaver, a Civil Defence Training Exercise, was undertaken.
- All aggressive dog complaints, attacks and menacing were responded to within one hour.
- 500L of paint was used to remove graffiti by the "Tag-Off" programme.

91%

Why does Council show a deficit for the 2008/09 financial year?

The Council's final operating result is a net deficit of \$10,896,000 compared to a budgeted surplus of \$8,870,000. The following paragraphs detail the major differences which have led to this \$19.76M variation.

Key unfavourable variances are as follows:

Grants and Subsidies \$3.8M
Council receives a number of grants and subsidies from various organisations for projects undertaken. The Council plan on receiving subsidies based on projects expected to be completed each year.

During 2008/09, \$3.8M of grants and subsidies were not received as a result of a number of projects being delayed. Roading projects not carried out during the 2008/09 year resulted in the Council not receiving \$680,000 of subsidies from LTNZ. Council had also budgeted to receive \$2.5M of subsidies for the Disaster Mitigation works at Awatapu and Edgcumbe, and \$2M for the Matata Sewage Scheme.

The Government has approved a subsidy for mitigation works. However, a \$1M subsidy for works at Edgcumbe will be carried forward and recognised in the 2009/10 financial year once expenditure is incurred. The Matata Sewage Scheme did not proceed; therefore no subsidy was received.

Depreciation: \$5.22M
After budgets were set for 2008/09 a number of Council's assets were revalued. This led to an increase in the amount of depreciation needing to be put aside. While this is not a direct cost to the Council, it does represent a book cost operating expenditure of \$5.22 million.

A significant portion of this budget over-run relates to the writing off of the Burma Road Landfill which will cease to operate in December 2009. Depreciation was accelerated by an extra \$2.43M in this financial year.

Revaluations \$2.34M
Some of the Council's investment property has been revalued during 2008/09. The revaluation has resulted in a decrease in the fair value of investment property. This loss is recognised in the statement of financial performance and represents \$2.34M variation in operating budget.

Provisions \$0.15M
Provisions are reassessed annually and this year's reassessment led to an increase of \$0.15M more than budgeted.

Derivatives \$0.145M
Derivatives moved from last year's position of a gain of \$0.067M to a loss of \$0.078M, a net movement of \$0.145M. The budget did not provide for any movement in derivatives. The values for derivative at year end are assessed by ETOS Ltd and represent the current position of all swaps held by the Council.

Assets written off \$0.395M
A comprehensive reconciliation was performed between the asset management system and the valuation reports which resulted in \$0.395M worth of assets being written off due to duplication or having been disposed of in previous years.

Employee Benefit Liabilities \$0.837M
Employee Benefit Liabilities were \$0.837M more than budgeted. This resulted from an extra day's leave being accrued at year end and a valuation carried out by AON Consultants Ltd for leave liabilities currently owed.

Economic Downturn \$1.190M
Income received from Development Contributions was \$0.643M less than budgeted arising from the economic downturn, resulting in less building and development work proceeding. The Environmental Controls and Environmental Planning activities were also affected by the slowing of the economy. Income for these activities was \$0.547M below budget.

What Council activities cost

The summary below details the revenue and expenditure of the Council, compared to the annual plan budget.

	2009 Actual			2009 Budget
SUMMARY COST OF SERVICE	Expenditure \$000	Income \$000	Net Cost \$000	Net Cost \$000
Community Leadership & Governance	4,091	4,698	(607)	(2,473)
Transport Networks & Systems	14,065	14,013	52	(3,155)
Water Related Activities	8,983	8,525	458	(1,936)
Solid Waste Management	7,360	3,327	4,033	(203)
Promotion & Economic Development	1,080	962	118	0
Environmental Planning	2,241	1,408	833	0
Environmental Controls	1,948	1,372	576	0
Libraries and Museum	2,136	1,997	139	(172)
Recreation & Community Facilities	4,651	4,647	4	(671)
Parks Reserves & Cemeteries	3,145	2,673	472	124
Environmental Protection	265	278	(13)	0
Community Safety	979	997	(18)	0
District Income & Expenditure	5,562	713	4,849	(1,485)
Operational Cost/(Surplus) of Service Delivery	56,506	45,610	10,896	(9,971)
Less reserve balances to reduce rates *				170
Less corporate & District Activities Funds Applied *				931
Total Council Deficit/(Surplus)	56,506	45,610	10,896	(8,870)

* Revenue for 2009 Actual is shown in activities

What it costs to run the district

The columns below show what it costs per resident for Council provided activities. It shows that most Council expenditure covers essential infrastructure, community services and facilities.

WHAT IT COSTS TO RUN THE DISTRICT		GROUPS OF ACTIVITIES	WHAT THE RATES PAY FOR	
Total Cost \$000	Cost Per Resident/ User		Rate Income \$000	Cost Per Average Property
4,091	\$118.92	Community Leadership & Governance	3,313	\$217.60
14,065	\$408.85	Transport & Network Systems	6,724	\$441.65
8,983	\$261.12	Water Related Activities	7,479	\$491.21
7,360	\$213.97	Solid Waste Management	2,519	\$165.47
1,080	\$31.41	Promotion & Economic Development	594	\$39.03
2,241	\$65.16	Environmental Planning	633	\$41.58
1,948	\$56.62	Environmental Controls	223	\$14.65
2,136	\$62.10	Libraries and Museum	1,670	\$109.66
4,651	\$135.20	Recreation & Community Facilities	1,770	\$116.29
3,145	\$91.43	Parks Reserves & Cemeteries	2,118	\$139.14
265	\$7.69	Environmental Protection	223	\$14.66
979	\$28.46	Community Safety	414	\$27.17
5,562	\$161.68	Corporate & District	481	\$31.59
56,506	\$1,642.61	TOTAL RATE INCOME *	28,161	\$1,849.65

The total number of Rateable Properties in the Whakatane District on the 1st July 2008 was 15,225 * Rate income has been shown excluding penalties, write-offs and remissions.

What the rates pay for

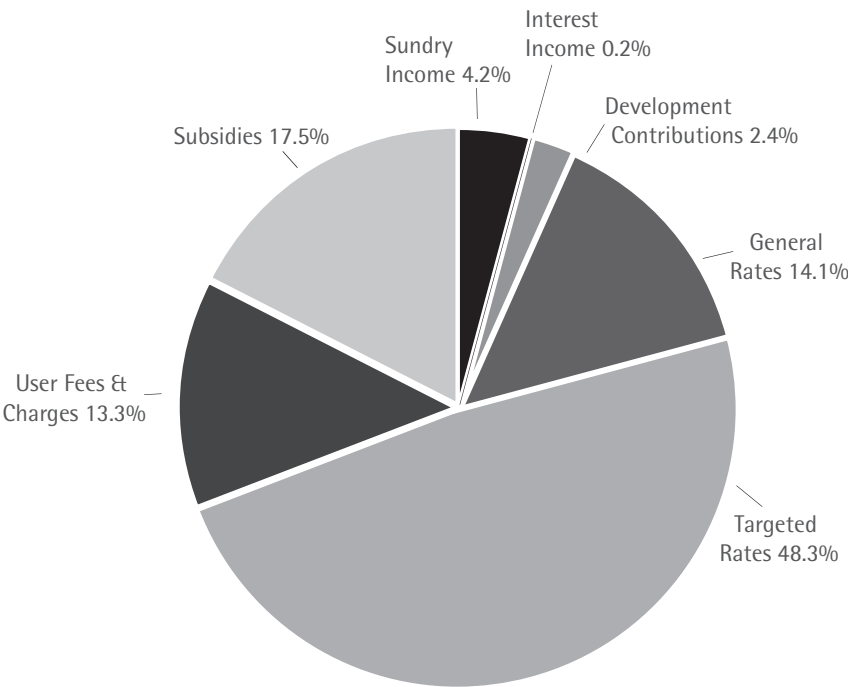
The columns below show where the rates per rateable property fund Council-provided activities. It shows that over 80% of rates income is used to pay for essential infrastructure, community services and facilities.



Where operating revenue came from

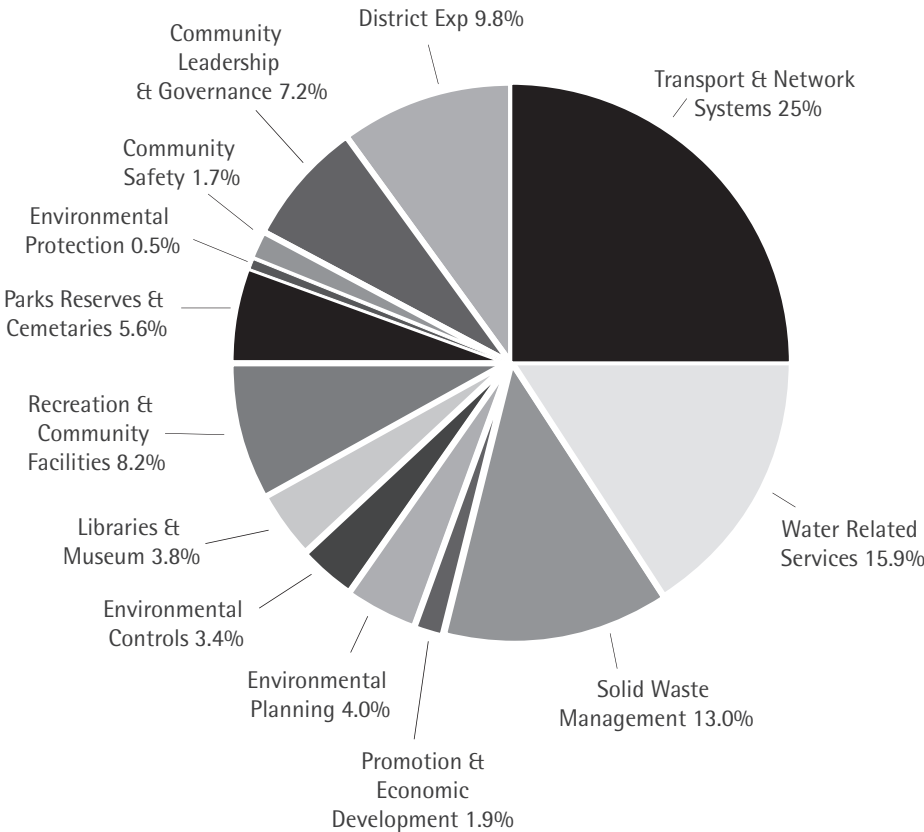
The total operating income for the year ending 30 June 2009 is \$45.610 million.

Rates are the primary source of funding for Council's activities, and represent 62.4% of operating revenue. Other sources of revenue for Council include user fees and charges, rentals and subsidies.



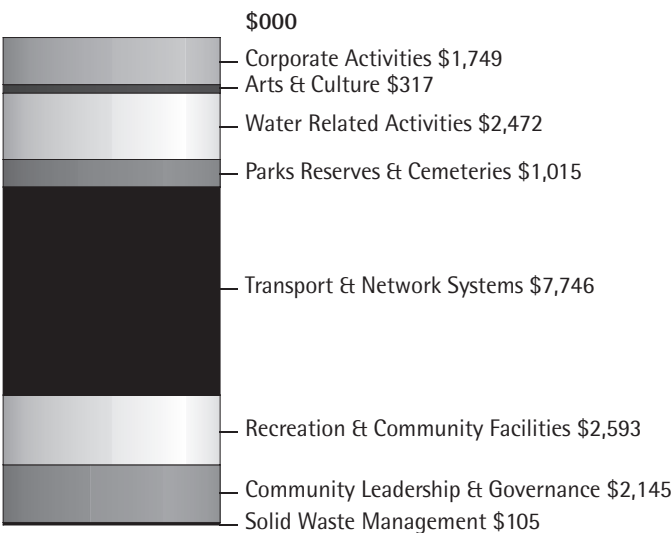
Where operating expenditure was spent

The total operating expenditure for the year ending 30 June 2009 is \$56.506 million. Core infrastructure such as transport, water, wastewater and storm water networks make up 41% of our total operating expenditure.



Where capital expenditure was spent

The following graph shows where Capital Expenditure such as purchasing, developing and renewing assets was invested by Groups of Activities. Total Capital Expenditure for the 2008/09 year was \$18.142 million. The main sources of funding for capital expenditure are borrowings through loans raised, grants and subsidies received from agencies such as Land Transport NZ Ltd, funding from depreciation reserves, and development contributions charged to developers for their share of the costs associated with growth.



Summary financial statements

Actual 2008 \$000	Financial Performance	Actual 2009 \$000	Budget 2009 \$000
26,181	Rates revenue	28,441	27,623
18,241	Other revenue	16,791	21,552
132	Finance income	78	126
1,822	Gains	300	465
46,376	Total Income	45,610	49,766
8,710	Personnel costs	10,214	7,964
10,884	Depreciation and amortisation	16,417	11,191
22,105	Other expenses	26,576	19,497
4,122	Revaluation Losses	2,343	-
580	Finance costs	956	2,244
46,401	Total Operating Expenditure	56,506	40,896
(25)	Surplus/(deficit) before tax	(10,896)	8,870
-	Income Tax Expense	-	-
(25)	Surplus/(deficit) after Tax	(10,896)	8,870
Changes in Equity			
544,891	Balance as at 1 July	544,866	548,357
(25)	Surplus/(Deficit) for the year	(10,896)	8,870
-	Increase in asset revaluation reserves	95,665	-
-	Increase in restricted reserves	-	-
(25)	Total recognised income	84,769	8,870
544,866	Balance as at 30 June	629,635	557,227
Financial Position			
6,699	Current Assets	8,028	7,754
558,303	Non-Current Assets	651,009	578,168
565,002	Total Assets	659,037	585,922
14,009	Current Liabilities	22,907	8,254
6,127	Non-Current Liabilities	6,495	20,441
20,136	Total Liabilities	29,402	28,695
544,866	TOTAL EQUITY	629,635	557,227
Cash Flows			
9,677	Net Cash Flows in from Operating Activities	7,753	19,596
(15,839)	Net Cash Flows out from Investing Activities	(15,525)	(26,123)
6,099	Net Cash Flows in From Financing Activities	8,293	6,527
(63)	Net increase/(decrease) in cash held	521	-
883	Opening cash and cash equivalents	820	863
820	Closing cash and cash equivalents (Cash at bank)	1,341	863

The Summary Statement of Financial Performance presents the financial performance of the Council. This statement summarises operating income and expenditure for the year.

The Summary of Changes in Equity presents the equity movements of the Council. This statement summarises other financial transactions that have impacted on the Council's net equity.

The Summary Statement of Financial Position presents what we own and what liabilities we owe to other parties. The Council's financial position remains very strong with liabilities representing only 4.5% of total assets.

The Summary Statement of Cash Flows shows how we generated and used cash. The overall net increase or decrease represents the change in our cash and cash equivalents arising from operating, investing and financing activities.

Reporting entity

Whakatane District Council is a territorial authority governed by the Local Government Act 2002 .The principal accounting policies adopted in the preparation of this financial report are set out below. The financial report consists of the financial statements of Whakatane District Council (the Council) and includes the Whakatane Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport and a 35/65 joint venture between the Council and P F Olsen Ltd, a forest management and harvesting company, regarding a forestry block at Onepu on land vested to the Council.

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

of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Council are for the year ended 30 June 2009. The financial statements were authorised for issue by the Council on 2 November 2009.

Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies have been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared on a historical basis, modified by the revaluation of land and buildings, certain infrastructural assets, financial instruments (including derivative instruments) investment property, and forestry assets.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

Compliance

The Council and management of the Whakatane District Council confirm that all the statutory requirements of section 98 of the Local Government Act 2002 have been complied with in the Annual Report and the summary financial statements complies with FRS-43; Summary Financial Statements.

Responsibility

The Council and management of the Whakatane District Council accept responsibility for the preparation of the Annual Report and the judgements used in them.

The Council and management of Whakatane District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the Whakatane District Council, the Annual Report for the year ended 30 June 2009 fairly reflect the financial position and operations.

Statement of commitments

The Whakatane District Council has entered into capital commitments for work not commenced at balance date totalling \$2.84million (2008: \$2.76million). The Council has operating lease commitments of \$23,000 (2008: \$85,000).

Contingent liabilities

Employment Dispute

There are no outstanding employment related claims at 30 June 2009 (2008: \$20,000).

Weathertightness Claims

The council has included a provision in the accounts for the potential liability in relation to building Weathertightness claims. The calculation is based on the number of homes currently registered with the Weathertight Homes Resolution claims.

Other Claims

A claim has been made under the Public Works Act for compensation for injurious affection in relation to stream diversion and drainage works undertaken as part of the effects of the major storm event in May 2005. Council denies the claim. The claim could relate to loss of earnings from farmland of up to \$200,000 however it is currently unclear as to whether the compensation claim will proceed.

Proceedings by the Council against Environment Bay of Plenty for its decision to move EBOP's head office without adequate consultation, gives Council exposure to a costs award of approximately \$50,000 - \$230,000 if its claims are unsuccessful.

Arising from major defects in the design, building, construction and insulation of the Whakatane District Council Aquatic Centre, Council is obliged to remedy those defects and deficiencies so as to comply with the Building Code in relation to performance and the Building Act in relation to obtaining a Certificate of Code Compliance.

Remedial works are required to be commenced by March 2010. The quantum of costs in relation to rectifying, replacement and remediation are unknown at this stage but are understood to be significant.

In the 2009 to 2019 Long Term Council Community Plan, the Council adopted a

changed methodology for determining the "growth" component of capital expenditure projects that are planned or have been completed in anticipation of new development.

There may be cause to retrospectively refund part of previously received or assessed contributions where there has been a significant reduction in the anticipated level of income from this funding source as a result of the change in philosophy.

Council has yet to decide on whether it will refund or the level of refunding and the manner in which refunding will be applied; thus the quantum of refunds is not yet known but the amount could be significant.

Contingent assets

Council has made a claim against the architect,

the principal contractor and the tiling contractor of the Whakatane District Council Aquatic Centre. This claim is in relation to major deficiencies in the building, construction and insulation of the centre and dates back to the time of original construction in 2005. The quantum of costs in relation to the claim to rectify, replace and remedy are unknown at this stage but are understood to be significant.

Related party transactions

Whakatane District Council has a 50:50 joint equity venture with the Ministry of Transport (Air transport Division) in the Whakatane Airport and both entities are considered to be related parties.

The following transactions were carried out with related parties:

Actual 2008 \$		Actual 2009 \$
Airport		
79,000	Administrative and maintenance services	97,100
71,500	Funds held by Council on behalf of the Airport	(16,900)
Key Management Personnel		
981,000	Salaries and other short term benefits	1,177,000
Other Related Party Transactions		
17,600	Minor transactions	8,600

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Audit Report

To the readers of Whakatane District Council's summary annual financial statements, performance information and the other requirements for the year ended 30 June 2009

We have audited the summary financial statements, performance information and the other requirements as set out in pages 1 to 5.

Unqualified Opinion

In our opinion:

- the summary financial statements, performance information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, performance information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 2 November 2009, on:

- the full financial statements;
- the performance information; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Basis of Opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Whakatane District Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on those summary financial statements, performance information and the other requirements. These responsibilities arise from the Local Government Act 2002.



F Caetano, Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
17 November 2009

It is a legal requirement that the Annual Report (including financial statements) is audited on behalf of the Auditor General's office. The full Annual Report received an unqualified Audit Report and was adopted by the Council on 2 November 2009. This summary has also been examined by the Councils' auditors for consistency with the Annual Report. This summary Annual Report can not be expected to provide as full an understanding as the full Annual Report which contains detailed information about finances and service performance.