

WHAKATĀNE DISTRICT COUNCIL

Annual Report

Rīpoata - ā - Tau

2014/15

14
15

Message from the Mayor

Nau mai, tomo mai, whakatau mai ra ki tēnei Rīpoata-ā-Tau 2014-2015, kua tatū rawa i roto i te tau kua pahure ake nei. Kua hāngai pū te otinga o ngā mahi ratonga, tērā, kua whakamua i ngā kaupapa rawa me whakahaere i ngā pūtea.

Welcome to our Annual Report for 2014/15. This document summarises the Council's performance and achievements over the past financial year. The year saw us continue to deliver the services and facilities the community expects, while also progressing some important projects and managing our finances responsibly.

Ours is a Council that is committed to doing its best for our community, at all levels. I am very proud to lead a team of dedicated Councillors, who work very closely with the Chief Executive and a great staff team to achieve positive outcomes for the District.

Meeting the community's needs in the most affordable way is a key priority. A focus on sound financial management has seen us finish the year with a rating surplus of \$12,000, continuing the trend of the past three years. That surplus represents just 0.03 percent of our operating expenditure and confirms that we are setting our rates accurately and prudently managing our finances within tight margins.

Ensuring that we deliver the services the community expects while keeping rates affordable is always a balancing act. This is partly due to the funding partnerships we have with Central Government agencies and other organisations. Over the past year, we have received grants and subsidies totalling over \$7.3 million from the New Zealand Transport Agency, Ministry of Health, Lion Foundation, the Lotteries Commission and many others. Those partnerships allow us to deliver more, for less cost to ratepayers.

For me, the real test has been in the differences we have made to people's lives. Improving stormwater systems to reduce the risk of homes being flooded; upgrading water supplies to deliver safe, clean drinking water to people's houses; providing new or improved playgrounds for families to enjoy; helping lead our ANZAC Day commemorations; ensuring our transport links are well maintained; securing Air Chathams to provide regular, affordable flights to and from Whakatāne; making our website more accessible and easier to use – all are areas where we have achieved notable successes over the past year. More on these and our other achievements can be found in the 'Our Work in Detail' chapter of this report.

Looking to the future, we will continue our organisational focus on being responsible, sustainable, enabling and affordable; providing for the community's needs and ensuring that the Whakatāne District continues to be a vibrant place to live, work and play.

Nāku noa nā.



Tony Bonne

MAYOR



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About the Annual Report

The Annual Report is Whakatāne District Council's key accountability document. It tells you how we performed against the budgets and the performance targets we set through the Long Term Plan and Annual Plan. It is our opportunity to report back to the community about whether or not we did what we said we were going to do. The Annual Report is produced at the end of each financial year.

So what is a Long Term Plan?

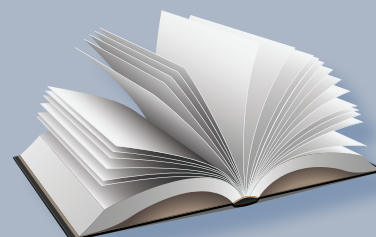
The Long Term Plan (LTP) sets out the strategic direction, work plan and budgets for the 10 years that follow. It outlines the services we will provide, the projects we will undertake and the cost of doing this work. It includes how our work will be paid for, and how we will measure the quality and effectiveness of what we deliver. The LTP is developed every three years. This Annual Report reports back on the LTP 2012-22.

How does the Annual Plan fit in?

In each of the two years after the adoption of the LTP we produce an Annual Plan. The Annual Plans reflect what we said we would do in year two and three of the LTP. The Annual Plan is an opportunity to provide updates on the projects planned for the years between LTP's. The LTP is still our guiding document and first port of call. Some variations from the LTP are allowed, but any significant changes require a formal amendment to the LTP.

Where can I find these documents?

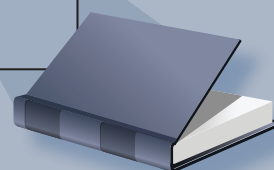
The LTP, Annual Plans and Annual Reports are made available on our website www.whakatane.govt.nz, at the Council's Service Centres in Whakatāne and Murupara and at the libraries around the District.



*Long Term Plan
2015-25*



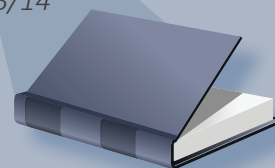
*Annual Report
2014/15
(This Document)*



Annual Plan 2014/15



Annual Report 2013/14



Annual Plan 2013/14



Annual Report 2012/13



*Long Term Plan
2012-22*

3 YEAR PLANNING CYCLE



About the Council

Te Kaunihera

Our Role

Delivering a range of essential services, lifestyle opportunities and experiences to our community.

When you drive along Tāneatua road, park at Thornton Domain, visit Te Kōputu library and exhibition centre, use a boat ramp, playground or park, have your rubbish collected, turn on a tap or flush your toilet, you are probably using Council services. And that's just a snapshot of the activities the Council undertakes on the community's behalf.

In the last year, we have been involved in 39 different activities, ranging from governance to parking; stormwater and water supply systems to dealing with waste disposal; handling resource and building consents to animal control and alcohol licensing; operating our libraries to facilitating events; providing sportsfields and public halls to visitor information services and much more.

On behalf of the community we managed over \$640 million worth of community assets and completed or made progress on 188 separate capital projects. Almost everything we do makes an important contribution to our lifestyles, providing not just the essential services we rely on every day, but opportunities for recreation and access to the experiences which make the Whakatāne District a great place to live, work and play.

We also provide community leadership. Good governance means listening and responding to community needs; dealing with the many issues that affect our District; managing our finances prudently; and making plans and good long-term decisions to protect and enhance the future needs of our District.

Many of the things we do are guided by legislation, but we do have a considerable degree of flexibility in deciding what activities we will undertake and how we will undertake them. Every local authority must respond to the particular issues which confront it and that is why there are considerable differences in the range of activities and services that different councils provide. We always endeavour to meet the needs of the community and deliver services to the level expected of us.

In meeting the needs of our communities, we endeavour to find effective solutions and deliver them in the most economical way possible. This Annual Report details the many services, activities and projects we have undertaken in the 2014/15 year and sets out what they have cost.

Our Direction

Our Vision for the District is actioned through key strategies and plans.

Our vision for the District is set out through our Community Outcomes. These are high level goals for meeting the needs of the District. Our Community Outcomes guided our decision-making, planning and priorities in the 2014/15 year and are set out on the next page.

A number of key strategies and plans sit below the community outcomes. These outline the specific priorities and steps we are taking as we work towards achieving our goals.

These include:

- Long Term Plan
- District Plan
- Asset Management Plans
- Whakatāne Town Vision
- Community Strategy
- Sustainability Strategy
- Waste Management and Minimisation Plan

These, and other strategies and plans, are available from Council offices and on our website: www.whakatane.govt.nz

Our Vision

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

In achieving our vision:

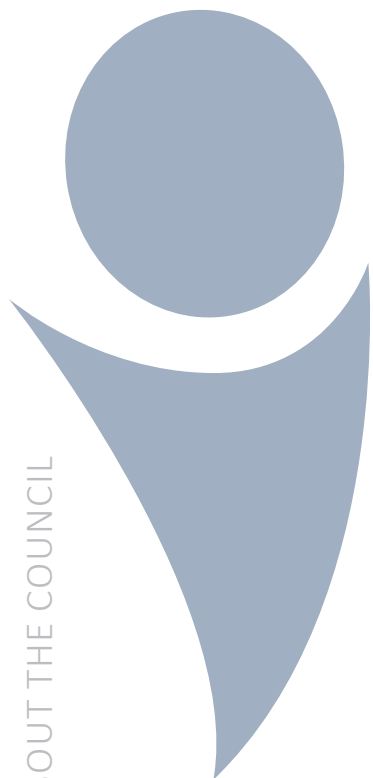
- *Our community will be safe and surrounded by people who are friendly and caring*
- *Businesses will be thriving*
- *There will be respect for, and pride in our history*
- *We will be successful guardians of our natural environment*

Our Purpose

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

As a District Council we will achieve this through:

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



Community Outcomes

The six Community Outcomes which guided our decision making, planning and priorities in the 2014/15 year are set out on the next page. Throughout this Annual Report you will see references to these Community Outcomes to provide an indication of how we are making a contribution towards them. These Community Outcomes were developed alongside our Long Term Plan 2012-22 and came into effect on 1 July 2012.





Effective leadership

GOALS

Striving for our future well-being

- To be visible, strong, have a clear vision and listen to all sectors of the community.
- To work in partnership with iwi and the community.
- To ensure accountability to the community through transparent, open and inclusive decision-making.
- To respond and advocate on community issues.



Quality services

GOALS

Excellent value for money

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



Sustainable economic development

GOALS

Working in partnership

- To facilitate an economy that is prosperous in both urban and rural areas.
- To encourage business growth that builds on the region's assets.
- To support Māori economic development.
- To promote connected businesses through effective networks.



Community needs

GOALS

A caring community

- To create vibrant, connected and safe communities.
- To support healthy, active communities.
- To build inclusive communities.
- To value, celebrate, promote and protect Māori culture.



Valuing our environment

GOALS

Sustaining for future generations

- To sustainably manage the natural and physical resources.
- To recognise and protect places of natural and cultural heritage.
- To proactively plan for growth and ensure the effects and costs are managed.



Reliable & affordable infrastructure

GOALS

Meeting current and future needs

- To provide infrastructure that facilitates growth and development.
- To ensure people, infrastructure and the environment are protected from natural disasters.
- To sustainably manage community assets.

Making Decisions

WE ARE HERE TO LOOK AFTER YOUR INTERESTS

The Whakatāne District Council is your Council. We are here to look after your interests and try to develop a District in which we all want to live, work and play. Like you, we are ratepayers and members of this community and care about its wellbeing.

A big part of our role is to make decisions on behalf of the community. Some decisions are minor - like agreeing to fund a community initiative - while others are more significant, like deciding to construct a sewerage scheme for Matatā. Each year we make dozens of decisions that affect different people in different ways. Often when making these decisions, we have to consider and balance competing interests from different sectors of our community.

This can be a challenging process, but we work hard to make decisions that are in the best interests of the whole District.

WE HAVE MADE SOME IMPORTANT DECISIONS OVER THIS PAST YEAR

The Council, Committees and Advisory Boards meet regularly throughout the year to advise staff and make decisions.

Examples of some key decisions that have been made through the year are:

- The Long Term Plan 2015-25 was adopted, setting the Council's vision, budgets and work plan for the next ten years. This is the Council's major decision making process and involved a significant level of community consultation. The Plan included several important decisions:
 - To keep rates rises at an affordable level.
 - To redevelop the Whakatāne and District War Memorial Hall into a modern, flexible facility.
 - To redevelop the Whakatāne Museum and Research Centre to sufficiently protect and store the collections and provide an increased level of service.
 - To transfer pensioner housing to a Community Housing Provider to ensure the provision of a better service to tenants.
 - To continue to improve stormwater systems in Whakatāne and Ōhope.
 - To increase funding to help facilitate District growth and economic development.
- The Council sought community feedback on naming the new civic space on The Strand, and approved the name 'Whaurangi'.
- The Council selected Air Chathams to replace Air New Zealand as the domestic scheduled flight provider for Whakatāne Airport.

If you are interested in following the decisions that our Council and Committees make, you are welcome to attend and observe meetings. Meeting agendas are publicly available before each meeting. You can get a copy from Council offices and libraries or from our website: www.whakatane.govt.nz

A NUMBER OF RULES AND POLICIES INFORM OUR DECISION MAKING PROCESS

The Council makes many decisions over the course of the year and it is important that we follow the proper process and rules. All councils are guided by legislation when making decisions. This includes the Local Government Act (2002), the Local Government Official Information and Meetings Act (1987), the Resource Management Act (1991) and other Acts of Parliament. Some key guiding documents specific to our Council include:

Local Governance Statement: This is a collection of information about how the Council makes decisions, and how citizens can influence that process. It provides the public with an overview on how to engage in local democratic processes.

Significance and Engagement Policy: This policy guides the Council in determining how significant a proposal or decision is likely to be. This helps us to direct the appropriate level of attention, consideration and consultation to matters, based on its level of importance to the District. It also provides guidance to the Council in terms of whether we will consult on a decision or proposal, how we will consult and to what extent.

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

Copies of these documents are available from Council offices or on our website: www.whakatane.govt.nz.

WE SUPPORT AND ENCOURAGE MĀORI TO CONTRIBUTE TO DECISION MAKING

Over the last year we have taken steps to foster the development of Māori capacity to contribute to decision-making.

We acknowledge the place of Māori in the history of the Whakatāne District and recognise the high Māori population. Our processes for decision making include specific provisions for Māori to participate.

Iwi Chairs Forum

The Iwi Chairs Forum was established in May 2014, as a mechanism to allow Iwi and Council to advance common outcomes. Representation on the Forum consists of Iwi Chairs from within the District, with the Mayor representing the Council. Chief Executives of all organisation members also attend the Forum in an advisory capacity. Over the 2014/15 year, four meetings have been held which have included discussions around Māori representation, Māori engagement and feedback on the draft Long Term Plan 2015-25. The Forum has proven to be a useful information sharing mechanism to be able to tackle community issues.

Projects and Proposals

Throughout the year the Council has sought to partner with Māori in several individual projects. This has included working with Ngāti Awa to develop the area around Pohaturua rock in preparation for the 175 year commemorations of the signing of the Treaty of Waitangi. The Council has also begun working closely with Ngāti Awa to redevelop the Whakatāne culture and heritage trail.

Similarly, the Council has worked alongside Ngāti Whare and Central Government organisations in 'Project Minginui' to look to improve the Minginui community's access to better quality housing, infrastructure and economic development opportunities. We continue to monitor progress in this space and promote our willingness to assist when required.

Another example of the collaboration occurring was a project to address roaming horses. This project, successfully completed with Tūhoe Hapū in Ruatāhuna, resulted in safer roads, a more controlled horse population and provided revenue for the community of Ruatāhuna.

The Council is also working with Ngāti Manawa to undertake a joint study into the redesign of the Murupara business area. It's an opportunity to link the many visitors of Te Urewera and Lake Waikaremoana to the Murupara Township.

The Council has also progressed a major project with Ngāi Tūhoe upgrading Jack Knowles Reserve in Tāneatua. The completed facility will feature a basketball half court, barbecues, picnic tables and family-focused play equipment. The majority of works have been completed in the 2014/15 year.

Treaty Settlements

Whakatāne District Council continues to provide advice and guidance as a member on the Rangitāiki River Forum, which resulted from the Ngāti Manawa and Ngāti Whare Claims Settlement Act 2012. The Council is represented by the Mayor, with staff input as required. In December 2014, the Forum approved Te Ara Whānui o Rangitāiki – Pathways of the Rangitāiki (The Rangitāiki River Document) which outlines the aspirations for the river and ensuring a healthy river for the benefit of present and future generations.

In June 2014, Tūhoe achieved a comprehensive settlement with the Crown which included Te Urewera vested in a new legal identity created by legislation. The total amount of redress puts Tūhoe on par with two of the country's biggest Iwi, Ngāi Tahu and Tainui. As part of the settlement Council has signed up to the Tūhoe Integrated Planning Protocols which set the direction for the way in which Tūhoe want to be engaged with over planning issues.

Cultural Awareness

A major focus for the year has been on developing cultural awareness amongst all Council staff. The aim has been to raise awareness and understanding of Māori protocol, Te Reo Māori and the Māori world view within the organisation, to allow the Council to better engage with Māori at all levels and develop a greater level of contribution to decision making. A full day of training, 'Te Oho Ake' (The Awakening) was provided for all staff, with multiple sessions run on a broad range of issues and topics. Cultural awareness has also been included in the induction process to ensure consistency of information received by all new staff. For more about 'Te Oho Ake' please see the Strategy and Policy activity in 'Our Work in Detail'.

Work is continuing to progress in this area with the development of a Māori engagement toolkit and a Māori contacts database that is interfaced with improved mapping information. This is intended to assist Councillors and staff with information and resources to assist engagement with Māori at all levels.



Keeping in touch with you - our residents and ratepayers

We take steps to keep you 'in the loop' about our projects, services and major decisions. You can find information on our website, follow us on twitter and like us on our facebook page. Alternatively watch out for our monthly newsletter "Ko Konei" which is published in the Bay Weekend on the first Saturday of each month.

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

 Whakatane District Council

 @WhakataneDC1

About the Year

Te Arotake o te Tau



Overview of the year

The following pages provide a high level overview of the Council's performance for the 2014/15 financial year. This summarises whether we met our budgets for the year and whether we delivered what we set out to deliver in terms of projects and services. More information is available in the 'Our Work in Detail' and 'Our Costs in Detail' chapters of this Annual Report.

Highlights of the year

The 2014/15 year has seen progress made on a number of important projects. The items below are just a few of the year's highlights. For more information on these and other stories, please see the 'Our Work in Detail' chapter.

Business excellence

The Council won the 'Excellence in Service Delivery' category at the biennial Horizon Business Excellence Awards for the Eastern Bay of Plenty, recognising our ongoing commitment to meeting the community's needs.



Best website



The Whakatāne District Council's website (www.whakatane.govt.nz) has been ranked the best of the 78 local government websites in New Zealand.

Triathlon

85 percent of Council staff participated in the national triathlon series Sovereign Tri Series CEO Challenge, an outstanding effort which saw the Council win \$25,000 for a charitable purpose.

Wharaurangi opened and named



Wharaurangi, the latest addition to Whakatāne CBD's attractions, was completed in October. The area provides an attractive, open civic space linking the town, escarpment and river.

Long Term Plan 2015-25 adopted

The Council's Long Term Plan 2015-25 was adopted. This document sets out the Council's vision, work plan and budget for the next ten years. The LTP includes many exciting projects for the future of the District, while planning for affordable rates rises.



New car park

The Pyne Street/O'Rourke Place car park was sealed and formalised, creating an additional 105 parking spaces close to Whakatāne CBD.

Ōhope stormwater improvements



Major stormwater upgrades have been undertaken in the vicinity of Ōhope's Maraetōtara Stream, to help increase the system's capacity to deal with heavy rainfall events.

District Plan Hearings heard

All hearings on District Plan submissions have now been completed, with the information presented and views expressed helping to inform the deliberations and decision making process.

Herepuru Road solutions

After consultation with local residents, major improvements have been carried out at Herepuru Road to address longstanding road damage and erosion problems caused by heavy rainfall events.

Sister Cities award



The Whakatāne and District Sister Cities Association trip to Kamagaya and Shibukawa, which saw 14 kapa haka students perform in the Japanese cities, won the Best Cultural, Sport or Recreation Award at the Sister Cities New Zealand National Awards in Wellington.

Rūātoki water supply upgrades

The Rūātoki water scheme was upgraded to improve drinking water quality and system security, and allow more properties to be connected.

School visits transfer station

Pupils from Te Wharekura ō Rūātoki made two visits to the Whakatāne transfer station to learn more about how we deal with our waste.

'Our Hazards' competition

School students from around the Eastern Bay of Plenty entered a Civil Defence competition which aimed to improve hazard awareness and community understanding of what we should do before, during and after an event.

Road safety popular

The #Dontjimitat Eastern Bay Road Safety video has been viewed over 140,000 times, raising younger drivers' awareness of the need to wear seat belts.

Ruatāhuna horses

The Council has worked with the Ruatāhuna community to reduce the number of roaming horses in the area and the risk wandering stock pose to road users.

Holly's playground



A new playground was installed at Lake Āniwaniwa and is already being well used. The project was driven and designed by the local community, in memory of a young resident.

Ground study complete

A geotechnical study of the Whakatāne CBD has provided a better understanding of the likely effects of an intense earthquake, particularly the liquefaction and lateral spreading risks. In a New Zealand first we have made the study results and 3-D modelling publicly accessible through our website, providing an important resource for engineers when considering earthquake strengthening designs.

ANZAC centenary



The Council marked the centenary of the Gallipoli landings. A civic ceremony was held on ANZAC Day, flags and banners were displayed across the District, special poppy plantings undertaken, a new waharoa (entrance) installed at Mitchell Park and a special exhibition was held at Te Kōputu a te whanga a Toi.

Dredging keeps Whakatāne bar open



Combined land and sea-based dredging helped keep the low-tide operating restrictions at the Whakatāne Harbour entrance to a minimum during a challenging summer.

Murupara Pool provides for the community

Several initiatives were undertaken to make the Murupara pool more accessible for the community, including a family opening event and Sunday picnic days, installation of an electric BBQ and picnic tables, an earlier weekday opening time of 6 am, increased staffing and swimming lessons.

Events secured

Several events have been secured for the District which will make a considerable contribution to the local economy over the next few years, including the Oxfam Trailwalker, New Zealand Surf Lifesaving Championships, a wild foods festival and a large-scale junior sports tournament.

Air Chathams fly in



Following Air New Zealand's decision to not provide scheduled flights from Whakatāne Airport, the Council secured Air Chathams as the new flight service provider and the airport now also receives passenger services from SunAir.

We finished the year with a rating surplus of \$12,000

Whakatāne District Council finished the 2014/15 financial year with a rating surplus of \$12,000, continuing the trend of the past three financial years. A rating surplus or deficit is an indication of the accuracy of our budget-setting and rating calculations. The surplus of \$12,000 represents 0.03% of our rate requirement, meaning we collected almost exactly the amount necessary to cover the cost of Council services.

A rating surplus or deficit is also impacted by the funding that we are able to generate from sources other than rates - such as leases, subsidies and grants, and fees and charges - and by the way we manage our expenditure. A rating surplus or deficit does not include non-cash or accounting expenditure, such as depreciation, asset revaluations and gains or losses on the disposal of assets.

Detailed activity budgets and commentary on variances can be found in the 'Our Work in Detail' chapter of this Annual Report.

Why is there an overall operating deficit for the 2014/15 year?

The final operating result for the year was a net deficit of \$3.2 million, compared to a budgeted surplus of \$4.5 million. A number of factors contributed to the variance, most of which are related to accounting entries that do not have an impact on rates. These included the delay to Matatā sewage scheme project, as a result of a resource consent appeal. That meant we were not able to access subsidies totalling \$2.7 million from the Ministry of Health and the Bay of Plenty Regional Council during the 2014/15 year. Similarly, a delay in the installation of the planned Edgecumbe Supply Main from Paul Road meant expected subsidies of \$1.7 million were not received during the year. Other key contributing factors included accounting losses of \$2.0 million on the revaluation of derivative instruments (a financial tool to limit interest rate risks).

A number of smaller variances, both positive and negative, also contributed to the overall operating deficit for the year. These can be found in note 34 of the 'Our Costs in Detail' chapter of this Annual Report.

The financial position of our groups of activities

The table below provides an overview of our operational expenditure and revenue at a group of activities level. Information at an activity level about the major budget variances is available in the 'Our Work in Detail' chapter of this Annual Report.

Figure 1: Financial performance by group of activities 2014/15

SUMMARY COST OF SERVICE	ACTUAL EXPENDITURE	ACTUAL REVENUE	ACTUAL NET COST SURPLUS/ (DEFICIT)	BUDGET NET COST SURPLUS/ (DEFICIT)
	\$000			
Leadership	2,577	2,737	160	6
Roads & Footpaths	15,056	15,444	388	(414)
Water Supply	6,187	5,644	(543)	1,561
Sewage Treatment & Disposal	5,109	2,717	(2,392)	1,885
Stormwater Drainage	3,066	3,192	126	231
Waste	5,631	6,409	778	635
Environmental Sustainability	2,319	1,465	(854)	(462)
Community Safety	3,600	3,735	135	76
Arts & Culture	3,408	3,411	3	(134)
Community Property	1,953	1,590	(363)	(654)
Recreation & Community Facilities	9,075	10,120	1,045	448
Corporate & District Activities	4,470	2,967	(1,503)	(132)
Council Controlled Organisations	231	95	(136)	(149)
Operational Cost of Service Delivery Surplus/(Deficit)	62,682	59,525	(3,157)	2,895
Internal Interest	(1,763)	(1,763)	-	1,200
Rates Remissions	(310)	(310)	-	450
Total Council Surplus /(Deficit) Before Tax	60,609	57,452	(3,157)	4,545

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

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

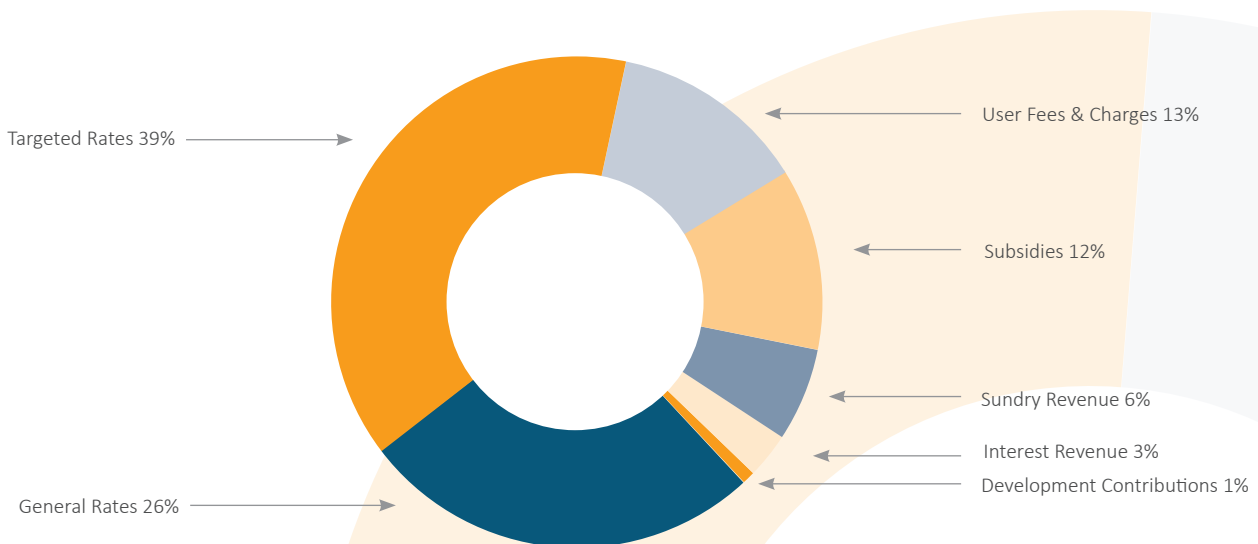
Budget differs from Corporate & District Activity table as budget for vested assets and gain on investment property is not included in activity table.

Rates account for 65% of our revenue

Affordability is a major focus in our planning and we aim to secure funding from sources other than rates, to help make Council Services and facilities affordable. In the 2014/15 year, rates made up 65% of our revenue, with 35% coming from other sources. These have included subsidies and grants from the New Zealand Transport agency, the Ministry of Health, the Lotteries Commission, local sponsorship and others.

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

Figure 3: Sources of operating revenue 2014/15



In the 2014/15 year, the average ratepayer paid \$55 per week* towards Council services and facilities including:

* Includes GST

YOUR TRANSPORTATION NETWORK

ROADS
FOOTPATHS
STREETLIGHTS
BRIDGES

your PARKS & RESERVES



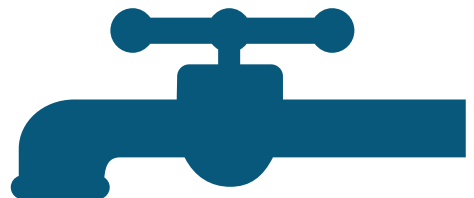
YOUR ANIMAL CONTROL SERVICES



ECONOMIC DEVELOPMENT



VISITOR CENTRE



DRINKING WATER



EMERGENCY MANAGEMENT



SWIMMING POOLS



CEMETERIES & CREMATORIUM



YOUR SOLID WASTE SERVICES

Kerbside rubbish & recyclables collection and disposal

Kerbside green waste collection and disposal



BOAT RAMPS & HARBOUR ACCESS



PLAYGROUNDS & SKATEPARKS

ABOUT THE YEAR

YOUR Museum & Te Kōputu EXHIBITION SPACES

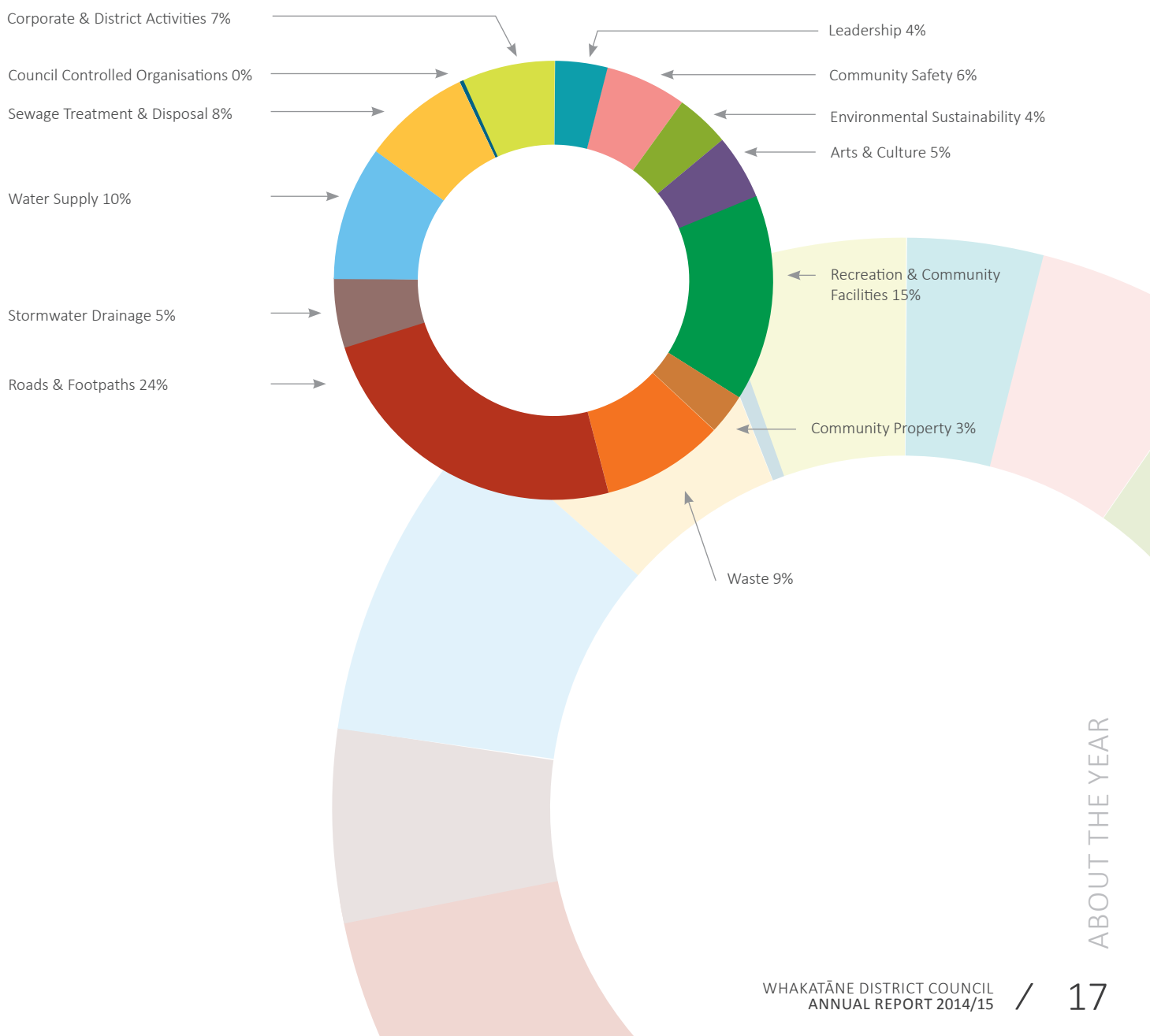
YOUR Libraries

And much more...

Most of our operating expenditure funds our 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 2014/15 financial year was \$63 million. Our 'core services' - Water Supply, Sewage Treatment and Disposal, Stormwater, Roads and Footpaths, and Waste - account for the biggest spend, making up around 56% of total operating expenditure for the year.

Figure 2: Where operating expenditure occurred in 2014/15



\$16.5 million spent on capital projects

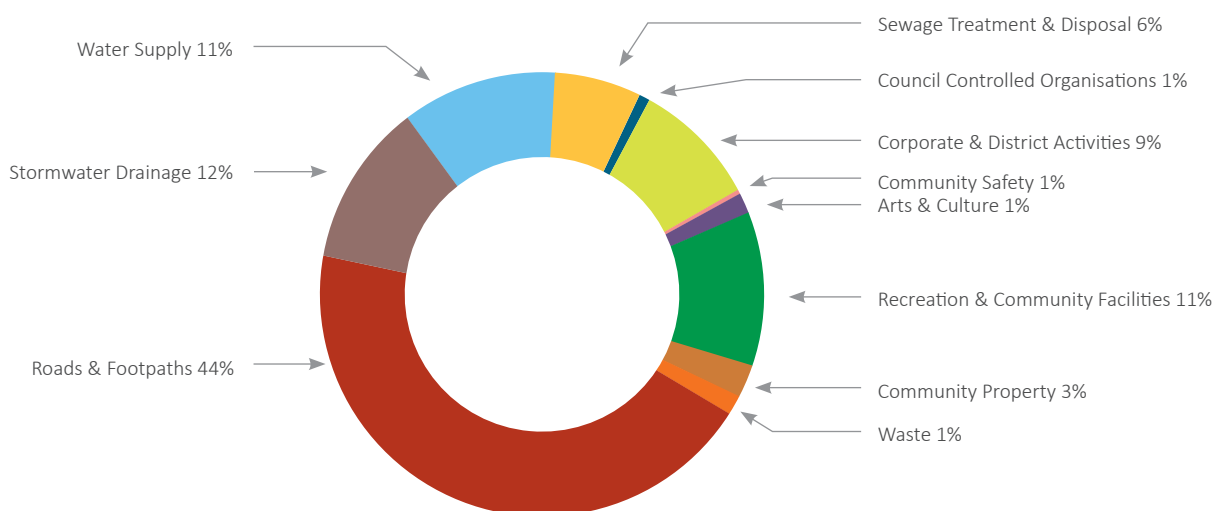
Capital expenditure is the cost of buying or building new assets, renewing an existing asset, or improving an asset to deliver a better service. Over the 2014/15 financial year, \$16.5 million was spent on capital projects. This is lower than the Annual Plan budget of \$25.4 million and the revised budget of \$30.6 million. Revisions to the Annual Plan budget typically result from uncompleted projects being carried forward from the previous year, as well as decisions made to progress new projects during the year.

Most of our capital expenditure is committed to maintaining or improving the Council's core services. The largest four of these, including 'Roads and Footpaths', 'Sewage Treatment and Disposal', 'Water Supply' and 'Stormwater Drainage', accounted for more than 73% of our capital expenditure in the 2014/15 year. Major projects completed include improvements to Ōhope and Whakatāne stormwater systems, creation of the Wharaurangi civic space, construction of the Pyne Street/O'Rourke Place car park, improvements to Herepuru Road, and many more. Other ongoing projects are continuing to make good progress.

Although the majority of projects scheduled for the year progressed as planned, some did not.

In particular, we had anticipated making a start to the development of a new sewage system in Matatā, but an Environment Court decision declined the proposed treatment plant site, preventing construction and requiring other possible solutions to be considered. This alone accounts for more than \$4.7 million of unspent capital budget. A further \$2.7 million of unspent capital relates to works for the Edgecumbe and Plains Water Supply schemes. These projects are currently on hold pending further investigation of the Plains 50 Year Strategy. Several Stormwater Drainage projects are behind schedule, due to the complex nature of the investigation and design work involved. This accounts for \$3.5 million of unspent capital budget. For more information about these and other capital projects, please see the 'Our Work in Detail' chapter.

Figure 4: Where capital expenditure occurred in 2014/15



71% of projects completed or on track

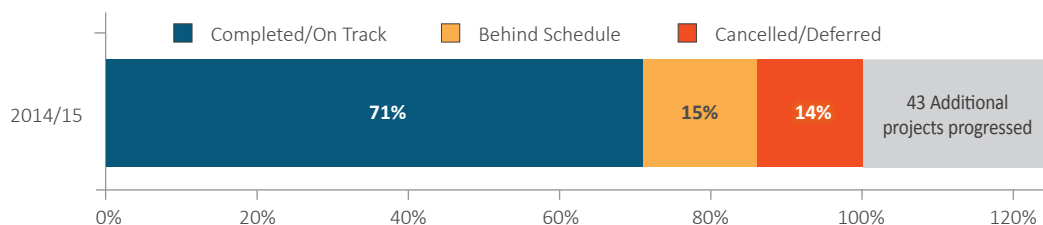
The work we carry out ranges from small playground renewals to multi-million dollar engineering projects. In our 2014/15 Annual Plan, we had planned to undertake 173 projects between 1 July 2014 and 30 June 2015. At the end of the 2014/15 financial year, 123 of these projects (71%) were completed or, if a multi-year project, on track. This compares to 117 projects (75%) completed in the previous 2013/14 financial year.

Following further investigations, several projects were no longer needed, or were put on hold; 26 (15%) of the projects planned through the Annual Plan were either cancelled or deferred. A further 24 projects (14%) were behind schedule.

A further 43 capital projects which had not been signalled through the Annual Plan were progressed in the 2014/15 year. These new projects were introduced for a number of reasons. Some were emergency works, some replaced budgeted works as a matter of reprioritisation, some were undertaken with funding from other bodies and some were projects that required finishing, having started in the previous 2013/14 year.

More information about specific projects is available in the 'Our Work in Detail' chapter of this Annual Report.

Figure 5: Progress made on capital projects during 2014/15



We achieved 75% of our level of service targets for the year

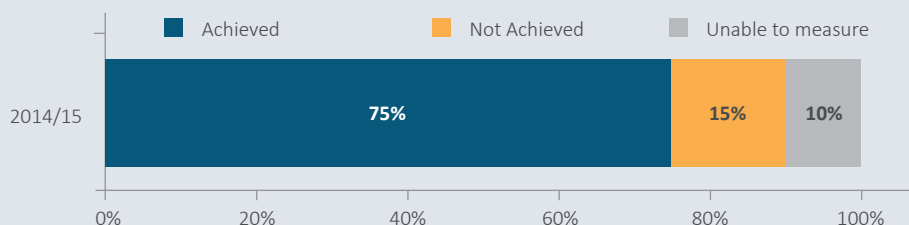
Our performance framework outlines the level of service that we aim to provide to the community. This includes a series of non-financial performance targets for each service that we deliver and includes both technical measures, like the number of days taken to process a building consent, and perception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

For the 2014/15 year, we set out 59 level of service targets. Of these, six were not able to be measured, including three under the 'Waste' activities, where the targets had been based on incorrect waste volume estimates.

Of the remaining 53 targets, we achieved 44 and did not achieve nine. This represents 75% of the total 59 targets, or 83% of those that were able to be measured.

Of the nine measures that were not achieved, four showed relatively high, but below target, levels of community satisfaction. For example, Ports and Harbour achieved an 85% satisfaction rating, but failed to meet our 89% target; similar situations were recorded for public conveniences, public swimming facilities and parking in Whakatāne. Other measures not achieved included transferring the management of rural halls to the community, something that is no longer being pro-actively pursued by Council, and making the District Plan operative.

Figure 6: Performance against level-of-service targets 2014/15



19 of our level-of-service targets are based on our annual community satisfaction survey. Since 2014, we have been using the 'Communitrak' community satisfaction survey provided by the National Research Bureau (NRB). This survey's methodology differs from that used prior to 2014 and therefore a converted target has been provided where appropriate. For more information and results from our survey please see the appendices at the back of this document.

Through the development of the LTP 2015-25, the services and facilities that we provide have been reviewed and performance targets amended to ensure that we are able to effectively monitor our performance, make improvements and deliver the service the community expects.

Our Work in Detail

Ngā mahinga whānui



Introduction to the 'Our Work in Detail' chapter

Groups of activities

- *Leadership*
- *Roads & Footpaths*
- *Water Supply*
- *Sewage Treatment & Disposal*
- *Stormwater Drainage*
- *Waste*
- *Environmental Sustainability*
- *Community Safety*
- *Arts & Culture*
- *Community Property*
- *Recreation & Community Facilities*
- *Corporate & District Activities*

Council Controlled Organisations

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

Within each group you will find a description of what we have achieved for the year. This Annual Report reports back to the community on the things we said we would do through the Annual Plan for 2014/15 and LTP.

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

Guide to the layout and content of the 'Our Work in Detail' chapter

GROUP OF ACTIVITIES

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

DELIVERING OUR SERVICES

This doughnut chart indicates our performance in delivering on the service level targets we set out in our LTP. It indicates the percentage of measures for this group of activities that were achieved versus those that were not achieved or not measurable. The specific result against each target is set out under each activity section under the heading 'What We Delivered'.



Recreation & Community Facilities

Te Whare Tāpere o Tānere me ngā hua ka puta mā Te Hāpori



WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

These Funding Impact Statements set out the budgeted and actual costs for the group of activities during the 2014/15 year and describe how they are funded. Explanations of the categories used in the statements can be found later in this introduction. These tables also include a line on our internal borrowing movements for the year for this Group of Activities.

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 – Recreation & Community Facilities

LTP 2013/2014 \$000	LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000
Sources of operating funding		
5,884	5,652	5,288
347	361	403
6	6	152
2,927	3,053	3,573
1,718	1,749	974
45	100	676
10,927	10,921	11,066
Applications of operating funding		
4,529	4,686	5,473
491	517	459
3,520	3,579	2,757
8,540	8,782	8,689
2,387	2,139	2,377
Sources of capital funding		
63	37	-
24	25	28
38	(4,556)	(864)
-	5,294	-
-	-	-
124	800	(836)
Applications of capital funding		
-	-	334
712	646	563
685	913	976
1,114	1,380	(332)
-	-	-
2,511	2,939	1,541
(2,387)	(2,139)	(2,377)
Funding Balance ((A-B) + (C-D))		
-	-	-
INTERNAL BORROWING	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$
929,631	7,934,144	65,998
FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
7,070,511	7,070,511	458,955

Leadership
Roads & Footpaths
Water Supply
Sewage & Drainage
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Facilities
Corporate Activities
Council Operations

A YEAR IN REVIEW

This section helps to give you an idea of our major achievements including the main projects that each activity delivered over the last year. More information about why we carry out that activity and what is planned for the next ten years can be found in the LTP.



Parks, Reserves, Recreation & Sportsfields

A YEAR IN REVIEW

Commemorating our ANZACS

April 2015 marked the centenary of the Gallipoli Landings in World War One and provided an opportunity to remember all those who have served in New Zealand's armed forces in conflicts and humanitarian missions. As part of the centenary commemorations flower gardens were planted with poppies as an act of remembrance. Prominent locations in Whakatāne, Murupara, Edgecumbe and Waimana were used for the special plantings, allowing people to enjoy a display of poppies in time for ANZAC Day.

Additional work was also undertaken at Mitchell Park in the run up to ANZAC Day. The park, next to the Whakatāne Returned and Services Association, hosts memorial rocks marking the significant conflicts NZ service personnel have been involved in. As part of the commemorations, a small grove of olive trees was planted in the park alongside a new seat, both donated by the Rotary Club of Whakatāne, to honour ANZACS involved in the Gallipoli campaign and other conflicts. A carved waiarua (entrance) was also commissioned, blessed and installed at Mitchell Park as part of the remembrance activities.

Improving our playgrounds

Work has been undertaken over the past year to improve the playgrounds we provide. A major project undertaken at Jack Knowles Reserve in Tāneatua has seen the Council, Ngāi Tahu, Tāneatua School and Te Kohanga Reo a Tāneatua working together with external sponsors to upgrade the facility. The completed playground will feature a basketball half court, barbecues, picnic tables and family-focused play equipment.

A new playground has also been installed at Aniwahenua. The project was driven and designed by the local community in memory of a young resident and the facility is already being well used.

Other playground refurbishment projects at Coastlands, Riverlea and Murupara have seen the replacement of old equipment, with minor improvement works also carried out at other facilities.

Take the Lead

2014/15 was the second year of the 'Take the Lead' programme. This initiative has been undertaken in conjunction with Kawerau and Opōtiki District Councils, Sport NZ and Sport Bay of Plenty and aims to encourage more high-school aged girls to engage in sport and recreation. The programme has involved six schools across our District and has helped 1,500 participants from across the Eastern Bay to get involved in all aspects of sport and recreation, including participating, officiating and organising. Participants have attended workshops, developed their leadership and problem-solving skills, met inspirational Olympians and considered options for future careers. Leaders from each school have also organised and run lunch-time and after-school courses covering a range of activities, including archery and hip-hop dancing.

Walking track maintenance

Maintenance work has been undertaken on Ngā Tapuwae o Toi (Toi's Track), the popular walking track linking Whakatāne and Ohope. The work included the installation of barrier rails between Ohope Beach and Otarawireire Bay - part of an ongoing upgrade to improve the walking experience and users' safety. Track closures were kept to a minimum and no site works were undertaken on weekends, allowing full access to the track.

Celebrating our culture and heritage

Te Rūnanga o Ngāti Awa and Council have jointly undertaken a project to refresh and update Whakatāne's Culture and Heritage Trail. The current trail was established in 2000, with 10 sites of significance. Investigations have indicated that a quality heritage trail/hiko experience has the potential to be a significant tourism attraction. Work has been undertaken to update the interpretation panel at Pohaturoa Rock and to make the site more publicly accessible, with paving and a sculpture that doubles as a safety structure under the archway. The surrounding area has also been improved, adding lighting and refreshing the memorial shelter. An additional interpretation panel has also been installed at Wharaurangi. The works were completed in time for the 175 year commemoration of Ngāti Awa's signing the Treaty of Waitangi. The project will continue to look at other sites and is expected to continue for a number of years.

COST OF SERVICE

The Annual Plan for the 2014/15 financial year set a budget for each activity that the Council undertakes. This table compares the expected cost of the activities, as set out in the Annual Plan, with the actual cost of the activities over the year and any major variations are explained. A key to the categories used in the table can be found later in this introduction.



COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000	MAJOR VARIANCE EXPLANATION
Expenditure	3,774	3,412	362	Variance within 10% or \$20,000
Revenue	3,383	3,388	4	Variance within 10% or \$20,000
Net Cost of Service Surplus (Deficit)	(391)	(25)	366	
Capital Expenditure	1,277	649	628	Projects deferred or not required.

Key: \$ - Favourable \$ - Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2014/15 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Toi's track renewals	70	106	68	Completed. Further renewals planned for 2015/16.
Pohaturoa upgrade	-	-	69	Completed. Council decision made to progress project. Funded through savings made in other projects.
Maratotara Reserve erosion protection	90	90	12	Works on hold. Erosion appears to have settled, but will be monitored further.

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Assets are well maintained throughout all parks and recreational facilities providing a high standard of appearance and functionality.

MEASURE: Satisfaction with parks and reserves in the Whakatāne District (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 75 - 79 Converted target: 85-89*

RESULT: ACHIEVED ✓ 93% of people satisfied. (2013/14 result: 90%).

GOAL: Adequate sportsfields/grounds are provided to meet the needs of users and are kept to a high standard by regular mowing, herbicide applications and specialised turf grass treatments.

MEASURE: Amount of active recreation space available in the District per 1,000 people

TARGET: 1.5ha

RESULT: ACHIEVED ✓ 1.5ha (2013/14 result: Achieved 1.5ha).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information.

UPDATE ON MAJOR CAPITAL PROJECTS

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

COMMUNITY OUTCOMES

The Community Outcomes that each activity helps to promote are identified in each activity by the icons next to the heading. More information about our Community Outcomes can be found in the 'About the Council' chapter of this Annual Report.

UPDATE ON MAJOR CAPITAL PROJECTS

WHAT WE DELIVERED

This section outlines how the Council performed against the levels of service targets for the year and provides an explanation if they have not been met. The LTP 2012-22 and subsequently the Annual Plan 2014/15 outlined the levels of service that the Council aimed to achieve.

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

Included in this chapter are Funding Impact Statements (FIS) at a 'Whole of Council' level and also 'Group of Activity' level. 'Whole of Council' is compared to what was planned in the Annual Plan. 'Group of Activity' level FIS are comparisons against what was planned in the LTP.

The FIS breaks down costs and funds at an 'operational' and 'capital' level. Operational costs include the ongoing maintenance and delivery of our services, while capital costs relate to the cost of constructing a new asset or extending or renewing an existing asset. Capital expenditure is generally 'one-off' in nature, whereas operational costs are ongoing. Taking all this information into account, we can then see how much we received, how much we spent and whether we have a surplus or deficit at the end of the year.

An explanation of categories in the FIS can be found on the next page.

FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL

YEAR ENDED 30 JUNE 2015

ANNUAL PLAN 2013/2014 \$000	ACTUAL 2013/2014 \$000		ANNUAL PLAN 2014/2015 \$000	ACTUAL 2014/2015 \$000
Sources of operating funding				
16,049	16,125	General rates, uniform annual general charges, rates penalties	16,219	16,214
19,206	19,689	Targeted rates (other than a targeted rate for water supply)	19,900	20,173
2,666	3,242	Subsidies and grants for operating purposes	3,203	3,385
12,132	10,306	Fees and charges, and targeted rates for water supply*	11,000	9,974
8	263	Interest and dividends from investments	15	50
1,908	3,744	Local authorities fuel tax, fines, infringement fees, and other receipts	2,226	2,658
51,969	53,369	Total operating funding (A)	52,563	52,454
Applications of operating funding				
36,607	35,524	Payments to staff and suppliers	38,122	40,047
2,340	2,853	Finance costs	2,470	2,268
685	776	Other operating funding applications	950	669
39,632	39,153	Total applications of operating funding (B)	41,542	42,984
12,337	14,216	Surplus (deficit) of operating funding (A-B)	11,021	9,470
Sources of capital funding				
8,295	4,162	Subsidies and grants for capital expenditure	7,957	3,950
465	221	Development and financial contributions	465	492
(1,246)	(901)	Increase (decrease) in debt	6,300	(5,501)
226	3,937	Gross proceeds from sale of assets	500	21
-	-	Lump sum contributions	-	-
7,740	7,419	Total sources of capital funding (C)	15,222	(1,038)
Applications of capital funding				
Capital expenditure				
289	752	- to meet additional demand	804	728
11,251	6,101	- to improve level of service	15,830	6,601
9,457	7,626	- to replace existing assets	8,765	9,184
(920)	7,156	Increase (decrease) in reserves	844	(8,081)
-	-	Increase (decrease) of investments	-	-
20,077	21,635	Total applications of capital funding (D)	26,243	8,432
(12,337)	(14,216)	Surplus (deficit) of capital funding (C-D)	(11,021)	(9,470)
-	-	Funding Balance ((A-B) + (C-D))	-	-

*Targeted rates for water supply include volumetric charges only.

EXPLANATION OF CATEGORIES IN THE FUNDING IMPACT STATEMENTS

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.

Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

(table continued from previous page)

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 following icons are used as an indication of the variance between the actual cost of each activity against what was budgeted for in the Annual Plan for the year:

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

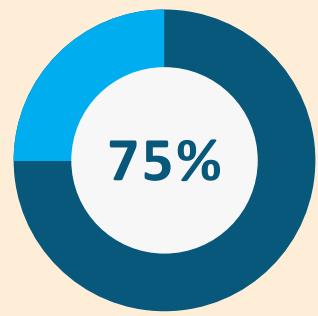
 Unfavourable Variance - This activity cost more than budgeted or received less revenue than budgeted

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

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



Delivering our services:



Leadership

Te Poumanukura

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 – Leadership

LTP 2013/2014 \$000		LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000		
Sources of operating funding					
2,425	General rates, uniform annual general charges, rates penalties	2,468	2,188		
280	Targeted rates (other than a targeted rate for water supply)	281	277		
-	- Subsidies and grants for operating purposes	-	37		
-	- Fees and charges, and targeted rates for water supply	-	-		
-	- Internal charges and overheads recovered	-	-		
65	Local authorities fuel tax, fines, infringement fees, and other receipts	3	236		
2,770	Total operating funding (A)	2,752	2,738		
Applications of operating funding					
1,772	Payments to staff and suppliers	1,732	1,613		
6	Finance costs	6	6		
947	Internal charges & overheads applied	965	910		
-	- Other operating funding applications	-	-		
2,725	Total applications of operating funding (B)	2,703	2,529		
45	Surplus (deficit) of operating funding (A-B)	49	209		
Sources of capital funding					
-	- Subsidies and grants for capital expenditure	-	-		
-	- Development and financial contributions	-	-		
(6)	Increase (decrease) in debt	(6)	(6)		
-	- Gross proceeds from sale of assets	-	-		
-	- Lump sum contributions	-	-		
(6)	Total sources of capital funding (C)	(6)	(6)		
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	-		
-	- to improve level of service	-	-		
-	- to replace existing assets	-	-		
39	Increase (decrease) in reserves	43	203		
-	- Increase (decrease) of investments	-	-		
39	Total applications of capital funding (D)	43	203		
(45)	Surplus (deficit) of capital funding (C-D)	(49)	(209)		
-	Funding Balance ((A-B) + (C-D))	-	-		
	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	99,272	-	5,515	93,757	5,719

Governance

Community Outcomes



A YEAR IN REVIEW

Making sure we represent you

The representation review lets Council decide on how the Mayor and Councillors are elected; the number of elected members we should have; and whether or not to retain Community Boards and what their appropriate structures should be. A review must be undertaken every six years and is intended to make sure that the Council can appropriately reflect the views and opinions of the community. Over the past year the Council have decided that the current electoral system of 'First Past the Post' should be retained and not to create separate Māori seats. Although the community had the right to challenge these decisions by requesting a poll, no public request was received. The Council will be finalising the review next year and have begun pre-consultation around how the Council wards and Community Boards will be structured.

Supporting local initiatives

The five Whakatāne District Community Boards have distributed over \$118,500 to support community events and activities during the 2014/15 year. The funds have contributed to a diverse range of initiatives in their local areas. The Rangitāiki Community Board funded the opening of the Edgcumbe College pool during the summer, allowing local residents to enjoy this facility during the school holidays. The Whakatāne District Council has since decided to continue support for the pool opening over the next three years. The Whakatāne Community Board worked alongside the Rotary Club of Whakatāne West and the Whakatāne District Council to hold the Young Achiever Awards. The awards, which were held at the Liberty Centre in October, recognised 222 young people for their excellence in sporting, academic and cultural activities.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,681	1,619	62	\$	Variance within 10% or \$20,000
Revenue	1,681	1,676	(5)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	56	56	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: *The Council makes decisions in an open, inclusive and transparent manner.*

MEASURE: Proportion of meetings that are publicly notified and agendas of the Council, its committees and community boards are available at least two working days before meetings and meetings are conducted in accordance with Local Government Act and Standing Orders.

TARGET: 100% **RESULT:** **ACHIEVED** ✓ 100% - Public notices were provided in the Beacon to advise the community of scheduled meetings, and copies of agendas were available from our website or at our libraries or service centres. (2013/14 result: 100%)

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

TARGET: 58-62 **RESULT:** **NO RESULT AVAILABLE:** We are unable to report against this target due to changes in survey methodology. A target based on the new survey methodology will be incorporated into the Council's performance framework under the 2015-25 Long Term Plan. More information about the survey is available on page 190 of this Annual Report. The last available score was for 2012/13 and provided a Customer Satisfaction Index Score of 59.8.



Community Support



A YEAR IN REVIEW

Remembering 100 years

April 2015 marked the centenary of the Gallipoli landings during World War One. Thanks to a lottery grant, the Community Support activity was able to organise and facilitate events and work alongside the local Returned and Services Associations (RSA) to suitably mark this historic occasion. Flags and banners were displayed across the District in the run up to the anniversary. A 'Field of Remembrance' white cross service was held on the lawn at Mitchell Park, beside the RSA, commemorating each of the 67 servicemen from the District who died in the First World War. Around 1,600 people attended a civic ceremony, on the morning of April 25, filling the Whakatāne and District War Memorial Hall to capacity. The civic ceremony also involved the Edgcombe Choir, the Eastern Bay Brass Band and Scottish bagpipers. The head of the Royal New Zealand Navy's operational dive squad, Lieutenant Commander Greg Camburn, who grew up in the District, was the guest speaker.

Funding the community good

Over the past year, the Council has distributed over \$174,814 in grants and subsidies to support community groups and volunteer organisations. This funding helps these organisations to contribute to the wellbeing of our District. Some of the major recipients have been Bay of Plenty Surf Life Saving, Citizens Advice Bureau and the SPCA.

The Council has also been able to allocate funds on behalf of other providers. \$14,700 was distributed on behalf of Sport New Zealand, assisting rural sports clubs and rural school teams with young people aged 5 to 19 years old, to get to local sporting competitions. \$32,200 was also distributed on behalf of Creative Communities New Zealand, helping to boost participation, diversity and youth involvement in local arts projects.

Forging friendships

The Whakatāne District Sister Cities Association led a visit to Kamagaya and Shibukawa in Japan, which saw 14 intermediate-aged kapa haka students hosted by families in the Japanese cities. The pupils along with their principal, three teachers, Mayor Tony Bonne, Sister Cities Association Chairperson Andrew Iles, and members of the association visited the cities, over ten days in November 2014. This was the first such trip since 2006. The group showcased their kapa haka talent in several performances in Japan, as well as experiencing the local culture.

The visit was recognised with the Best Cultural, Sport or Recreation Project award at the Sister City New Zealand Awards in Wellington. It highlighted the valuable learning experiences of the participants, the community involvement and enhanced awareness which has come about from the visit.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$'000	ACTUAL 2014/15 \$'000	VARIANCE \$'000	MAJOR VARIANCE EXPLANATION
Expenditure	196	178	18	\$ Variance within 10% or \$20,000
Revenue	201	222	21	\$ Additional grant received from Lotteries Commission for ANZAC day commemorations.
Net Cost of Service Surplus/(Deficit)	5	44	39	\$

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Community Groups, Voluntary Organisations and residents are supported in contributing to the well-being of the Whakatāne District. MEASURE: Community funding is available and distributed in accordance with Council's Community Funding Policy. **TARGET:** Available funds distributed. **RESULT: ACHIEVED** ✓ Funds distributed in accordance with our Community Funding Policy (2013/14 result: Achieved).

Strategy & Policy

Community
Outcomes



A YEAR IN REVIEW

Te Oho Ake

Throughout the 2014/15 year, the Council has taken a number of steps to improve its interaction with Māori. Given that 43.5% of the District identify themselves as Māori, a strong and positive relationship between the Council and Māori will clearly benefit the whole District. This has seen the establishment of a new Māori Policy Analyst role and cultural training for all employees. The training experience, 'Te Oho Ake' (The Awakening), took place in May at Taiwhakaea Marae and aimed to bring staff up-to-date with today's Māori context within the District and bring about an appreciation and awareness of things Māori. Facilitators led sessions on a range of topics and issues, including the make-up of local iwi, Treaty of Waitangi issues and settlements, kaitiakitanga (guardianship), tikanga (cultural protocols), the Resource Management Act and Māori engagement. The training has since been included in the induction process for new staff. For more information about the steps Council has taken to encourage Māori engagement in Council decision-making processes, please see page 7.

Planning for the future

June 2015 saw the final adoption of the Long Term Plan 2015-25 (LTP). This document sets out the Council's strategic direction, work plan and budgets for the next 10 years and is the Council's key guiding document. Community input was an essential element of the LTP's development. Consultation on the key aspects of the LTP was undertaken in March and April, with submissions heard in May. The Council attended a number of events, held local meetings and distributed copies of the LTP consultation document across the District. 267 submissions were received, with 47 submitters choosing to speak directly to the Council at the hearings. By telling us what you liked, what you didn't like and what you thought should happen, the Council was able to finalise the LTP with a better understanding of the community's needs.

In adopting the LTP, the Council has committed to undertaking many exciting projects for the future of the District, while planning for rates rises that balance the community's ability to pay with the need to continue maintaining and developing a thriving community.





COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000	MAJOR VARIANCE EXPLANATION
Expenditure	836	779	57	\$ Variance within 10% or \$20,000
Revenue	836	840	4	\$ Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	60	60	\$

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Council will develop and maintain strategies, policies and plans that support the sustainable development and needs of the community.

MEASURE: Council's corporate planning requirements (including LTPs, Annual Plans and Annual Reports) are completed and receive a clear audit opinion.

TARGET: Long Term Plan, Annual Report.

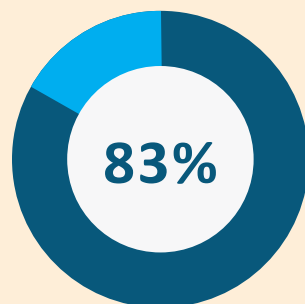
RESULT: **ACHIEVED** ✓ Unmodified audit opinion received for audited processes (2013/14 result: Achieved).



Roads & Footpaths

Ngā Huarahi ara Rau

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 – Roads & Footpaths

LTP 2013/2014 \$000		LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000	
	Sources of operating funding			
-	General rates, uniform annual general charges, rates penalties	-	(14)	
8,188	Targeted rates (other than a targeted rate for water supply)	8,390	7,907	
2,875	Subsidies and grants for operating purposes	2,964	2,526	
46	Fees and charges, and targeted rates for water supply	48	231	
-	Internal charges and overheads recovered	-	-	
606	Local authorities fuel tax, fines, infringement fees, and other receipts	646	1,204	
11,715	Total operating funding (A)	12,048	11,854	
	Applications of operating funding			
6,240	Payments to staff and suppliers	6,238	6,186	
638	Finance costs	674	613	
1,802	Internal charges & overheads applied	1,879	1,617	
-	Other operating funding applications	-	-	
8,680	Total applications of operating funding (B)	8,791	8,416	
3,035	Surplus (deficit) of operating funding (A-B)	3,257	3,438	
	Sources of capital funding			
3,192	Subsidies and grants for capital expenditure	4,117	3,478	
70	Development and financial contributions	73	112	
(341)	Increase (decrease) in debt	(1,094)	(116)	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
2,921	Total sources of capital funding (C)	3,096	3,474	
	Applications of capital funding			
	Capital expenditure			
-	- to meet additional demand	-	304	
1,060	- to improve level of service	2,883	2,027	
4,602	- to replace existing assets	4,780	4,909	
294	Increase (decrease) in reserves	(1,310)	(328)	
-	Increase (decrease) of investments	-	-	
5,956	Total applications of capital funding (D)	6,353	6,912	
(3,035)	Surplus (deficit) of capital funding (C-D)	(3,257)	(3,438)	
-	Funding Balance ((A-B) + (C-D))	-	-	

The 2014/15 LTP includes the Road Safety function accounted for under Community Safety for 2014/15 Actuals

	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	10,309,644	688,892	805,324	10,193,212	613,118

Transport Networks

Community Outcomes



A YEAR IN REVIEW

Improving safety on Wainui Road

Several safety improvement projects have been carried out on Wainui Road during 2014/15. The works were implemented following a study of crash trends on the road, which recommended several safety improvements. One of the dangers identified was trees shading the road and dropping leaves and debris, which prolonged the impact of wet conditions. Tree removal work was undertaken over the summer period. Other safety improvements included additional line marking, installation of guardrails and additional signage. Further works are planned and the Council will continue to monitor the road.

New car park a success

The Pyne Street/O'Rourke Place car park was sealed and formalised in 2014. The additional 105 spaces created by this work are heavily used on weekdays and are helping meet the demand for parking in the town. The site was previously a landfill, timber yard, bus depot and recently a metalled car park. The sealing of the car park has also reduced the amount of dust generated from the site. The work was funded from car park reserves and had no rating impact.

Stabilising Waimana Road West slip

A barrier wall was completed in April to contain a slip on the Waimana West Road. The slow-moving slip had caused ongoing maintenance costs for several years and reduced the road to a single lane. The new I-beam and timber wall has stabilised the slip and allowed both lanes to be reopened.

Footpath completed at Waiohau

A footpath has been constructed to serve Waiohau township, providing a safe and convenient off-road path for residents to travel between their homes, school and Marae. The 1,435m-long footpath (on both sides of the road) addresses safety concerns for the community and especially children attending the Kura Kaupapa and kohanga reo walking along this stretch of road. The works address some of the dangers posed by frequent heavy vehicle traffic. Previously, pedestrians were forced to walk on the grass verge or the road itself.

Working with residents on Herepuru Road

Major improvements have been undertaken to address damage caused to the road by stormwater. During periods of heavy rainfall, erosion and scouring of Herepuru Road had been a recurring issue. Community consultation and feedback helped to guide the development of this project, which included the construction of open swales, drains and culverts; plus work with local farmers to create detention dams on their properties. The improved management of extreme weather run-off flows has already seen a noticeable reduction in road damage.

Pointing the way

New directional signage has been installed in the Murupara, Galatea and Ruatāhuna areas. The new destination and general signs are helping tourists and non-locals, to better find their way around our District.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	14,502	14,783	(281)	\$	Variance within 10% or \$20,000
Revenue	14,028	15,133	1,105	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(474)	350	824	\$	
Capital Expenditure	6,515	7,240	(725)	\$	Capital works projects carried forward from 2013/14 year.

Key: \$ = Favourable – \$ = Unfavourable



UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2014/15 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Sealed road resurfacing and rehabilitation	2,762	2,762	2,127	Complete. Competitive tender price received allowing works to be completed under budget.
Various renewals (drainage, kerbs, signage, culverts)	960	1,028*	1,098	Complete. Various renewals works.
Unsealed road metalling	450	450	510	Complete. Aggregate replaced on unsealed roads. Works prioritised and overspend funded by savings in other projects.
Matahi realignment	300	300	-	Project deferred.
Pyne Street/O'Rourke Place Carpark formalisation	372	372	482	Complete. Additional 105 car parking spaces created. Additional expenditure incurred to remove hazardous material found on site.
Port Ōhope Ocean Road extension	274	274	277	Complete. Ocean Road extended as part of subdivision at Port Ōhope. Funded by the Council and developer.

* Budget carried forward from 2013/14

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Roads are reasonably smooth and comfortable to travel on.

MEASURE: Smooth travel exposure; the percentage of vehicle kilometres travelled on smooth*, sealed roads.

TARGET: 91-95%

RESULT: **ACHIEVED** ✓ 93% (2013/14 result: 93%)

GOAL: Roads are maintained to an appropriate standard.

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

TARGET: Existing/LTP target: 62-66

Converted target: 64-68**

RESULT: **ACHIEVED** ✓ 83% of people satisfied (2013/14 result: 82%).

MEASURE: Pavement Integrity Index for Sealed Roads. This measures pavement faults to produce an index out of 100. The higher the number, the greater the integrity of our pavements.

TARGET: 96-100

RESULT: **ACHIEVED** ✓ 97 (2013/14 result: 97.1)

GOAL: Roads are maintained in a cost effective way.

MEASURE: Maintenance and renewal costs for this activity per vehicle kilometres travelled (vkt) on our local roads

TARGET: <\$0.050/vkt

RESULT: **ACHIEVED** ✓ \$0.040/vkt (2013/14 result: \$0.044/vkt)

* Indicates the ride quality experienced by motorists

**From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information.

Parking Enforcement

Community Outcomes



A YEAR IN REVIEW

Body-worn cameras' success

The success of the parking wardens' body-worn cameras has been shared with other councils and the wider New Zealand public. Parking wardens provide an important role by ensuring that there is enough turnover to make parking available in our busiest areas. They also perform a public safety service by checking vehicle registrations and warrants of fitness. The use of the body-worn cameras has directly affected the amount of abuse directed at our traffic wardens, reducing the occurrence of this type of behaviour substantially. The Council was the first in the country to use this form of safety and training device and the parking team was invited to give a presentation to the National Parking Conference in Auckland, in September 2014. The parking team and the body-worn cameras have also appeared on TV3 news. Several other councils have followed our lead and are now also using this technology.

Child safety a priority

With high numbers of vehicles and children in a small area, school drop-off and pick-up zones can pose a number of risks. The Council parking team has been conducting patrols around local schools, focusing on road safety and educating parents about safe parking when dropping off their children. The aim has been to improve safety and reduce the risk of accidents and injuries at these times. Support from schools has seen the message being picked up and passed-on in newsletters.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	359	273	86	\$	Reduced court costs. Reduced number of tickets issued resulting in a reduced contribution to Central Government.
Revenue	419	311	(108)	\$	Revenue reduced following a change in ticketing procedure.
Net Cost of Service Surplus/(Deficit)	60	39	(21)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Parking enforcement maximises the availability of parking and ensures vehicles are safe.

MEASURE: Satisfaction with Council provided parking in Whakatāne (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 74-78 Converted target: 83-87*

RESULT: NOT ACHIEVED X 73% of people satisfied (2013/14 result: 70%).

MEASURE: Regular patrols are carried out at least three times a day in Whakatāne and at least three times a week in Kopeopeo.

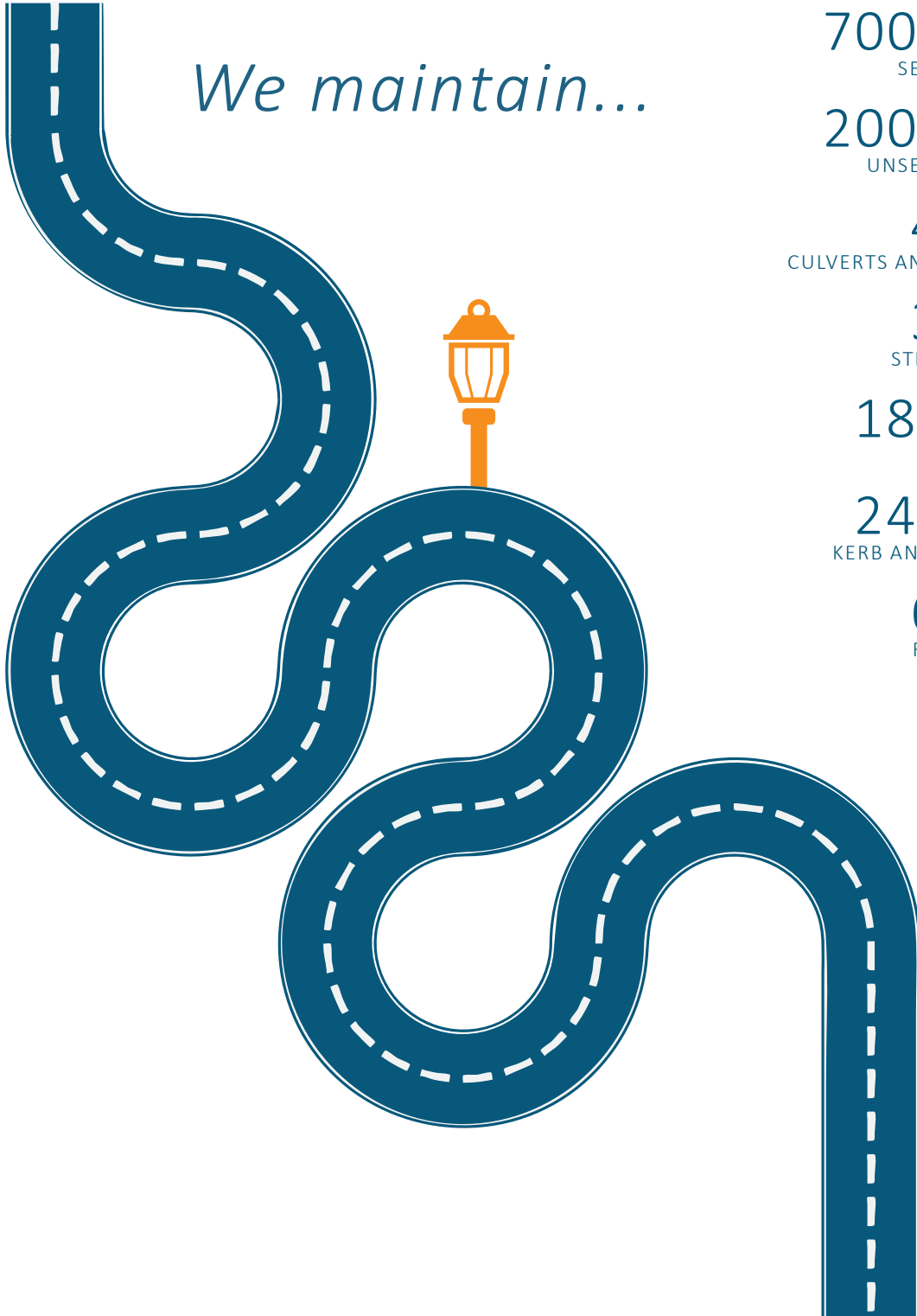
TARGET: Three per day Whakatāne, three per week Kopeopeo.

RESULT: ACHIEVED ✓ Regular patrols conducted as per target (2013/14 result: Achieved).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information

DID YOU KNOW?

We maintain...



700KMS
SEALED ROAD

200KMS
UNSEALED ROAD

4741
CULVERTS AND CESSPITS

3169
STREETLIGHTS

188KM
FOOTPATHS

240KM
KERB AND CHANNEL

6341
ROAD SIGNS

172
BRIDGES



Delivering our services:



Water Supply

Ngā Puna Wai Hei Oranga mō te Rohe Whānui

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 – Water Supply

LTP 2013/2014 \$000		LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000
Sources of operating funding			
-	General rates, uniform annual general charges, rates penalties	-	-
2,169	Targeted rates (other than a targeted rate for water supply)	2,219	2,390
-	Subsidies and grants for operating purposes	-	-
3,364	Fees and charges, and targeted rates for water supply*	3,445	2,781
175	Internal charges and overheads recovered	179	153
11	Local authorities fuel tax, fines, infringement fees, and other receipts	12	13
5,719	Total operating funding (A)	5,855	5,337
Applications of operating funding			
1,529	Payments to staff and suppliers	1,582	1,733
495	Finance costs	521	440
2,055	Internal charges & overheads applied	2,115	2,113
-	Other operating funding applications	-	-
4,079	Total applications of operating funding (B)	4,218	4,286
1,640	Surplus (deficit) of operating funding (A-B)	1,637	1,051
Sources of capital funding			
88	Subsidies and grants for capital expenditure	914	439
26	Development and financial contributions	27	20
(415)	Increase (decrease) in debt	(255)	140
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
(301)	Total sources of capital funding (C)	686	600
Applications of capital funding			
Capital expenditure			
43	- to meet additional demand	44	21
114	- to improve level of service	1,075	1,572
635	- to replace existing assets	562	275
547	Increase (decrease) in reserves	642	(217)
-	Increase (decrease) of investments	-	-
1,339	Total applications of capital funding (D)	2,323	1,651
(1,640)	Surplus (deficit) of capital funding (C-D)	(1,637)	(1,051)
-	Funding Balance ((A-B) + (C-D))	-	-

*Targeted rates for water supply include volumetric charges only.

	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	7,356,948	566,855	425,739	7,498,064	440,165

Water Supply

A YEAR IN REVIEW

Rūātoki water supply upgrades completed

A project to improve the water supply to the Rūātoki community was completed in March 2015. The upgrade was funded predominately by grants from Housing New Zealand and the Ministry of Health and aimed to ensure the water supply complies with current Drinking Water Standards; reduce the risk to water security; and provide water connections to more properties.

The project included exploratory drilling and test bores to assess the possibility of developing a new water source. However, no suitable locations for a new permanent bore were identified and the existing water source was upgraded instead. A UV treatment system has been installed at the existing water treatment plant, a larger storage reservoir provided and the nearby river bank was stabilised to reduce the risk posed by erosion or flooding. The pipe network has also been extended, allowing more houses in the Rūātoki area to have access to a quality water supply.

Voluntary water conservation

The District faced another long dry summer and the resulting low flow levels in the Whakatāne River placed increased pressure on the water treatment system supplying the Whakatāne-Ōhope water scheme. The conditions meant that saline water extended further upstream, requiring the use of the emergency water intake for long periods. Alongside the use of the emergency intake, voluntary conservation measures were put in place. Signage and a local media information campaign aided in getting the conservation message out to the community. The subsequent drop in residents' water usage helped maintain treated water storage at a level which avoided the need for compulsory restrictions.

Tāneatua water supply continuity

A line failure in the Tāneatua water supply scheme saw the draw-down from the reservoir triple and strain placed on the pumps and treatment facility. Urgent investigations were undertaken to locate the leak, limit damage to the network and ensure the continuity of supply to homes. After several days of leak detection, including a water balance study and specialised CCTV line inspections, Council staff located the pipe break on the mains crossing under the Waimana River. After considering several options, the most economical and practical solution available was to 'slipline' the existing river crossing pipe, a process which involved sliding a slightly smaller pipe inside the damaged line. This work was completed within a week of confirming the location of the pipe break.

Future of the Plains Water Supply

Several projects planned for the 2014/15 year have been put on hold (see capital projects table), pending further investigation into the draft Plains 50 Year Strategy. This strategy outlines how the Plains water supply scheme may evolve and grow over the next 50 years. Before any work is carried out in this area, it is important that all factors are considered, including the affordability of the strategy overall. The test bore at Paul Road has provided some useful data, showing that the water quality is very high. The Council has applied for a resource consent to extract an increased volume of water from the bore. The projects are expected to be progressed further in the 2015/16 year.

Leak detection

Work has been undertaken over the past year to identify and fix leaks in all water supply schemes. A water balance was carried out on each of the ten schemes, checking how much treated water is produced against how much is actually used. These results indicated that the amount of water not charged for - due to leaks, theft or meters not working - was unacceptable in some schemes. Using CCTV cameras inserted through the pipes, an exercise was carried out to identify leaks in the Council's reticulation network and, where possible, on private properties. The leaks in the Council networks have since been fixed and owners notified about leaks on private property. This has allowed the non-revenue water loss in most schemes to be reduced. We are currently working with the Murupara community to reduce the number of leaks on private property in the Murupara scheme area.



Voluntary water conservation signage

Community Outcomes



COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	6,078	6,187	(109)	\$	Variance within 10% or \$20,000
Revenue	7,638	5,644	(1,995)	\$	Lower water consumption than budgeted and fewer new connections. Subsidy (\$1.7 million) related to Edgumbe capital project not received, as project did not progress in 2015.
Net Cost of Service Surplus/(Deficit)	1,561	(543)	(2,104)	\$	
Capital Expenditure	3,564	1,868	1,696	\$	See capital expenditure table below.

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2014/15 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Plains Water Supply - Paul Road bore site and reticulation	500	500	215	Deferred. Dependent on outcome of further investigations.
Plains Water Supply - Pipe upgrades	800	800	76	Deferred. Dependent on outcome of further investigations.
Edgumbe Water Supply - Supply main from Paul Road bore	1,700	1,700	39	Deferred. Dependent on outcome of further investigations.
Rūātoki Water Supply - Ministry of health Capital Assisted Projects	-	285	473	Completed. See story opposite. Ministry of Health and Housing New Zealand subsidies received. Overspend incurred due to further investigations required to locate a suitable water supply.
Water mains, connections and meter renewals	451	451	453	Ongoing replacement of aging infrastructure.

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Provide a continuous and safe water system throughout the District's urban, residential and commercial areas that complies with drinking water standards

MEASURE: Percentage of water supply systems (excluding Plains) with adequate pressure to fill a 15 litre bucket in one minute

TARGET: 95%

RESULT: **ACHIEVED** ✓ 98% (2013/14 result: 98%).

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

TARGET: 90%

RESULT: **ACHIEVED** ✓ 90% (Does not include Rūātoki, Murupara and Plains Water Schemes)(2013/14 result: Not achieved). See table below for detailed results for each scheme.

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

TARGET: Existing/LTP target: 64-68 Converted target: 67-71*

RESULT: **ACHIEVED** ✓ 74% of people satisfied (2013/14 result: 68%).

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

TARGET: 99%

RESULT: **ACHIEVED** ✓ 100% (2013/14 result: 100%)

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information.

** Note: Actual works required to remedy blockages will vary according to the extent of fault

Compliance with specified New Zealand Drinking Water Standards by scheme.

SCHEME	TOTAL COMPLIANCE %	COMMENTARY
Matatā	92%	Achieved.
Rūātoki	Incomplete data	Incomplete data. Following the installation of UV treatment to the Rūātoki water treatment plant, monitoring has been undertaken for compliance with protozoa standards for 8 months of the 2014/15 year with the scheme meeting the standards for protozoa compliance. The Rūātoki scheme complied with micro-bacterial standards for all 12 months.
Tāneatua	100%	Achieved.
Te Mahoe	75%	Not achieved. Component failure at the Te Mahoe water treatment plant saw the scheme not meet the micro-biological standards for three of the 12 months. Component failure was for less than two hours each time, but still breached the standards.
Waimana	83%	Not achieved. Failure of the UV treatment at the Waimana water treatment plant led to the scheme not meeting the protozoa standards for two months. Component failure was for less than two hours each time, but still breached the standards.
Whakatāne	100%	Achieved.

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

The Plains Water scheme is not included as it is a primarily rural supply scheme. The scheme complied with micro-biological criteria.

The Murupara scheme is not included as it is not currently treated due to the high level of the source water quality.

Whakatāne River as seen from the water treatment plant



Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations



Sewage Treatment & Disposal

Te Tukuhanga o ngā Parapara

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR YEAR ENDED 30 JUNE 2015 –
Sewage Treatment & Disposal

LTP 2013/2014 \$000		LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000		
Sources of operating funding					
14	General rates, uniform annual general charges, rates penalties	15	17		
2,675	Targeted rates (other than a targeted rate for water supply)	2,673	2,361		
-	Subsidies and grants for operating purposes	-	-		
189	Fees and charges, and targeted rates for water supply	196	115		
149	Internal charges and overheads recovered	152	182		
182	Local authorities fuel tax, fines, infringement fees, and other receipts	188	3		
3,209	Total operating funding (A)	3,224	2,678		
Applications of operating funding					
1,109	Payments to staff and suppliers	987	2,393		
261	Finance costs	398	344		
916	Internal charges & overheads applied	944	947		
-	Other operating funding applications	-	-		
2,286	Total applications of operating funding (B)	2,329	3,684		
923	Surplus (deficit) of operating funding (A-B)	895	(1,006)		
Sources of capital funding					
1,044	Subsidies and grants for capital expenditure	3,603	-		
175	Development and financial contributions	181	122		
1,541	Increase (decrease) in debt	2,565	900		
-	Gross proceeds from sale of assets	-	-		
-	Lump sum contributions	-	-		
2,760	Total sources of capital funding (C)	6,349	1,022		
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	-		
1,979	- to improve level of service	6,210	613		
1,354	- to replace existing assets	469	436		
350	Increase (decrease) in reserves	565	(1,033)		
-	Increase (decrease) of investments	-	-		
3,683	Total applications of capital funding (D)	7,244	16		
(923)	Surplus (deficit) of capital funding (C-D)	(895)	1,006		
-	Funding Balance ((A-B) + (C-D))	-	-		
	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	5,431,722	1,094,925	194,749	6,331,898	344,415



Sewage Treatment & Disposal

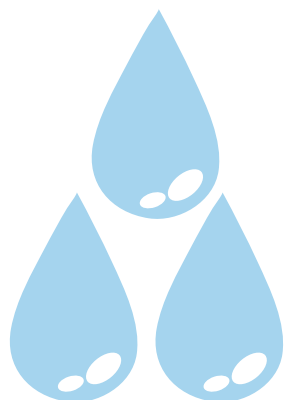
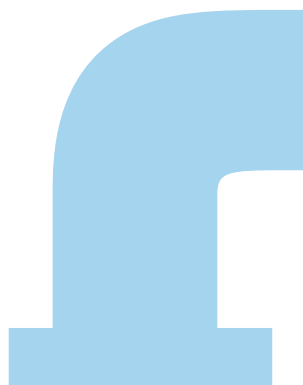
A YEAR IN REVIEW

Matatā sewage scheme

In its decision in May 2015, the Environment Court declined the designations and resource consents for the sewage treatment plant on the proposed site in Matatā. However the land application field designation and resource consent may still be approved. Following the Court’s decision, further work has been undertaken to investigate all options for the project, including alternative treatment plant and disposal field sites, and the possibility of pumping sewage to other centres for treatment and disposal. A decision on the scheme will be made early in the 2015/16 year. The scheme is intended to address environmental and health concerns arising from Matatā’s current reliance on septic tanks and soakage fields to dispose of sewage. The availability of a \$6.7 million Ministry of Health subsidy and \$1.9 million grant from the Bay of Plenty Regional Council meant that the project could be carried out at a much more affordable cost to ratepayers.

Whakatāne system improvements

Over the past financial year, several projects have been completed to improve the sewerage systems in the Whakatāne town. The upgrades have seen the risk of wastewater overflows during heavy rain greatly reduced, through upgrading the size of some pipes, increasing pumping capacity and repairs to problematic lines. Further works carried out included using CCTV to inspect and clean the sewerage lines where necessary, reducing the risk further.



DID YOU KNOW?

That 80% of water you use at home goes into the sewerage system



Community Outcomes



Leadership
Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,486	4,994	(1,508)	\$	Costs related to the Matatā sewage scheme project moved to operational expenditure, rather than capital expenditure.
Revenue	5,371	2,584	(2,788)	\$	Subsidy (\$2.7 million) budgeted for the Matatā sewage scheme project not received due to project being on hold.
Net Cost of Service Surplus/(Deficit)	1,885	(2,411)	(4,296)	\$	
Capital Expenditure	6,044	1,049	4,995	\$	Matatā sewage scheme project on hold.

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2014/15 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne - Pipe upgrades City South catchment	160	160	181	Complete. Pump station and rising main upgrades.
Whakatāne - Inflow and infiltration reduction	100	100	-	Complete. Project carried out within current operational budgets.
Ōhope - Treatment Plant upgrade	400	400	45	Detailed investigations carried out to meet new resource consent requirements. Physical works are now to be undertaken in the 2015/16 year.
Edgecumbe - Reticulation Upgrades	275	275	218	Complete. New rising main installed.
Matatā Sewerage Treatment Plant & Reticulation Construction	4,833	4,833	92	Project on hold due to Environment Court decision. Further options being investigated.

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: To provide high quality, efficient and reliable sewerage systems that meet the reasonable needs of the urban and commercial communities

MEASURE: Percentage of blockages and breakages affecting the system in Whakatāne are responded to within one hour *

TARGET: 90%

RESULT: **ACHIEVED** ✓ 98% (2013/14 result: 98%)

MEASURE: Reducing environmental impacts of sewage by providing reticulated schemes in urban areas

TARGET: Whakatāne, Ōhope, Edgecumbe, Murupara, Tāneatua, Te Mahoe

RESULT: **ACHIEVED** ✓ The Council continued to provide six schemes in our main urban areas (2013/14 result: Achieved).

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

TARGET: Existing/LTP target: 70-74 Converted target: 70-74**

RESULT: **ACHIEVED** ✓ 85% of people satisfied (2013/14 result: 86%).

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

TARGET: 0

RESULT: **ACHIEVED** ✓ No abatement notices received (2013/14 result: Achieved).

* Note: Actual works required to remedy blockages will vary according to the extent of fault

** From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information



Tradewaste

Community Outcomes



Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

A YEAR IN REVIEW

Tradewaste monitoring continued

The Council has continued to monitor tradewaste produced by commercial and industrial properties over the past year. There are currently over 220 businesses that contribute to the trade waste produced in our District. Spot inspections have been carried out on several premises, within the year. This has involved checking premises' systems and processes for maintaining appropriate grease traps; spill management systems; and general understanding of compliance requirements by owners and employees.

DID YOU KNOW?

Trade waste is the wastewater produced by commercial and industrial properties

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	142	115	27	\$	Recoverable expenditure less than budgeted.
Revenue	142	133	(9)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	18	18	\$	

Key: \$ = Favourable – \$ = Unfavourable



Stormwater Drainage

Te Wai Āwhiowhio me ōna Rītenga

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 –
Stormwater Drainage

LTP 2013/2014 \$000		LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000		
Sources of operating funding					
367	General rates, uniform annual general charges, rates penalties	408	310		
2,340	Targeted rates (other than a targeted rate for water supply)	2,421	2,635		
-	- Subsidies and grants for operating purposes	-	-		
-	- Fees and charges, and targeted rates for water supply	-	-		
2,052	Internal charges and overheads recovered	2,102	1,302		
208	Local authorities fuel tax, fines, infringement fees, and other receipts	215	33		
4,967	Total operating funding (A)	5,146	4,280		
Applications of operating funding					
1,647	Payments to staff and suppliers	1,705	1,813		
889	Finance costs	1,003	838		
1,536	Internal charges & overheads applied	1,568	539		
-	- Other operating funding applications	-	-		
4,072	Total applications of operating funding (B)	4,276	3,190		
895	Surplus (deficit) of operating funding (A-B)	870	1,090		
Sources of capital funding					
-	- Subsidies and grants for capital expenditure	-	-		
119	Development and financial contributions	123	112		
437	Increase (decrease) in debt	1,387	897		
-	- Gross proceeds from sale of assets	-	-		
-	- Lump sum contributions	-	-		
556	Total sources of capital funding (C)	1,510	1,009		
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	-		
1,433	- to improve level of service	3,129	1,564		
-	- to replace existing assets	-	396		
18	Increase (decrease) in reserves	(749)	139		
-	- Increase (decrease) of investments	-	-		
1,451	Total applications of capital funding (D)	2,380	2,099		
(895)	Surplus (deficit) of capital funding (C-D)	(870)	(1,090)		
-	Funding Balance ((A-B) + (C-D))	-	-		
	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	13,716,593	1,661,190	764,491	14,613,292	837,960

Stormwater Drainage

A YEAR IN REVIEW

Stormwater upgrades for Ōhope

The first stage of a major stormwater system upgrade in the vicinity of Ōhope's Maraetōtara Stream was completed in May 2015. The project saw the installation of considerably larger piping mains to the east and west of the stream, leading to a sevenfold increase in the drainage capacity of the area. The more resilient system will provide residents with greater protection from flood-related property damage and improve road access during extreme weather events. To prevent traffic disruption during the busy Christmas period, the work was carried out either side of the summer holiday. The second stage of the project is expected to be completed in the 2015/16 year.

Apanui catchment upgrades

June 2015 saw work begin on installation of a large box culvert under The Strand, to increase capacity and reduce the risk of overflow in certain parts of the Apanui catchment. The four-metre by two-metre culvert replaces three 900 mm pipes and will quadruple the potential stormwater flow capacity from the area to the south of The Strand. The work will be completed early in the 2015/16 financial year.

Detailed design work has also been undertaken for the upgrade of the McAlister Stormwater pump station. The increased pumping capacity would help improve the ability of the Apanui catchment to deal with extreme weather events. Works will commence in the 2015/16 financial year.

Wainui Te Whara flood mitigation works

Over the past year the Council has continued to collaborate with the Bay of Plenty Regional Council on an integrated 'whole of catchment' approach to managing the flood risk associated with the Wainui Te Whara Stream. This aims to raise the current level of flood management for the area to provide protection from a one-in-100 year weather event. Some works have been completed to improve the efficiency of stormwater management in the area, such as the completion of seven small flood detention structures in the upper catchment, regulating the flow from the upper stream catchment; and construction of a debris catching structure above the Valley Road bridge. Modelling of the catchment has led to further works being planned, including the re-shaping of the channel to improve capacity, and upgrading public and private bridge crossings. The major works are now planned to begin in the 2015/16 year.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,066	3,066	-	\$	Variance within 10% or \$20,000
Revenue	3,297	3,192	(105)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	231	126	(105)	\$	
Capital Expenditure	4,843	1,960	2,882	\$	See capital expenditure table below.

Key: \$ = Favourable – \$ = Unfavourable



Community Outcomes



Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2014/15 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Apanui Stream - Upgrade to The Strand culvert	793	793	288	Behind schedule. Works currently on going.
Apanui catchment Stormwater upgrades	1,710	1,710	174	Investigations and design work carried out. Physical works planned for November 2015.
Ōhope Stormwater upgrades	790	1,062*	888	Several major works completed. Further works are scheduled for 2015/16 year.
Wainui Te Whara flood protection project	1,480	1,620	256	Behind schedule. Concept design work undertaken and preliminary design has been finalised. Public consultation and resource consent application to be undertaken early in 2015/16 year. Physical works to begin mid-2015/16 year.

* Additional budget carried forward from 2013/14 year.

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Provide a quality and safe urban stormwater system accessible throughout Whakatāne (including Ōtarawairere), Ōhope, Edgecumbe, Matatā, Murupara, Tāneatua, Te Mahoe and Te Teko

MEASURE: Initial response time to blockages affecting the system within three hours*

TARGET: 87%

RESULT: **ACHIEVED** ✓ 88% (2013/14 result: 100%)

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

TARGET: 80%

RESULT: **ACHIEVED** ✓ 81% (2013/14 result: 81%**).

* Note: Actual works required to remedy blockages will vary according to the extent of fault

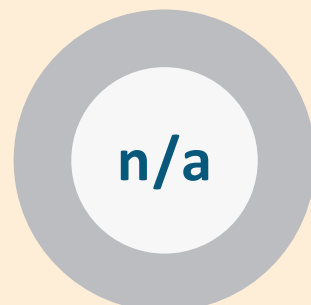
**Note: Result was erroneously reported as 85.1% in the Annual Report 2013/14.



Delivering our services:

Waste

Ngā Parapara



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 – Waste

2013/2014 LTP \$000		2014/2015 LTP \$000	2014/2015 ACTUAL \$000			
Sources of operating funding						
500	General rates, uniform annual general charges, rates penalties	517	1,290			
3,656	Targeted rates (other than a targeted rate for water supply)	3,779	4,165			
103	Subsidies and grants for operating purposes	107	115			
1,393	Fees and charges, and targeted rates for water supply	1,438	674			
-	Internal charges and overheads recovered	-	-			
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	150			
5,652	Total operating funding (A)	5,841	6,394			
Applications of operating funding						
4,358	Payments to staff and suppliers	4,498	4,612			
262	Finance costs	272	228			
746	Internal charges & overheads applied	775	697			
-	Other operating funding applications	-	-			
5,366	Total applications of operating funding (B)	5,545	5,537			
286	Surplus (deficit) of operating funding (A-B)	296	857			
Sources of capital funding						
-	Subsidies and grants for capital expenditure	-	-			
9	Development and financial contributions	9	15			
(202)	Increase (decrease) in debt	(218)	(63)			
-	Gross proceeds from sale of assets	-	-			
-	Lump sum contributions	-	-			
(193)	Total sources of capital funding (C)	(209)	(48)			
Applications of capital funding						
Capital expenditure						
-	- to meet additional demand	-	-			
26	- to improve level of service	16	-			
-	- to replace existing assets	-	204			
67	Increase (decrease) in reserves	71	605			
-	Increase (decrease) of investments	-	-			
93	Total applications of capital funding (D)	87	809			
(286)	Surplus (deficit) of capital funding (C-D)	(296)	(857)			
-	Funding Balance ((A-B) + (C-D))	-	-			
		OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing		3,862,941	204,413	266,972	3,800,382	228,413

Waste Disposal

Community Outcomes



A YEAR IN REVIEW

Waste to landfill continues to reduce

The proportion of solid waste the Whakatāne District sends to landfill, rather than being recycled or reused, has continued to decrease. The 2014/15 year saw our lowest proportion yet, with 51.6% of all waste collected going to landfill, compared to 54.3% the previous year. This amounts to 1,166 tonnes less waste, and a significant saving in disposal costs. There has also been an increase in the actual amount of waste being recycled or reprocessed. It is important that we all consider what we throw away and how. The more we can recycle or reuse the things we throw away, the better it is for the environment and our rates costs. Sending waste to landfill not only incurs dumping fees, but there's also a haulage cost to transport the waste to Tirohia Landfill in the Waikato.

Waste Management and Minimisation Plan finalised

The Council's Waste Management and Minimisation Plan was adopted at the end of June 2015. This document sets out how we currently manage the District's waste, how we intend to manage waste in the future, and a number of actions to achieve this. The plan is required by legislation and must be updated at least every six years. On this occasion, the review was carried out a year early so that it aligns with the LTP. The plan was publicly consulted on and submissions were considered before it was finalised. For more information and to view the plan, see our website.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,481	3,099	382	\$	Less waste disposed of due to a loss of two larger waste producers, leading to reduced disposal costs.
Revenue	3,958	3,620	(338)	\$	Fees & charges revenue reduced due to a loss of two larger waste producers.
Net Cost of Service Surplus/(Deficit)	477	521	44	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Waste Minimisation is actively promoted to all residents/ratepayers and strategies are put in place to manage waste for the long term.

MEASURE: Decrease in the portion of waste to landfill compared to greenwaste and recycling.

TARGET: 46% of waste is sent to landfill

RESULT: NOT APPLICABLE. This target was set through the Council's Long Term Plan in 2012 based on incorrect estimates of waste volumes that overstated the level of greenwaste. The measure and target has been reviewed as part of the 2015-25 Long Term Plan. The result for 2014/15 - 51.6% of all solid waste disposed at landfill – does show an improvement on the previous year which saw 54.3% of waste sent to landfill (2013/14 result: Not applicable).

Waste Reprocessing

Community Outcomes



A YEAR IN REVIEW

Concrete reused

During the 2014/15 year, all concrete received at the District's transfer stations was reprocessed and reused. Not only does this reduce the cost of crushing, haulage and dumping fees for landfill disposal, but the reuse of this waste material in Council projects also helps to reduce construction costs. Council transfer stations accept small commercial loads and public drop-offs.

Greenwaste processing facility progressed

A resource consent has been granted for the development of a green waste processing facility at Keepa Road, allowing the project to progress in the 2015/16 year. The planned facility, on a site adjacent to the Whakatāne sewage treatment ponds, will be capable of processing more than 4,200 tonnes of greenwaste annually and will comfortably handle the District's current and anticipated needs. The facility will generate savings of \$90,000 a year in reduced transportation costs.

DID YOU KNOW?

The District's greenwaste produced over 4,500 cubic metres of compost in 2014/15

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,103	1,177	(74)	\$	Variance within 10% or \$20,000
Revenue	1,103	1,105	2	\$	Variance within 10% or \$20,000
Net Cost of Service (Surplus)	-	(72)	(72)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Waste Minimisation is actively promoted to all residents/ratepayers and strategies are put in place to manage waste for the long term.

MEASURE: Increase in the proportion of waste being reprocessed.

TARGET: 31% of waste is diverted to reprocessing

RESULT: NOT APPLICABLE. This target was set through the Council's Long Term Plan in 2012 based on incorrect estimates of waste volumes that overstated the level of greenwaste. The measure and target has been reviewed as part of the 2015-25 Long Term Plan. The result for 2014/15 - 27.3% of all solid waste reprocessed – does show an improvement on the previous year with 26.4% of waste reprocessed (2013/14 result: Not applicable).



Waste Recycling

A YEAR IN REVIEW

Supporting Conscious Consumers

The Council supported the Conscious Consumers organisation to provide advice to businesses in the District. Conscious Consumers is a business accreditation programme which have been working with restaurants, cafes and take-away shops in the District to implement or improve recycling practices. Conscious Consumers has made contact with local hospitality businesses, providing advice on waste management and sustainability initiatives, and how the accreditation process works. Most of the businesses appreciated the advice provided with some signing up for accreditation. A number of local suppliers were also contacted. Alongside business advice, the programme also provides online information and a free smartphone app to help potential consumers when making choices. The initiative allows products and services to be promoted to hundreds of accredited hospitality business members across New Zealand.

Learning about recycling

Pupils from Te Wharekura o Rūātoki made two visits to the Whakatāne transfer station to learn more about how we deal with waste. The trips allowed the schoolchildren to engage in learning outside of the classroom and understand the processes involved in waste management, and the importance of recycling.

The Council also works with schools through the 'Paper for Schools' initiative. This programme encourages schools to recycle and earn trees for planting as a reward. As well as financially supporting the initiative, Council picks up and processes the recyclables for free.

Rural recycling

Over the past year, the Council has helped Agrecovery hold several events and collection drives. Agrecovery works to collect and properly dispose of agricultural waste, and specifically chemical containers. These containers can be very harmful to the environment if burnt or dumped, due to the powerful chemical residues they often contain. Agrecovery collected 90 containers at an event in Galatea and has visited individual properties to make collections.

Assisting CReW

The Council has actively assisted the Community Recycling Whakatāne group (CReW) to establish a collection service and improve recycling in our community. CReW is now able to proactively visit construction and demolition sites to collect items that would otherwise go to landfill. The resale and reuse of this material not only reduces the amount of waste generated, but also provides a useful resource for the local community to access.

Para Kore

The Council continues to support Para Kore, an organisation that provides marae based recycling facilities and related education programmes. Council has provided financial and logistical support to the programme for both urban and rural communities.



COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$00	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,526	1,355	171	\$	Contract costs less than budgeted.
Revenue	1,684	1,684	-	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	158	329	171	\$	
Capital Expenditure	-	204	(204)	\$	Greenwaste Reprocessing Plant project, budget carried forward from 2013/14 year.

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Waste Minimisation is actively promoted to all residents/ratepayers and strategies are put in place to manage waste for the long term

MEASURE: Increase in the portion of waste being recycled.

TARGET: 23% of waste is diverted to recycling

RESULT: NOT APPLICABLE. This target was set through the Council's Long Term Plan in 2012 based on incorrect estimates of waste volumes that overstated the level of greenwaste. The measure and target has been reviewed as part of the 2015-25 Long Term Plan. The result for 2014/15 - 21.1% of all solid waste recycled – does show an improvement on the previous year which saw 19.3% of waste recycled (2013/14 result: Not applicable).

DID YOU KNOW?

Last year our kerbside collection service collected

2,466 tonnes

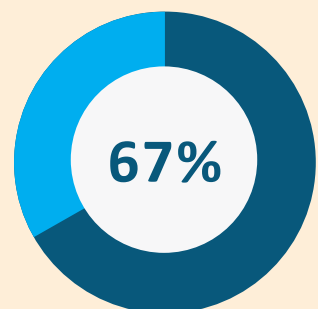
of mixed recycling from household crates.



Environmental Sustainability

Te Pūtaiao

Delivering our services:



Resource Management - Policy

Community Outcomes



A YEAR IN REVIEW

District Plan hearings completed

Listening to the community and interested stakeholders has been an integral part of the development of the District Plan. Submission hearings have continued over the past year, with the Hearings Committee taking a facilitative approach, allowing submitters to return multiple times to comprehensively cover issues and better inform the decision making process. The District Plan Hearings Committee undertook 360 hours of hearings and deliberations. The Committee is now working through deliberations and decisions will be released in October 2015.

Rangitāiki River document finalised

This financial year has seen the Rangitāiki River Forum publicly consult on and finalise its guiding document, 'Te Ara Whānui o Rangitāiki – Pathways of the Rangitāiki (The Rangitāiki River Document). The document sets out the aspirations of the Forum and how to improve the health of the river and its tributaries (including the Whirinaki, Wheao and Horomanga Rivers). The Council is identified as the lead body for several of these actions, including a review of Council's sewage systems. The document recognises the importance of the Rangitāiki River for different communities and for different reasons, including traditional food gathering, farming and recreation.

The Forum is a partnership made up of representatives from Ngāti Whare, Ngāti Manawa, Ngāti Awa and Tūwharetoa (Bay of Plenty), as well as councillors from Bay of Plenty Regional Council and Whakatāne District Council.

Awatarariki fanhead solutions investigated

Over the past year, the Council has looked to make progress on resolving issues around the Awatarariki stream in Matatā. The area was heavily damaged by a debris flow from the stream in 2005, which destroyed road and rail links and a number of houses. The hazard posed by a possible future event means that action must be taken to address the loss-of-life risk. A draft Building Act Determination has been released, which has supported the Council's position not to issue building consents for conventionally constructed dwellings on the fanhead. The Council has formed a Consensus Development Group, including six property owners, a Councillor, staff and technical experts to assess options. While there is no single solution acceptable to all owners, the Consensus Development Group identified a voluntary managed retreat option as a possible way forward. The Council has resolved to proceed with this approach and will approach Central Government and the Bay of Plenty Regional Council as potential funding partners.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,172	1,302	(130)	\$	Costs associated with District Plan. District Plan budget carried forward from 2013/14 year.
Revenue	709	715	6	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(462)	(587)	(125)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: *Growth and development is planned while our natural and physical resources are managed in a sustainable manner.*

MEASURE: Status of the second generation Whakatāne District Plan. **TARGET:** Plan made operative.

RESULT: **NOT ACHIEVED** X Hearings have continued through the 2014/15 year. Decisions will be released in October 2015. Some matters are currently before the Environment Court (2013/14 result: Achieved - Plan under review).

Resource Management - Consents

Community Outcomes



Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

A YEAR IN REVIEW

Consent numbers remain static

The Council processed a total of 77 land use and subdivision consents during the 2014/15 year, and an additional 25 variations, outline plans and certificates of compliance were also processed to completion. Historically, these numbers are relatively low, reflecting the continuing effects of the global economic recession on regional New Zealand. A number of land use consents were also processed in conjunction with the Bay Of Plenty Regional Council. This helps to ensure integrated, efficient decision-making and allows expertise to be shared.

Two particularly noteworthy consents were processed. In December 2014 the consent for the Seascape residential subdivision at Port Ōhope, for 30 lots, was finalised. An appeal against the consent for the removal and treatment of dioxin contamination from the Kopeopeo Canal was also settled and physical works are expected to begin in the 2015/16 year on this project.

The relatively low level of applications allowed the Council to redirect internal resources to support the District Plan review and reduce the need for external consultant services.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	822	1,017	(195)	\$	Unbudgeted legal and consultant costs related to resource consent appeal for Matatā Sewage Scheme, Kopeopeo Canal and other subdivision appeals.
Revenue	822	750	(71)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/ (Deficit)	-	(266)	(266)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Resource Management Act (RMA) administrative services are provided to facilitate environmentally sustainable development within the Whakatāne District.

MEASURE: Satisfaction with Council's resource consent process (Customer Satisfaction Index score sourced from Development and Compliance targeted postal survey).

TARGET: 55-59

RESULT: **ACHIEVED** ✓ Average satisfaction score of 61.7 out of 100 (2013/14 result: 63.3).

MEASURE: Average working days for processing land use resource consents. **TARGET:** 15 days

RESULT: **NOT ACHIEVED** ✗ 17.21 day average. Due to one consent that took 158 days due to its complexity. Removing that one consent makes the average 14.0 days (2013/14 result: 14.9 days).

MEASURE: Average working days for processing non-notified subdivision resource consents. **TARGET:** 20 days

RESULT: **ACHIEVED** ✓ 4.4 days (2013/14 result: 14.9 days).

MEASURE: Number of resource consent decisions overturned by the Environment Court. **TARGET:** 0

RESULT: **ACHIEVED** ✓ 0 (2013/14 result: 0). This measure reports on resource consents issued by the Whakatāne District Council. However, it should be noted that the Environment Court declined the application for designation (not resource consent) processed by the Whakatāne District Council for the proposed Matatā sewage treatment plant site, and declined the resource consent for the treatment site issued by the Bay of Plenty Regional Council.

MEASURE: Percentage of land use consents (excluding consents to remove trees) granted in the previous financial year which are monitored for compliance with consent conditions by 30 June each year.

TARGET: 100%

RESULT: **ACHIEVED** ✓ 100% (2013/14 result: 100%).

Road Safety

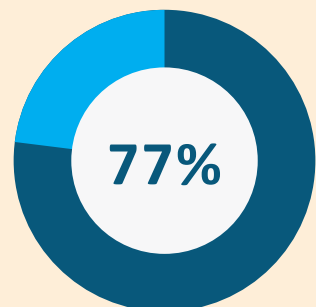
EASTERN
BAY OF PLENTY



Community Safety

Te Whakamaru o Tū

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 – Community Safety

LTP 2013/2014 \$000		LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000
Sources of operating funding			
1,437	General rates, uniform annual general charges, rates penalties	1,460	1,548
-	- Targeted rates (other than a targeted rate for water supply)	-	35
90	Subsidies and grants for operating purposes	87	334
1,239	Fees and charges, and targeted rates for water supply	1,278	1,034
-	- Internal charges and overheads recovered	-	-
525	Local authorities fuel tax, fines, infringement fees, and other receipts	521	754
3,291	Total operating funding (A)	3,346	3,705
Applications of operating funding			
2,013	Payments to staff and suppliers	1,976	2,403
2	Finance costs	2	-
1,034	Internal charges & overheads applied	1,046	992
-	- Other operating funding applications	-	-
3,049	Total applications of operating funding (B)	3,024	3,395
242	Surplus (deficit) of operating funding (A-B)	322	310
Sources of capital funding			
-	- Subsidies and grants for capital expenditure	-	30
-	- Development and financial contributions	-	-
(5)	Increase (decrease) in debt	(5)	(3)
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
(5)	Total sources of capital funding (C)	(5)	27
Applications of capital funding			
Capital expenditure			
-	- to meet additional demand	-	-
-	- to improve level of service	-	-
-	- to replace existing assets	-	59
237	Increase (decrease) in reserves	317	278
-	- Increase (decrease) of investments	-	-
237	Total applications of capital funding (D)	317	337
(242)	Surplus (deficit) of capital funding (C-D)	(322)	(310)
-	Funding Balance ((A-B) + (C-D))	-	-

2014/15 Actuals include the Road Safety function accounted for under Roads and Footpaths in the 2014/15 LTP

	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	8,197	-	2,671	5,526	472

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

Licensing (Alcohol & Gambling)

Community
Outcomes



A YEAR IN REVIEW

District Licensing Committee

The Eastern Bay of Plenty District Licensing Committee has continued to work well over the past year, providing local solutions and local input into the alcohol licensing process. The Committee is responsible for decisions on the granting and renewal of licenses related to the sale and supply of alcohol in the Ōpōtiki, Kawerau and Whakatāne districts. Meetings are held in each area, depending on the applications under consideration, with at least two local committee members on the three-person panel for hearings. To date, the Committee has made decisions on more than 300 applications in the Whakatāne District.

Controlled purchasing

Two controlled purchase operations were conducted during the past year. As part of these operations, all hotels, taverns, off-licenses and some clubs were visited by two underage volunteers who attempted to purchase alcohol. Undertaken jointly by Council, Police and volunteers, these operations saw complete compliance achieved, with all establishments refusing service.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	174	140	34	☐	District Licensing Committee costs have been less than expected.
Revenue	174	173	(1)	☐	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	33	33	☐	

Key: ☐ = Favourable – ☐ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Licensed premises comply with the Sale and Supply of Alcohol Act and Gambling Act.

MEASURE: Percentage of licensed premises inspected each year.

TARGET: 100%

RESULT: **ACHIEVED** ✓ All 94 licensed premises inspected. (2013/14 result: Achieved).

MEASURE: Controlled purchase operations are conducted annually.

TARGET: Two per year

RESULT: **ACHIEVED** ✓ Two operations undertaken. All premises involved complied with the Act. (2013/14 result: Achieved).

DID YOU KNOW?

There are currently 94 licensed premises in the Whakatāne District

Regulation Monitoring

Community Outcomes



Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

A YEAR IN REVIEW

Public prevent illegal dumping

Two dog walkers took quick action and helped catch an illegal dumper red-handed. The dog walkers spotted a man unloading a double tandem trailer full of household waste onto the sand dunes at Paroa and immediately called the Council. The rubbish included an old mattress, linen, an oil heater, household plastics and clothing. The man received a \$400 infringement fine – significantly more than the \$60 cost of dumping the trailer load at the transfer station – and was required to remove the rubbish.

Iron bollards help reduce dumping

Preventing vehicle access by installing iron railway bollards has helped reduce the amount of waste dumped under the Reid Road Bridge, near Tāneatua. The Council and the Bay of Plenty Regional Council worked together on the project, which has reduced illegal dumping and pollution at the site and improved water quality in the Waimana River. Prior to the installation of the bollards, 1.3 tons of illegally-dumped waste was removed from the site.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	44	35	9	\$	Variance within 10% or \$20,000
Revenue	44	46	2	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	11	11	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: The Council administers and enforces bylaws to deal with issues that create nuisance to the community.

MEASURE: Percentage of urgent* complaints relating to bylaws infringements responded to within one hour and non-urgent within 24 hours**.

TARGET: 100%

RESULT: **ACHIEVED** ✓ 100% (2013/14 result: 100%).

* In this context, 'urgent' means any situation which may have an immediate and significant impact on people's health and safety, or on the environment.

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

Building

Community Outcomes



A YEAR IN REVIEW

Major projects consented

During the 2014/15 year, the Building team issued 421 consents and oversaw developments worth over \$56 million in the Whakatāne District (\$15 million more than in 2013/14). Amongst the major projects were works at Whakatāne Hospital, the development of Murupara Area School, construction of a new motel in Whakatāne and a dairy facility in Thornton. The Building team undertook 1,731 inspections in our District. The Building team also provide building services to Kawerau District Council.

Building Consent Authority Accreditation

The Council has been re-accredited to carry out building consents, inspections and approval work, following an audit by International Accreditation New Zealand (IANZ). Feedback from the auditors has been very positive, reflecting the improvements made following previous audit processes. The Building Consents Authority (BCA) scheme requires that the Council be assessed every second year by IANZ and registered by the Ministry of Building Innovation and Development. Without accreditation, we would be unable to provide building consent, inspection and approval services.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,558	1,533	25	\$	Variance within 10% or \$20,000
Revenue	1,658	1,624	(34)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	100	91	(9)	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: High quality outcomes for building consent and code compliance applications are provided in a timely and professional manner.

MEASURE: Satisfaction with the process Council used for your building consent (Customer Satisfaction Index score sourced from Development and Compliance targeted postal survey).

TARGET: Existing/LTP target: 57-61

RESULT: **ACHIEVED** ✓ Average satisfaction score of 75.0 out of 100 (2013/14 result: 76.2).

MEASURE: Average working days for processing building consents.

TARGET: 15 days

RESULT: **ACHIEVED** ✓ An average of 8.10 days processing time for building consents (2013/14 result: 8.63).

Environmental Health

Community Outcomes



A YEAR IN REVIEW

Licensing, inspecting and responding

The Environmental Health activity has continued to deliver services to help keep people safe and healthy. Over the past year, 217 out of 238 premises were inspected. These included food premises, hairdressers, funeral directors and camp grounds. Over the 2014/15 year, 908 noise complaints were responded to and appropriate action taken. Other complaints about public nuisance, such as litter and odour, were also responded to.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	203	179	24	\$	Reduction in staffing costs related to contracted work
Revenue	203	193	(10)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	14	14	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: 100% of residents and ratepayers have access to healthy buildings and a healthy environment

MEASURE: Satisfaction that the Environmental Control Services such as public health, food noise, litter and liquor licensing make the environment a healthier place to live (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 67-71 Converted target: 73-77*

RESULT: ACHIEVED ✓ 89% of people satisfied (2013/14 result: 85%).

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

TARGET: 100%

RESULT: NOT ACHIEVED ✗ 93.6% of after hours excessive noise complaints were responded to according to timeframes. This is an improvement over the previous year and further steps are being taken to continue to improve performance in this area (2013/14 result: 87%).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information

Emergency Management

A YEAR IN REVIEW

Civil Defence siren test

Eastern Bay of Plenty Civil Defence tested the area's alerting sirens and Stinger mobile sirens in October 2014. The fixed Civil Defence Alert sirens in Matatā, Coastlands, Whakatāne, Ōhope, Ōhiwa, Waiotahi, Ōpōtiki and Waihou Bay were tested, and the mobile alerting Stingers were also driven through parts of Ōhope, Whakatāne and Kawerau. The sirens performed well, with a good level of coverage. Simultaneous radio broadcasts ensured that people were aware that the sirens were being sounded to test the system's readiness, but also reminding the community about their purpose – not as an instruction to evacuate, but to find out more information on the radio or online. Some issues were revealed with text alerts, which saw some people receive the messages later than others. Improvements have been made to address this.

Community response

We live in an area which is prone to a number of natural hazards. In a civil defence emergency, many parts of the District may become cut off and isolated. Community Response Plans are a key tool in helping communities prepare for and get through civil defence emergencies. Over the past year, progress has been made in developing a number of community response plans, with training provided to those involved. These plans help a community support itself through a crisis and include the development of local resources and a team to assist vulnerable residents, and work with the Council, in times of emergency. Work has been carried out with the Matatā, Waimana, Wainui, Murupara and Ruatāhuna communities, driven by local groups such as Iwi, tribal executives and neighbourhood support groups.

'Our Hazards' competition raises awareness

School students from around the Eastern Bay of Plenty entered a Civil Defence competition to help them understand our hazards and prepare for an emergency. The competition saw primary, intermediate and senior school pupils take on a range of activities, from drawing the best flood, volcano, tsunami or earthquake, through to full interactive hazard models built by teams of four. The competition not only helped improve awareness of these hazards, but raised awareness about what we should do before, during or after an event. The winners of the public vote received helicopter flights around Ōhope Beach and Moutohorā - Whale Island, or a trip to Whakaari - White Island.

Changes in delivery

Several changes to how the Emergency Management activity is delivered have been planned, and will come into effect in the 2015/16 year. As of 1 July 2015 our rural fire service will operate under an enlarged regional rural fire authority called Pumicelands Rural Fire Authority; this will also mean changes to the geographic area that the Council administers, following rationalisation of areas of responsibility with the Department of Conservation. This generally will not change the day to day operations of rural fire services, but may in time lead to changes to the structure and management.

From 1 July 2015, many civil defence functions will be delivered by 'BOP Emergency Management'; a new regional entity with two staff retained in the Eastern Bay. While planning and work programme development will be coordinated at a regional level and be consistent with the Bay of Plenty Emergency Management Group Plan, the delivery will be undertaken locally with a strong emphasis on building community resilience and preparedness for an emergency.





COST OF SERVICE

	ANNUAL PLAN 2014/15 \$'000	ACTUAL 2014/15 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	526	548	(22)	\$	Variance within 10% or \$20,000
Revenue	536	547	11	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	10	(1)	(11)	\$	
Capital Expenditure	21	22	(1)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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

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

TARGET: 100%

RESULT: NOT APPLICABLE. No major events occurred in the 2014/15 year. Pre-planning, including establishing the EOC in advance of Cyclone Pam, did occur, but the event turned out to be minor in scale. (2013/14 result: Achieved - One major event).

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

TARGET: Fortnightly

RESULT: ACHIEVED ✓ Training sessions carried out fortnightly for both Rural Fire and the Whakatāne Emergency Response Team (WERT). (2013/14 result: Achieved).



Community Development

A YEAR IN REVIEW

Keeping safe on our roads

The Community Development activity now also encompasses the Council's Road Safety functions, to deliver a more coordinated approach to programme delivery. We work alongside the New Zealand Transport Agency, New Zealand Police, the Road Transport Association NZ and ACC to deliver a range of activities and events to help improve road safety outcomes in the Eastern Bay of Plenty. One of this year's most successful campaigns has been the 'Can't Rewind Time' campaign, which targeted at-risk groups in the Eastern Bay and particularly young drivers. In addition to 'pop up' hip-hop dance shows, the road safety events involved a driving simulator, a 'Booze goggles' demonstration, video interviews and a social media campaign. Another hugely successful campaign has focused on the importance of wearing your seatbelt. The #Dontjimitthat Facebook campaign launched in April, with the first in a series of short comedy videos released via social media. It has already been viewed over 140,000 times and shared over 800 times. Featuring Jimi Jackson, a Kiwi comedian and entertainer, the video presents twelve bad excuses for not wearing a seatbelt. For more information, check out the Eastern Bay Road Safety Facebook page.

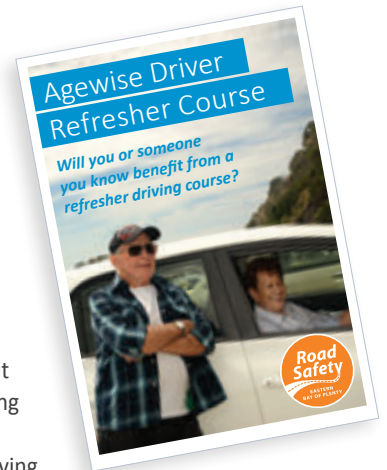
Youth Council

The Whakatāne Youth Council is made up of 12 young people, aged 12-24 years old, from across the District. It provides a vehicle for young people to participate in local government planning and decision-making and make a difference in their communities. Over the past year, the Youth Council has worked hard on a number of projects. This has included the introduction of a Youth Card for the District. The Youth Card provides discounts for young people at a number of businesses, including Whakamax Movies, Buket Turkish Kebab House, Video Ezy Whakatāne and Whakatāne Cycle Centre. It also has a list of useful contact details for youth focused support groups, such as the alcohol and drug helpline and What's Up (a free counselling service for 5-18 year olds). The Youth Council took a lead in the design, production and distribution of the cards, which were funded by the Ministry of Youth Development.

The Youth Council also held several 'Movies Under the Stars' events, screening movies outdoors. The events provided safe, family-friendly entertainment and were alcohol and drug-free. Screenings of popular movies were held in Whakatāne, Murupara and Ōhope, with the gold coin entry donations raising money for local charities.

Refreshing driver know how

Six senior driver Agewise refresher courses were held over the 2014/15 year, promoting safe driving and personal care/responsibility. Four were held in Whakatāne and two in Kawerau. These courses were aimed at people 60 years and older who felt that they may benefit from learning about recent changes to the road code and brushing-up on their driving skills. These very popular courses have been held across the Eastern Bay and have provided beneficial outcomes for all involved.



Mana Taiohi programme a success

The Mana Taiohi programme has continued its success into its second year. This scheme targets potential youth leaders in the District's more isolated rural communities, including Murupara, Ruatāhuna, Tāneatua, Matatā and Te Teko. Those involved formed small teams, which were then supported in planning and project managing events in their communities. The programme gave the young people involved hands-on experience in turning ideas into reality, helped develop their communication and planning skills and increased their confidence and leadership capabilities. This year, the programme has been increasingly community-led and driven, with Community Boards taking an important supporting role. Ten events have been held successfully thanks to the dedication of all involved.

Taking action for youth

During the past year, more than 3,700 young people and/or their family members have been involved in the Whakatāne 'Action for Youth' Social Sector Trials. The Council is an active participant in the trials, which involve the Ministries of Health, Education, Justice and Social Development, and the Police, working together to coordinate resources and deliver services collaboratively. The trials help to facilitate, coordinate and run several programmes to assist youth in the District. This has included taking action to increase student attendance at schools; minimising substance use; increasing the proportion of school leavers going into education, training or employment; and helping youth stay out of trouble. The trials are continuing to make positive change for youth in our District.



COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	648	584	64	☒	Reduced costs due to staff vacancy and projects deferred to 2015/16 year.
Revenue	615	617	2	☒	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(33)	33	66	☒	
Capital Expenditure	-	37	(37)		CCTV upgrade progressed. Carried forward from 2013/14 year.

Key: ☒ = Favourable – ☒ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Social well-being is improved in the District through a range of strategies, policies and projects.

MEASURE: Number of programmes or projects completed on an annual basis in response to social issues facing the District.

TARGET: 4

RESULT: **ACHIEVED** ✓ Four major high level programmes of work were completed with multiple events and projects resulting from these programmes. An overview is included on the previous page (2013/14 result: Achieved).

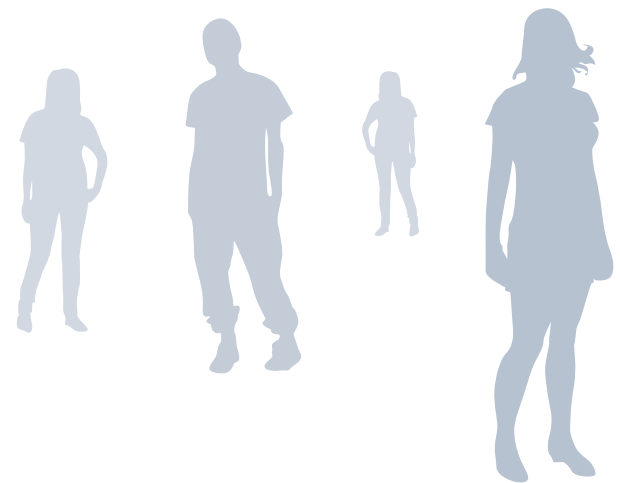
GOAL: To reduce network-related injuries and fatalities through information and educational campaigns.

MEASURE: Satisfaction with the safety of our roads (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 66-70 Converted target: 72-76*

RESULT: **ACHIEVED** ✓ 87% of people satisfied (2013/14 result: 84%).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information.





Animal Control

A YEAR IN REVIEW

Prevention education

Animal control officers have provided several education sessions for high risk groups to help teach strategies to stay safe and prevent dog bite injuries. The training was aimed at people who visit properties regularly as part of their jobs, such as meter readers and immunisation nurses. These sessions teach participants some simple safeguards and how to avoid triggering an attack, as well as providing advice on how to react in such situations.

All kitted out

Animal control officers have been issued with a new set of tools to assist in dealing with nuisance and aggressive dogs. The new equipment includes, among other items, a retractable-handle satchel, which can be used as an item for an aggressive dog to bite, and an umbrella, which can be used to deflect an aggressive dog. Although simple, the use of these basic items can reduce the risk of serious harm.

Horse trading

The Council has worked with the Ruatāhuna community to reduce the numbers of roaming horses in the area. Wandering stock pose a significant risk to road users. Police have responded to 76 incidents involving stock on the District's roads in the last six months alone; many of the accidents this caused have been severe. The Ruatāhuna area is particularly susceptible to this problem, given an increasing population of horses that are unconfined. The Council's Animal Control team worked alongside local residents to organise an auction in November 2014. 66 horses were sold, mostly to private owners, raising over \$6,000 for the community and improving the safety of road users.





Community Outcomes



Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Waste

Environmental Sustainability

Community Safety

Arts & Culture

Community Property

Recreation & Community Facilities

Corporate & District Activities

Council Controlled Organisations

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	598	581	17	\$	Variance within 10% or \$20,000
Revenue	598	535	(63)	\$	Reduced dog registration fee. Deficit funded from animal control reserve.
Net Cost of Service Surplus/(Deficit)	-	(46)	(46)	\$	

Key: \$ = Favourable – \$ = Unfavourable


WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Public safety and comfort is protected.


MEASURE: Percentage of aggressive/threatening dogs and roaming stock complaints responded to within half an hour. All other complaints responded to within 24 hours.

TARGET: 100%

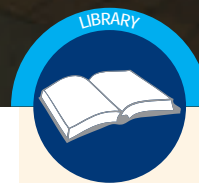
RESULT: **NOT ACHIEVED**  All urgent complaints were responded to within half an hour including on weekends and public holidays with staff on call to deal with these situations. All other complaints were responded to within 24 hours, with the exception of weekends and public holidays. An increase in the levels of service, including dealing with barking complaints during the weekend, has been included in the recent after hours contract which will enable this target to be met in the future. (2013/14 result: Not achieved).

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

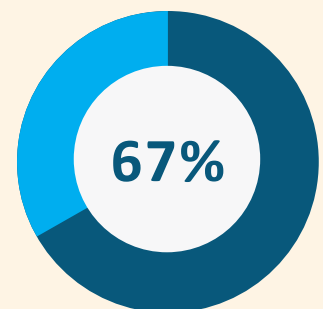
TARGET: Existing/LTP target: 68-72 Converted target: 69-73*

RESULT: **ACHIEVED**  75% of people satisfied (2013/14 result: 70%).

*From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information



Delivering our services:



Arts & Culture

Ngā Mahi Toi Whakairo

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 – Arts & Culture

LTP 2013/2014 \$000		LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000		
Sources of operating funding					
3,125	General rates, uniform annual general charges, rates penalties	3,199	2,880		
-	- Targeted rates (other than a targeted rate for water supply)	-	-		
3	Subsidies and grants for operating purposes	3	96		
26	Fees and charges, and targeted rates for water supply	30	18		
-	- Internal charges and overheads recovered	-	-		
72	Local authorities fuel tax, fines, infringement fees, and other receipts	76	417		
3,226	Total operating funding (A)	3,308	3,411		
Applications of operating funding					
1,052	Payments to staff and suppliers	1,084	1,229		
231	Finance costs	238	252		
1,637	Internal charges & overheads applied	1,649	1,385		
-	- Other operating funding applications	-	-		
2,920	Total applications of operating funding (B)	2,971	2,866		
306	Surplus (deficit) of operating funding (A-B)	337	545		
Sources of capital funding					
-	- Subsidies and grants for capital expenditure	-	-		
-	- Development and financial contributions	-	-		
(83)	Increase (decrease) in debt	(85)	(106)		
-	- Gross proceeds from sale of assets	-	-		
-	- Lump sum contributions	-	-		
(83)	Total sources of capital funding (C)	(85)	(106)		
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	-		
-	- to improve level of service	-	-		
129	- to replace existing assets	133	216		
94	Increase (decrease) in reserves	119	223		
-	- Increase (decrease) of investments	-	-		
223	Total applications of capital funding (D)	252	439		
(306)	Surplus (deficit) of capital funding (C-D)	(337)	(545)		
-	Funding Balance ((A-B) + (C-D))	-	-		
Internal Borrowing					
	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	4,368,358	-	106,036	4,262,322	251,660

Leadership

Roads &
Footpaths

Water
Supply

Sewage
Treatment
& Disposal

Stormwater
Drainage

Waste

Environmental
Sustainability

Community
Safety

Arts &
Culture

Community
Property

Recreation
& Community
Facilities

Corporate
& District
Activities

Council
Controlled
Organisations



Library

A YEAR IN REVIEW

Summer! Camping! Reading!

More than 350 children were engaged in the Whakatāne District Libraries' summer reading programme this year. The popular programme has been running since 2009 and provides a fun way to develop literacy skills over the summer holidays. The theme this year was 'Summer! Camping! Reading! - Te Raumati! Te Puni! Te Panui!' The programme ran for four weeks in January 2015 and gave children the chance to either choose a book prize each time they visited their local library and shared their reading experience with a member of staff, or complete quizzes, challenges and activities to claim a prize. The annual programme is aimed at young readers aged five to 12 years, is free to join and is available at all District libraries.

Public programmes continue to be popular

Over the past year, the library has continued to run a series of increasingly popular public programmes. The Library and Information Association of New Zealand (LIANZ) and Hell Pizza Reading Challenge was very successful. This nationwide challenge saw children and families work together to complete a number of information-gathering tasks around the library and earn themselves a pizza from a specially organised Hell Pizza caravan.

Over 200 people attended a performance by Toro Pikopiko, one of New Zealand's premier Māori puppet troupes. The show combined Māori legends, Te Reo, music and puppets in a multi-lingual, interactive event, which told the story of 'Apo the Greedy Taniwha'.

The weekly story-time session for pre-school children, 'Bookaboo', also proved very popular. Sessions are held at Te Kōputu during the school term, with a sister programme, 'Edgey-Boo', held every second week at Edgecumbe Library. Other events and programmes included a 'Poetree' evening, storytelling events, Matariki-themed shows and school holiday challenge booklets.

Parents and children

The Library team has been working alongside schools and early childhood centres to introduce children and their parents to what our libraries can offer. The 'Reading Together' programme introduces the libraries as a resource and is designed to remove any barriers, encouraging parents and children to make full use of the facilities in our various libraries. The programme is particularly focused on children who struggle with reading skills and how parents can support them. We currently have two schools involved in the programme. The past year has also seen school groups from across the District visit the libraries to explore the facilities and help children learn how a library works and what to look for next time they visit. Murupara Library and Service Centre was also visited by Rūātoki Early Childhood Educare for a special hui, introducing parents, caregivers and children to the facility and dispelling the myth that everyone must be silent in the library.

Kōtui goes live

June 2015 saw a new library management system and resource discovery service go live. Kōtui enables public libraries from across New Zealand to collaborate, regardless of geographical location, and lets you search content from home, school, work or via smartphone, as well as from inside the library. The library team worked alongside other Bay of Plenty councils to implement the new system. The initiative is supported by the National Library of New Zealand and Central Government.





Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,051	2,044	7	\$	Variance within 10% or \$20,000
Revenue	1,990	1,988	(2)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(61)	(56)	5	\$	
Capital Expenditure	125	127	(2)	\$	Variance within 10% or \$20,000

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: *The Council ensures all members of the community have ready access to a wide range of resources for information, education, leisure and cultural enrichment.*

MEASURE: Satisfaction with the Library & Exhibition Centre (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 80-84

RESULT: NO RESULT AVAILABLE. We are unable to report against this target as this question was not asked in the survey. However, 98% of people were satisfied with libraries in the District. (2013/14 result: Achieved).

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

TARGET: 12,300 card holders

RESULT: ACHIEVED ✓ 14,581 card holders (2013/14 result: 14,337)

DID YOU KNOW?

In June 2015, we launched Kōtui - an electronic system which makes it easier for library-goers to search for resources ranging from books, ebooks and DVDs to online resources and databases.

Exhibition, Research, Storage & Archives

Community Outcomes



A YEAR IN REVIEW

Tibetan visitors

One of our most popular exhibitions during the past year saw the creation, and destruction, of an intricate artwork by two Tibetan monks. The monks, Geshe Jamyang Sherab and Karma Gyaysey from the Jam Tse Dhargyey Ling Buddhist centre in Whangarei, created a mandala over two weeks, carefully creating lines, symbols and images from coloured sand. The completed mandala, which represented the palace of the medicine Buddha, was then blessed and 'ruined', swept into urns and placed into the Whakatāne river as part of a Buddhist ceremony. The mandala was at the centre of an exhibition that featured artwork on the theme of health and wellbeing, and was part of a community celebration of the opening of the new Whakatāne Hospital. Over the two weeks, the exhibition was visited by more than 4,000 people.

National art award

2015 marked the third year the Museum and Arts Team has partnered with Arts Whakatāne to stage the Molly Morpeth Canada Art Award for painting and drawing at Te Kōputu a te whanga a Toi. This year, 226 entries were received from artists throughout the country, requiring some tough choices for judge Matthew Browne to select the 69 works exhibited. A capacity audience attended the exhibition opening and over 100 people enjoyed the Judge's floor talk. The public programme held in conjunction with the Award exhibition involved a series of presentations by artists, an art dealer and an orator, giving an insight into, and sparking discussion around the arts.

For King and Country

A major exhibition was held to mark the centenary of the Gallipoli landings and commemorate World War One. The exhibition was developed by Museum staff and included Whakatāne Museum collection objects and photographs, with a focus on the realities of the conflict for those on the front and at home. The First World War was one of the most significant events of the 20th Century. Between 1914 and 1918, some 100,000 troops, or about a tenth of New Zealand's population at the time, served overseas. More than 18,000 died and over 40,000 were wounded, touching nearly every New Zealand family, community, school and workplace. Research was informed by the New Zealand Lotteries Grant Board-funded digitisation project, which gathered stories and imagery from local communities and allowed many precious items to be copied and catalogued for future reference.

Whakatāne Museum and Research Centre redevelopment

The Council has approved a project to redevelop the Whakatāne Museum and Research Centre in the Long Term Plan 2015-25. This \$4.5 million project will enable the Museum to achieve the statutory and best practice standards required to preserve the District's nationally-significant collections and deliver improved archive, research and education services. The project is dependent on raising \$3 million of the funding requirement externally. Plans for the redevelopment have been finalised and works are planned to be undertaken over the next two years.

COST OF SERVICE

	LTP 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,342	1,364	(22)	\$	Variance within 10% or \$20,000
Revenue	1,270	1,423	153	\$	Grant received from Lotteries Commission for museum shelving. Insurance claim payment received for 2014 Easter Storm damage.
Net Cost of Service Surplus/(Deficit)	(72)	59	131	\$	
Capital Expenditure	5	89	(84)	\$	Grant received from Lotteries Commission for museum shelving.

Key: \$ = Favourable – \$ = Unfavourable



“There’s always something new and interesting to see... and often thought-provoking”

Gallery visitor



WHAT WE DELIVERED

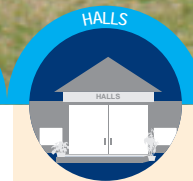
How we performed against our targets for the year

GOAL: *The Council provides dynamic facilities and services that help create a strong sense of community pride and identity, reflecting the heritage and culture of our region*

MEASURE: Number of exhibitions per year.

TARGET: Minimum of 10

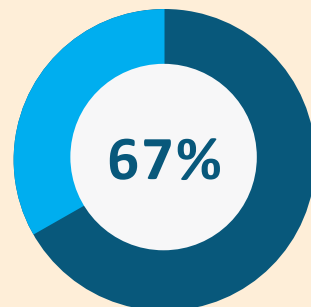
RESULT: **ACHIEVED** ✓ 15 exhibitions held (2013/14 result: 14 exhibitions).



Community Property

Ngā Rawa o Te Hāpori

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 – Community Property

LTP 2013/2014 \$000		LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000		
Sources of operating funding					
623	General rates, uniform annual general charges, rates penalties	671	542		
-	- Targeted rates (other than a targeted rate for water supply)	-	-		
-	- Subsidies and grants for operating purposes	-	125		
751	Fees and charges, and targeted rates for water supply	773	777		
-	- Internal charges and overheads recovered	-	146		
6	Local authorities fuel tax, fines, infringement fees, and other receipts	6	61		
1,380	Total operating funding (A)	1,450	1,651		
Applications of operating funding					
692	Payments to staff and suppliers	681	1,062		
24	Finance costs	23	19		
367	Internal charges & overheads applied	377	328		
-	- Other operating funding applications	-	-		
1,083	Total applications of operating funding (B)	1,081	1,409		
297	Surplus (deficit) of operating funding (A-B)	369	242		
Sources of capital funding					
-	- Subsidies and grants for capital expenditure	-	3		
60	Development and financial contributions	62	83		
(26)	Increase (decrease) in debt	(26)	(25)		
233	Gross proceeds from sale of assets	7,517	-		
-	- Lump sum contributions	-	-		
267	Total sources of capital funding (C)	7,553	61		
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	10	69		
77	- to improve level of service	79	14		
142	- to replace existing assets	416	314		
345	Increase (decrease) in reserves	7,417	(94)		
-	- Increase (decrease) of investments	-	-		
564	Total applications of capital funding (D)	7,922	303		
(297)	Surplus (deficit) of capital funding (C-D)	(369)	(242)		
-	Funding Balance ((A-B) + (C-D))	-	-		
	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	326,235	-	25,250	300,985	18,794

Leadership

Roads &
Footpaths

Water
Supply

Sewage
Treatment
& Disposal

Stormwater
Drainage

Waste

Environmental
Sustainability

Community
Safety

Arts &
Culture

**Community
Property**

Recreation
& Community
Facilities

Corporate
& District
Activities

Council
Controlled
Organisations

Pensioner Housing

Community Outcomes



A YEAR IN REVIEW

Pensioner Housing investigations

Investigations have been undertaken over the past year into the future of Council-owned Pensioner Housing. The review identified issues with the current provision of pensioner housing, including looking at anticipated changes in demand resulting from the expected increase in the number of older people in our population. The review identified a preferred option of transferring the council-owned units to a Community Housing Provider (CHP), which would be in a better position to meet the needs of tenants and provide quality, affordable housing into the future. Following the review of

Pensioner Housing, the Council undertook two phases of consultation to better understand the community's views - one in July 2014 targeted at current tenants and those with an interest in social housing; and a wider community consultation process in March/April 2015 alongside the LTP. A Social Housing Sub-committee was also established to investigate potential CHPs and to provide advice to Council. In adopting the LTP, the Council confirmed its intention to transfer the units to an approved CHP during 2015/16.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	533	640	(107)	\$	Costs associated with Council's decision on 30 June 2015 to divest.
Revenue	498	555	57	\$	Rental revenue greater than budgeted.
Net Cost of Service Surplus/(Deficit)	(35)	(86)	(50)	\$	
Capital Expenditure	172	111	61	\$	Renewal works required less than budgeted.

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Affordable, safe and secure pensioner housing is provided to people who meet the Whakatāne District Council eligibility criteria.

MEASURE: Number of Council pensioner units provided.

TARGET: 79

RESULT: **ACHIEVED** ✓ 79 units provided (2013/14 result: 79).

Commercial Property

Community Outcomes



Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

A YEAR IN REVIEW

Residential and retirement development sought

The Council has continued to actively pursue the construction of an integrated residential and retirement development on Council-owned land at Bunyan Road, Piripai. As part of the District Plan review process independent commissioners heard evidence, considered plan changes and released their decisions on the District Plan in June 2015.

The independent commissioners' decisions are currently being appealed by a number of parties and those matters are expected to be heard by the Environment Court in November 2015.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	392	382	10	\$	Depreciation expense less than budgeted.
Revenue	184	167	(16)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(209)	(215)	(6)	\$	
Capital Expenditure	33	41	(8)	\$	Visitor Centre refurbishment. See Economic Development activity for further information.

Key: \$ = Favourable – \$ = Unfavourable

Halls

A YEAR IN REVIEW

Murupara Area School Hall

The Council has been working with the Ministry of Education and the Murupara community to provide a new shared-use community hall/gymnasium as part of the redevelopment of the Murupara Area School. Working with the Ministry and external funding partners, such as the Lion Foundation, a full-size gymnasium will now be constructed, rather than the smaller gymnasium initially planned. The school will have priority use during and immediately after school hours, and the facility will be available for community use at other times. The existing and ageing town hall no longer meets the needs of the community and will be removed, once the new hall is available in 2016.

Whakatāne and District War Memorial Hall

In June 2015, the Council approved the inclusion of a project to redevelop the Whakatāne and District War Memorial Hall in the Long Term Plan 2015-25. The project is dependent on the findings of investigations that have been undertaken over the past year, and on securing a substantial portion of the funding required from sources other than rates. Investigations have focused on the current uses of the hall and the facilities and services any redevelopment would need to provide. Redeveloping the hall into a modern, flexible facility able to cater for a range of events will meet the needs of the District and wider Eastern Bay of Plenty.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,302	931	371	\$	Murupara Hall project not completed. Remaining funds to be carried forward to 2015/16 year.
Revenue	892	868	(24)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(410)	(63)	347	\$	
Capital Expenditure	363	246	117	\$	Renewals less than budget. War Memorial Hall project behind schedule, this will be progressed in 2015/16.

Key: \$ = Favourable – \$ = Unfavourable



Community Outcomes



- Leadership
- Roads & Footpaths
- Water Supply
- Sewage Treatment & Disposal
- Stormwater Drainage
- Waste
- Environmental Sustainability
- Community Safety
- Arts & Culture
- Community Property
- Recreation & Community Facilities
- Corporate & District Activities
- Council Controlled Organisations

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: *The community is provided with sufficient community halls and pavilions that are functional, affordable and available*

MEASURE: Satisfaction with public halls (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 72-76 Converted target: 80-84*

RESULT: **ACHIEVED** ✓ 87% of people satisfied (2013/14 result: 84%).

MEASURE: Sufficient community halls and pavilions provided in each ward by the Council or the community

TARGET: Four urban Council-managed, two rural Council-managed and four rural community managed halls provided.**

RESULT: **NOT ACHIEVED** ✗ Four urban and six rural halls managed by the Council. We have not yet entered into arrangements for community groups to take over management of rural halls (2013/14 result: Not achieved - Four urban and six rural halls managed by the Council)***.

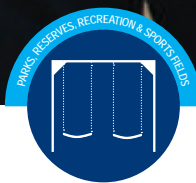
* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information

**Through the 2012-22 LTP we signalled our intention to move four of our rural halls to be community managed. However, this will only happen if there is sufficient interest from a community to transfer the management to a dedicated community group. The Council has not been pro-actively progressing this.

*** Result was erroneously reported as achieved in the Annual Report 2013/14.



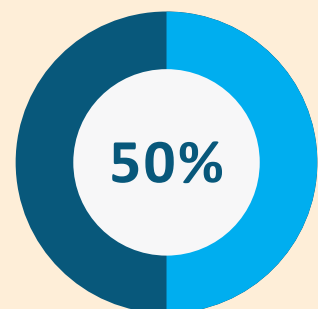
Artist impression of the new shared-use Murupara Community Hall/Gymnasium



Recreation & Community Facilities

Te Whare Tāpere o Tānerore me ngā hua ka puta mā Te Hāpori

Delivering our services:



WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 –
Recreation & Community Facilities

LTP 2013/2014 \$000		LTP 2014/2015 \$000	ACTUAL 2014/2015 \$000		
Sources of operating funding					
5,884	General rates, uniform annual general charges, rates penalties	5,652	5,288		
347	Targeted rates (other than a targeted rate for water supply)	361	403		
6	Subsidies and grants for operating purposes	6	152		
2,927	Fees and charges, and targeted rates for water supply	3,053	3,573		
1,718	Internal charges and overheads recovered	1,749	974		
45	Local authorities fuel tax, fines, infringement fees, and other receipts	100	676		
10,927	Total operating funding (A)	10,921	11,066		
Applications of operating funding					
4,529	Payments to staff and suppliers	4,686	5,473		
491	Finance costs	517	459		
3,520	Internal charges & overheads applied	3,579	2,757		
-	Other operating funding applications	-	-		
8,540	Total applications of operating funding (B)	8,782	8,689		
2,387	Surplus (deficit) of operating funding (A-B)	2,139	2,377		
Sources of capital funding					
62	Subsidies and grants for capital expenditure	37	-		
24	Development and financial contributions	25	28		
38	Increase (decrease) in debt	(4,556)	(864)		
-	Gross proceeds from sale of assets	5,294	-		
-	Lump sum contributions	-	-		
124	Total sources of capital funding (C)	800	(836)		
Applications of capital funding					
Capital expenditure					
-	- to meet additional demand	-	334		
712	- to improve level of service	646	563		
685	- to replace existing assets	913	976		
1,114	Increase (decrease) in reserves	1,380	(332)		
-	Increase (decrease) of investments	-	-		
2,511	Total applications of capital funding (D)	2,939	1,541		
(2,387)	Surplus (deficit) of capital funding (C-D)	(2,139)	(2,377)		
-	Funding Balance ((A-B) + (C-D))	-	-		
Internal Borrowing					
	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	7,934,144	65,998	929,631	7,070,511	458,955

Leadership

Roads &
Footpaths

Water
Supply

Sewage
Treatment
& Disposal

Stormwater
Drainage

Waste

Environmental
Sustainability

Community
Safety

Arts &
Culture

Community
Property

Recreation
& Community
Facilities

Corporate
& District
Activities

Council
Controlled
Organisations



Parks, Reserves, Recreation & Sportsfields

A YEAR IN REVIEW

Commemorating our ANZACs

April 2015 marked the centenary of the Gallipoli Landings in World War One and provided an opportunity to remember all those who have served in New Zealand's armed forces in conflicts and humanitarian missions. As part of the centenary commemorations flower gardens were planted with poppies as an act of remembrance. Prominent locations in Whakatāne, Murupara, Edgcombe and Waimana were used for the special plantings, allowing people to enjoy a display of poppies in time for ANZAC Day.

Additional work was also undertaken at Mitchell Park in the run up to ANZAC Day. The park, next to the Whakatāne Returned and Services Association, hosts memorial rocks marking the significant conflicts NZ service personnel have been involved in. As part of the commemorations, a small grove of olive trees was planted in the park alongside a new seat, both donated by the Rotary Club of Whakatāne, to honour ANZACs involved in the Gallipoli campaign and other conflicts. A carved waharoa (entrance) was also commissioned, blessed and installed at Mitchell Park as part of the remembrance activities.

Improving our playgrounds

Work has been undertaken over the past year to improve the playgrounds we provide. A major project undertaken at Jack Knowles Reserve in Tāneatua has seen the Council, Ngāi Tūhoe, Tāneatua School and Te Kohanga Reo a Tāneatua working together with external sponsors to upgrade the facility. The completed playground will feature a basketball half court, barbeques, picnic tables and family-focused play equipment.

A new playground has also been installed at Aniwheua. The project was driven and designed by the local community in memory of a young resident and the facility is already being well used.

Other playground refurbishment projects at Coastlands, Riverslea and Murupara have seen the replacement of old equipment, with minor improvement works also carried out at other facilities.

Take the Lead

2014/15 was the second year of the 'Take the Lead' programme. This initiative has been undertaken in conjunction with Kawerau and Ōpōtiki District Councils, Sport NZ and Sport Bay of Plenty and aims to encourage more high-school aged girls to engage in sport and recreation. The programme has involved six schools across our District and has helped 1,500 participants from across the Eastern Bay to get involved in all aspects of sport and recreation, including participating, officiating and organising. Participants have attended workshops, developed their leadership and problem-solving skills, met inspirational Olympians and considered options for future careers. Leaders from each school have also organised and run lunch-time and after-school courses covering a range of activities, including archery and hip-hop dancing.

Walking track maintenance

Maintenance work has been undertaken on Ngā Tapuwae o Toi (Toi's Track), the popular walking track linking Whakatāne and Ōhope. The work included the installation of barrier rails between Ōhope Beach and Ōtarawairere Bay - part of an ongoing upgrade to improve the walking experience and users' safety. Track closures were kept to a minimum and no site works were undertaken on weekends, allowing full access to the track.

Celebrating our culture and heritage

Te Rūnanga o Ngāti Awa and Council have jointly undertaken a project to refresh and update Whakatāne's Culture and Heritage Trail. The current trail was established in 2000, with 10 sites of significance. Investigations have indicated that a quality heritage trail/hiko experience has the potential to be a significant tourism attraction. Work has been undertaken to update the interpretation panel at Pohaturoa Rock and to make the site more publicly accessible, with paving and a sculpture that doubles as a safety structure under the archway. The surrounding area has also been improved, adding lighting and refreshing the memorial shelter. An additional interpretation panel has also been installed at Whaururangi. The works were completed in time for the 175 year commemoration of Ngāti Awa's signing the Treaty of Waitangi. The project will continue to look at other sites and is expected to continue for a number of years.



Community Outcomes



Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,774	3,412	362	\$	Variance within 10% or \$20,000
Revenue	3,383	3,388	4	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(391)	(25)	366	\$	
Capital Expenditure	1,277	649	628	\$	Projects deferred or not required.

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2014/15 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Toi's track renewals	70	106	68	Completed. Further renewals planned for 2015/16.
Pohaturoa upgrade	-	-	69	Completed. Council decision made to progress project. Funded through savings made in other projects.
Maraetotara Reserve erosion protection	90	90	12	Works on hold. Erosion appears to have settled, but will be monitored further.

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Assets are well maintained throughout all parks and recreational facilities providing a high standard of appearance and functionality.

MEASURE: Satisfaction with parks and reserves in the Whakatāne District (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 75 – 79 Converted target: 85-89*

RESULT: **ACHIEVED** ✓ 93% of people satisfied. (2013/14 result: 90%).

GOAL: Adequate sportsfields/grounds are provided to meet the needs of users and are kept to a high standard by regular mowing, herbicide applications and specialised turf grass treatments.

MEASURE: Amount of active recreation space available in the District per 1,000 people

TARGET: 1.5ha

RESULT: **ACHIEVED** ✓ 1.5ha (2013/14 result Achieved 1.5ha).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information.

Cemeteries & Crematorium

Community Outcomes



A YEAR IN REVIEW

Hillcrest Cemetery and Crematorium

During the 2014/15 financial year, work was undertaken to expand the ash berms at the Hillcrest Cemetery and Crematorium. New concrete, stone-work and gardens have been established to increase capacity by 25 percent, allowing the cemetery to meet current and future needs.

The Hillcrest Crematorium closed for part of February, to allow maintenance and a significant upgrade of the cremator to be undertaken. This has led to beneficial outcomes for the facility's operations.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	459	478	(19)	\$	Variance within 10% or \$20,000
Revenue	502	515	13	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	43	37	(6)	\$	
Capital Expenditure	63	118	(56)	\$	Cemetery expansion budget carried forward from 2013/14

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: *Appropriate and sufficient cemetery and crematorium services are available to residents*

MEASURE: Satisfaction with cemeteries & crematorium in the Whakatāne District (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 84-88 Converted target: 94-98% satisfied*

RESULT: **ACHIEVED** ✓ 99% of people satisfied with cemeteries and 98% satisfied with the crematorium (2013/14 result: 97% and 97%).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information

Public Conveniences

Community Outcomes



A YEAR IN REVIEW

Maintaining our facilities

The Council has continued to operate and maintain 41 public conveniences across the District. These are located in parks, reserves and popular recreational locations. The Council's focus has been on maintaining our current assets and several of the public conveniences have been refurbished with others repainted. A promising trend has been observed over the past year, with a significant reduction in vandalism and graffiti taking place to these facilities.

DID YOU KNOW?

We provide...

41
PUBLIC CONVENIENCES

14
DRINKING FOUNTAINS

7
PUBLIC SHOWERS

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	539	572	(32)	\$	Variance within 10% or \$20,000
Revenue	509	509	-	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(31)	(62)	(32)	\$	
Capital Expenditure	87	77	9	\$	Renewals required were less than budgeted.

Key: = Favourable – = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Adequate public conveniences will be provided where required in the community.

MEASURE: Satisfaction with public toilets in the Whakatāne District (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 68-72 Converted target: 75-79*

RESULT: **NOT ACHIEVED** 71% of people satisfied (2013/14 result: 72%).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information.



Ports and Harbours

A YEAR IN REVIEW

Dredging operation continues

Combined land and sea-based dredging helped reduce the low-tide operating restrictions at the Whakatāne Harbour entrance to a minimum during a challenging summer. Low rainfall and reduced river flows meant the natural ‘flushing’ of sand from the river channel did not occur, reducing the channel depth and allowing sand to build up on the western spit. An excavator was used to remove sediment within reach of the eastern training wall and boat-based dredging continued at the river bar, on outgoing tides. Part of this work saw an innovative use of a six-metre extension boom and blade. The extension boom allowed Robinson Earthmovers’ long-reach digger to extend further into the navigable channel and drag sand and silt into the base of the eastern training wall. Conventional bucket excavation then removed the sand from the channel.

The Council also reviewed a number of dredging methods and approved the continuation of current land-based and sea-based dredging operations. In total, nine sea-based methods and six land-based methods were reviewed. The current methods were recommended as the most effective approach to address any sand build-up at the Whakatāne River mouth.

Wharaurangi officially opened

The newest addition to Whakatāne’s CBD attractions was officially opened by Mayor Tony Bonne on 24 October 2014. Wharaurangi - previously 136 The Strand - now provides an open civic space with ample seating, providing a visual and physical link between the escarpment, town and the Whakatāne River. A neighbouring building owner also took the opportunity to redevelop his property and create two new retail outlets looking into the community space. The project also saw the relocation of a pedestrian crossing to better align access from Wharaurangi to Pohaturoa Rock. The area has received positive public feedback and served as a community focal point, with music and dance events and food-stalls over the busy summer holiday season and historical displays all having made use of the new area. The area was originally named Wharaurangi by the renowned Māori ancestor Toi-kai-rakau.

New reserve

Development of a new reserve at Port Ōhope began in the 2014/15 year, as a result of the Seascape subdivision at Port Ōhope. The currently unnamed reserve is already proving popular, with much positive feedback being received, despite the ongoing work on the facility. The reserve links the dunes to the new residential area and includes picnic facilities and coastal landscaping.

Wharf investigations

Over the past year, the Council has undertaken a number of investigations into the District’s wharves and subsequent works have been planned. To meet demand for berths in the Whakatāne River, the Council has investigated constructing an additional wharf adjacent to Quay Street. Consultation was undertaken on the proposal in September/October 2014, with a public display held at Te Kōputu a te whanga a Toi – the Whakatāne Library and Exhibition Centre – to provide additional information. It was important that stakeholders and other interested parties could outline their suggestions, concerns and views early, to better inform the design process. Further work on a resource consent application is underway.

Investigations have also been carried out into the future of the Whakatāne Commercial Wharf. Parts of the wharf date back to 1919 and a condition assessment report confirmed additional deterioration since it was last inspected in 2009, bringing forward the need for structural repairs. The Council has approved a project to replace the wharf in the Long Term Plan 2015-25, and potential options are being developed.

A condition assessment of Port Ōhope Wharf also highlighted the need for structural repairs and strengthening, to prevent further deterioration. Council approved the inclusion of a project to address this in the LTP.

Ground study complete

A geotechnical study of ground conditions in Whakatāne’s Central Business District (CBD) has been completed, as part of a larger initiative which aims to facilitate the strengthening of earthquake-prone commercial buildings in the CBD area. The study provides increased understanding of the likely effects of an intense earthquake, particularly relating to liquefaction and lateral spreading risks. The results of the study have been validated and a 3-D Geological Model developed by GNS Science. In a New Zealand first, we have made the study results and 3-D modelling publicly accessible through our website; this allows engineers and their clients to access a broader set of test results when considering earthquake strengthening design parameters and options. It also provides an important resource for schools, universities, and scientific institutions. Further work to be undertaken includes detailed seismic assessments, in cooperation with owners, of buildings identified as potentially earthquake-prone by an initial evaluation process and a seismic assessment and strengthening prioritisation for Council assets.



Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,632	1,407	225	\$	Depreciation costs less than expected. Expenditure related to the Port Ōhope Development Plan was less than budgeted.
Revenue	2,391	2,627	236	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	760	1,221	461	\$	
Capital Expenditure	642	892	(250)	\$	Increased project scope in developing Wharaurangi. See capital expenditure table below.

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2014/15 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Quay Street and Main Wharf upgrades - Resource Consent	100	100	88	Works ongoing to secure resource consents.
Development of Wharaurangi	73	348	544	Complete. Project scope increased to include a canopy, allowing continuity with the rest of The Strand. Additional funding received from Eastern Bay Energy Trust.
Development/construction of Port Ōhope reserve	300	300	207	Works ongoing. Completion expected in Spring 2015.

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: Provide safe access to rivers and coastal water within the general vicinity of the Whakatāne CBD, Ōhiwa Harbour and Thornton Domain

MEASURE: Satisfaction with harbour facilities in CBD, including the port and surrounding environment (Customer Satisfaction Index score). **TARGET:** Existing/LTP target: 76-80 Converted target: 89-93*

RESULT: **NOT ACHIEVED** X 85% of people satisfied (2013/14 result: 86%).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information.



Aquatic Centres

A YEAR IN REVIEW

Murupara Pool season

The Murupara swimming pool (also known as the A.H. Lynd Memorial Baths) was open from 25 October 2014 to 6 April 2015 and had another successful season. A free to use electric BBQ and picnic tables were installed with support from the local community, helping to make the pool a more family-friendly and community-focused area. Over 100 people attended the opening of the pool for the season, which was marked by a family fun event, with an inflatable playground, sausage sizzle and games. Other initiatives taken at the facility included an earlier opening time of 6 am, during weekdays, to accommodate early morning swimmers; increased staffing to enhance health and safety; and work towards PoolSafe accreditation. Councillor Alison Silcock also provided swimming lessons for children and adults.

Aqua Mums

Free 'Aqua Mums' classes for pregnant women proved a huge success. Held as part of an introductory offer, the classes at the Whakatāne District Aquatic and Fitness Centre, which ran once a week over 12 weeks, were filled to capacity and often had a waiting list. The pilot scheme met a need in the community, allowing mothers-to-be to take part in safe, low-impact exercise, and responded to research showing the benefits of exercise during pregnancy for both mothers and their babies. The scheme was such a success that it is expected to restart early in the 2015/16 year.

Green Prescription Aqua Classes

Over the past year, the Whakatāne District Aquatic and Fitness Centre has run a highly popular programme of Aqua Classes for those with a 'green prescription'. Classes have been filled to capacity, with 40 people attending each of the twice-weekly sessions. Participants are referred to the classes by their doctors and Sport Bay of Plenty, providing a useful tool to help them manage and improve their health and fitness. The classes form a structured, graduated programme, allowing participants to increase the level of activity undertaken. Fostering a supportive, social and confidence-boosting environment has been key to the classes' success.

Learn to swim

Learning to swim is an important life skill, which is especially important given our District's many waterways and accessible coastline. District aquatic centres offer a safe place for children and adults to develop swimming skills and build their confidence in the water. The aquatics team has continued to deliver a swim school service for participants from six months to adults. The pools have also been well used by local schools, with Whakatāne High School making use of the Whakatāne District Aquatic and Fitness Centre's proximity for its summer aquatics programme. There has also been an increase in the number of rural Kura Kaupapa Māori schools making use of the facility.

Air quality improvements

Work has been undertaken to address issues with the air quality inside the Whakatāne District Aquatic and Fitness Centre. Heat, humidity and chloramines had affected some people's enjoyment of their swimming experience and action was taken to address the root causes of those issues. A new chemical was trialled to reduce the amount of chlorinated compounds generated from the pools. A public awareness campaign was also undertaken around the importance of showering before swimming, wearing appropriate swimwear and enforcing the use of aqua-nappies for children under three years old. The campaign saw a positive uptake amongst users. The Council also approved the installation of an ultraviolet water treatment system, which will further improve the environment at the complex when it is installed early in 2015/16.



Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,876	1,961	(85)	\$	Variance within 10% or \$20,000
Revenue	2,027	1,987	(40)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	151	26	(125)	\$	
Capital Expenditure	82	74	8	\$	Variance within 10% or \$20,000

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: High quality, affordable and safe aquatic facilities will be provided in Whakatāne and Murupara.

MEASURE: Satisfaction with swimming pools in the Whakatāne District (Customer Satisfaction Index score).

TARGET: Existing/LTP target: 76-80 Converted target: 88-92*

RESULT: **NOT ACHIEVED** X 80% of people satisfied (2013/14 result: 80%).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information.





Economic Development

A YEAR IN REVIEW

Shot in the arm

Retail entrepreneur Suzie Johnson visited Whakatāne to administer a 'shot in the arm' for the local retail sector via a series of events organised by the Whakatāne District Council. In association with the Eastern Bay Chamber of Commerce, Whakatāne's Retail Promotions Group and the Zest young professionals group, Ms Johnson delivered an inspiring message, talking from personal experience about how determination, courage and imagination can create successful businesses and help revitalise town centres. The visit has led to the creation of a retail strategy to help make Whakatāne a vibrant and busy retail destination, with actions for Council, the Chamber of Commerce, landlords and business owners.

Tourism in the Bay

The Council's partnership with Tourism BOP has seen the District and wider Eastern Bay of Plenty gain some important coverage and marketing opportunities. Whakaari - White Island and Moutohorā - Whale Island drew visits from 'The Bachelor' and the Disney Channel, gaining important television coverage and showcasing some of the District's attractions to the domestic and Australian markets.

The District has also been promoted at several events, including the National Fieldays in Hamilton, appealing to potential domestic visitors, and at the eXplore expo in Auckland and the TRENZ international tourism expo in Rotorua, promoting the District to domestic and overseas tourism operators.

The District's attractions have seen guest nights increase by around 40,000 over the past two years. Figures released in January showed that while there was a decrease throughout the Bay of Plenty as a whole, guest nights in Whakatāne rose by 2.4% compared to the same period in 2014, confirming that the District has a strong domestic and international visitor appeal.

Visit the Visitor Centre

During 2014/15, the Visitor Centre was refurbished to create a more appealing and effective space to showcase the District's attractions. A combination of premises renovation, new interactive digital display technology, upgraded IT and sales systems and physical display space were all unveiled in December 2014, ready for the main tourist season. The amount of time people now spend in the centre - using the wifi, gaining advice on attractions and services and using the centre's other facilities - has increased significantly.

The refurbishment of the Visitor Centre also allows it to be used as a functions venue, outside operating hours. With views over the harbour and to Moutohorā - Whale Island, the facility has attracted several events over the past year.

Events contribute to the District economy

Several events have been secured for the District and will have considerable potential for the local economy over the next few years. The Council have worked with Oxfam to hold its hugely successful Trailwalker event in the District for at least the next three years. This event has been based in Taupō for the past ten years and is expected to generate more than \$1 million in local economic activity each year. It also gives the District an opportunity to showcase our superb climate and natural assets to a national and international audience. Similarly, the New Zealand Surf Lifesaving Championships will be held in Whakatāne in 2016, which will generate some \$2.5 million for the local economy. Several other exciting events have been secured over the past year, including a wild foods festival and a large scale junior sports tournament.



Community Outcomes



Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Waste
Environmental Sustainability
Community Safety
Arts & Culture
Community Property
Recreation & Community Facilities
Corporate & District Activities
Council Controlled Organisations

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,239	1,245	(6)	\$	Variance within 10% or \$20,000
Revenue	1,154	1,094	(60)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(86)	(151)	(66)	\$	

Key: \$ = Favourable – \$ = Unfavourable



“Our business has expanded since we came here and the local business community couldn’t have been more welcoming.”

Mike Morgan and Midge Hand, High Profile Enterprises





Whakatāne District Council



CUSTOMER SERVICES



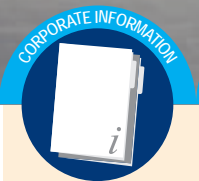
COMMUNICATIONS



HUMAN RESOURCES



FINANCE



CORPORATE INFORMATION



CORPORATE PROPERTY

Corporate & District Activities

Ngā Mahinga Matakite ā Rohe

Delivering our services:



100%

WHAT THESE ACTIVITIES COST & HOW THEY WERE PAID FOR

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015 –
Corporate & District Activities

LTP 2014 \$000		LTP 2015 \$000	ACTUAL 2015 \$000		
	Sources of operating funding				
420	General rates, uniform annual general charges, rates penalties	208	1,117		
-	- Targeted rates (other than a targeted rate for water supply)	-	-		
-	- Subsidies and grants for operating purposes	-	-		
250	Fees and charges, and targeted rates for water supply	269	365		
11,469	Internal charges and overheads recovered	11,640	10,621		
383	Local authorities fuel tax, fines, infringement fees, and other receipts	417	(1,092)		
12,522	Total operating funding (A)	12,534	11,011		
	Applications of operating funding				
9,995	Payments to staff and suppliers	10,308	9,663		
268	Finance costs	234	645		
412	Internal charges & overheads applied	415	445		
440	Other operating funding applications	451	669		
11,115	Total applications of operating funding (B)	11,408	11,422		
1,407	Surplus (deficit) of operating funding (A-B)	1,126	(411)		
	Sources of capital funding				
-	- Subsidies and grants for capital expenditure	-	-		
-	- Development and financial contributions	-	-		
(769)	Increase (decrease) in debt	(624)	(101)		
31	Gross proceeds from sale of assets	-	21		
-	- Lump sum contributions	-	-		
(738)	Total sources of capital funding (C)	(624)	(80)		
	Applications of capital funding				
	Capital expenditure				
-	- to meet additional demand	-	-		
255	- to improve level of service	281	248		
2,225	- to replace existing assets	1,203	1,279		
(1,811)	Increase (decrease) in reserves	(982)	(2,018)		
-	- Increase (decrease) of investments	-	-		
669	Total applications of capital funding (D)	502	(491)		
(1,407)	Surplus (deficit) of capital funding (C-D)	(1,126)	411		
-	Funding Balance ((A-B) + (C-D))	-	-		
	OPENING 1 JULY 2014 \$	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING 30 JUNE 2015 \$	INTEREST \$
Internal Borrowing	1,683,128	456,409	558,276	1,581,261	645,082

Leadership

Roads &
Footpaths

Water
Supply

Sewage
Treatment
& Disposal

Stormwater
Drainage

Waste

Environmental
Sustainability

Community
Safety

Arts &
Culture

Community
Property

Recreation
& Community
Facilities

Corporate
& District
Activities

Council
Controlled
Organisations

Customer Services

A YEAR IN REVIEW

Drop in, phone, or go online

The Customer Services team has continued to provide a comprehensive range of services, over the counter at Council offices, over the phone and via the internet. The focus has been on continuing to minimise customer effort and to increase core service availability to suit customer needs whatever the time of day. A number of payments can now be made online, including rates, water rates, dog registrations and parking fines. Other enhancements have made hall bookings for the Whakatāne and District War Memorial Hall and the Ōhope Hall accessible online and multiple forms are available directly via our website.

DID YOU KNOW?

*That our staff answered
70,000 calls
over the past year*

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	469	491	(22)	\$	Variance within 10% or \$20,000
Revenue	469	491	22	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	-	-	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: *The community has access to Council's activities through fully competent and efficient Service Centres.*

MEASURE: Proportion of customers' telephone calls answered within 30 seconds.

TARGET: 80%

RESULT: **ACHIEVED** ✓ 80.1% of telephone calls answered within 30 seconds (2013/14 result: 80.5%).

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

TARGET: Existing/LTP target: 78-82 Converted target: 87-91*

RESULT: **ACHIEVED** ✓ 92% of people satisfied (2013/14 result: 93%).

** From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information*

Communications



WHAKATĀNE
District Council

www.whakatane.govt.nz

A YEAR IN REVIEW

Website tops national ranking

This year saw the Council website rated as the best of New Zealand's 78 local government websites. Each year, the Association of Local Government Information Management (ALIGM) evaluates all New Zealand city, district and regional council websites, based on their adherence to web standards, accessibility testing done by the Royal New Zealand Foundation of the Blind, accessibility on mobile devices, and response times to email and Facebook queries. Feedback from previous years has been utilised to identify potential site improvements. These have included the addition of new services, such as online mapping and dog registration. Another key feature contributing to the website's award-winning status is its responsive design, which means that it can be easily accessed and viewed across multiple platforms, including tablets and smartphones.

Whakatane.com

The whakatane.com website underwent a redesign this year. The website is a key means of promoting the District's attractions to both international and domestic tourists, people considering moving here for lifestyle reasons and people considering establishing businesses here. Alongside design and content improvements, the rebuilt website can more easily be viewed on a variety of mobile devices, improving its usability. The improvements have delivered a much-improved user experience, which has seen more people using the website and more easily finding the information they need.

DID YOU KNOW?

The amount of people who have seen Council's Facebook posts has more than doubled over the past year.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	454	430	25	\$	Variance within 10% or \$20,000
Revenue	454	430	(25)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	-	-	\$	

Key: \$ = Favourable – \$ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

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

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

TARGET: Existing/LTP target: 64-68 Converted target: 63-67*

RESULT: **ACHIEVED** ✓ 71% of people satisfied (2013/14 result: 75%).

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

TARGET: Ranking 20th or better

RESULT: **ACHIEVED** ✓ Ranked 1st (2013/14 result: Achieved - ranked 3rd).

* From 2014 a new survey methodology is being used for our Annual Residents Survey. Please refer to page 190 for more information



Human Resources

A YEAR IN REVIEW

Business excellence

The Council strives hard to achieve the best for the District and meet the community's needs. This commitment was recognised with Whakatāne District Council winning the Excellence in Service Delivery category of the biennial Horizon Business Excellence Awards. A panel of five professors from Waikato University Business School assessed the applicants and chose the Council for its dedication to meeting the needs of the community and encouragement of staff to be innovative and seek new approaches to service delivery. The award judge's comments particularly noted the Council's development of an award-winning website (achieved within its normal operating budget), use of social media, very attractive 'Ko Konei' newsletter and the ongoing efforts made to celebrate volunteers. The fact that a local authority won in competition with private-enterprise was particularly rewarding and demonstrated the commitment and hard-work of staff and elected members.

Swim, bike, run

In April 2015, Whakatāne District Council was announced as the winner of the Sovereign Tri Series CEO Challenge, following an impressive 85 percent staff participation in the national triathlon series. Alongside improved health and fitness, the commitment of staff helped to win \$25,000 for a local charity, the Kirsty Lang Family Trust, which will support the family of a former colleague. The widespread involvement saw Councillors, contractors and personnel from teams throughout the organisation come

together to support, encourage and compete with each other. The Council's involvement has seen improvements in employee health and wellbeing, team work and internal communications. The Challenge was designed to motivate businesses to improve their health and wellbeing through the inspiration (and perspiration) of their own leaders, and engaged businesses throughout New Zealand across the six-event Sovereign Tri Series. The Council entered 153 people in the Sovereign Tri Series across the summer, with over 120 competing at the Sovereign Tinman event at Mount Maunganui in December.

Health and Safety

Over the past year, work has been undertaken in preparation for legislative change expected as part of the Health and Safety Reform Bill. Alongside an internal review, information sessions delivered by experts in this field have been held for staff, Councillors and contractors. Knowing in advance about the changes to be enacted, and their implications, will allow a smooth transition and better health and safety outcomes in the longer-term.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	836	807	29	\$	Variance within 10% or \$20,000
Revenue	836	807	(29)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	-	-	-	\$	

Key: \$ = Favourable – \$ = Unfavourable

Finance

A YEAR IN REVIEW

Long term finances

A major focus of the 2014/15 year has been developing the financial budgets and forecasts for the Long Term Plan 2015-25. Ensuring the most efficient use of ratepayers' money is essential in the development of our future work plans. Alongside the financial modelling and projections process, the project also included reviewing the Council's Financial Strategy, Revenue and Financing Policy and Rating System. These reviews determine how the Council will manage its finances and apportion rates over the life of the LTP.

Payroll goes paperless

As part of a wider Information Systems project, the Council has moved from paper-based time-sheets to an online system. As of April 2015, staff have entered all payroll-related information online, delivering a much simpler and more efficient payroll management system.

New budgeting and forecasting system

A new budgeting and forecasting system is in the process of being implemented, and is expected to go live in September 2015. The new system will produce monthly financial reports for managers and Council reporting and will also be used to produce financial data for future corporate documents, such as the Annual Plan, Annual Report and Long Term Plan. The greatly improved access to financial information provided for both finance staff and budget managers will also allow better informed decision-making.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,146	2,783	363	Ⓢ	Improvements made in debt management. Rates remissions less than budgeted.
Revenue	3,146	2,783	(363)	Ⓢ	Recoveries less than budget as above.
Net Cost of Service Surplus/(Deficit)	-	-	-	Ⓢ	

Key: Ⓢ = Favourable – Ⓢ = Unfavourable

WHAT WE DELIVERED

How we performed against our targets for the year

GOAL: *The community and the Council have access to accurate and timely information*

MEASURE: Rates invoices are issued to ratepayers at least three weeks prior to due dates for payment.

TARGET: 100%

RESULT: **ACHIEVED** ✓ Rates invoices went out more than three weeks prior to payment due dates. (2013/14 result: Achieved)

Corporate Information

A YEAR IN REVIEW

Cryptolocker virus attack

In March 2015, the Council's computer systems were attacked by a cryptolocker virus variant which was so new that it was not recognised by protection software. The prompt and thorough reaction by staff meant the situation was contained and all essential systems were back in operation in a relatively short timeframe. As soon as the attack was detected, all systems were shut down to limit the damage and prevent the virus spreading. Council IT and external support staff worked around the clock to identify and cleanse the systems of infected files and progressively restart them as they were confirmed safe.

Online maps

In December 2014 the Council launched an online map viewer. This new service allows the public to easily access, view and search for Council information on a range of datasets, including property and parcel information; water supply, stormwater and sewerage infrastructure; proposed District Plan layers and aerial photographs. The new online mapping viewer has been designed for all devices, allowing anyone to access our mapping tool via their mobile phone, tablet or computer. Further information will be made accessible via the viewer in 2015/16.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,952	3,507	446	Ⓢ	Savings made through efficiencies. Digitisation project not progressed as anticipated and budget carry forward to 2015/16 year.
Revenue	3,902	3,850	(53)	Ⓢ	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(50)	343	393	Ⓢ	
Capital Expenditure	785	835	50	Ⓢ	Projects carried forward from 2013/14.

Key: Ⓢ = Favourable – Ⓢ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	ANNUAL PLAN 2014/15 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Corporate information hardware renewals and improvements	445	445	311	Cost efficiencies associated with applying fit-for-purpose solutions and replacing outdated equipment.
Corporate information financial systems software	-	344	349	Project ongoing. New financial budgeting software (see Finance activity for more information).

Corporate Property

A YEAR IN REVIEW

Fresh coat of paint

Works carried out to the exterior of the Civic Centre were completed in June 2015. The planned maintenance work included replacing roof nails with screws to better secure the roof, replacing corroded guttering and repainting the exterior walls and roof. This is expected to provide another 15 years of protection for the building. Some of the works had been scheduled for the 2015/16 year but were brought forward in order to make the best use of scaffolding required.

COST OF SERVICE

	ANNUAL PLAN 2014/15 \$000	ACTUAL 2014/15 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,168	1,931	238	\$	Depreciation costs less than budgeted.
Revenue	1,832	1,738	(94)	\$	Variance within 10% or \$20,000
Net Cost of Service Surplus/(Deficit)	(336)	(192)	144	\$	
Capital Expenditure	650	640	10	\$	Variance within 10% or \$20,000

Key: \$ = Favourable – \$ = Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

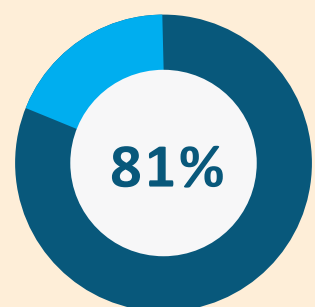
PROJECT	ANNUAL PLAN 2014/15 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Civic Centre upgrade	110	110	-	Investigations determined the project was no longer required.
Civic Centre exterior renewals	47	47	179	Completed. Works brought forward from 2015/16 to make best use of shared resources.
Whakatāne Museum and Research Centre redevelopment	-	1,000	108	Ongoing. Work carried out to finalise redevelopment plans. Physical works to be completed over the next two years. See the Exhibition, Research, Storage & Archives activity for further information.



Council Controlled Organisations

*Ngā Roopu Mahi Tahi-ā-Te
Kaunihera o Whakatāne*

Delivering our services:





INTRODUCTION

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

The Whakatāne District Council is currently a shareholder in four CCOs. This chapter gives a summary of the performance of three of these: Bay of Plenty Local Authority Shared Services Limited (BoPLASS), the Local Government Funding Agency (LGFA) and the Whakatāne Airport. The Council is also a trustee in Toi-Economic Development Agency (Toi-EDA), however is no longer a funding partner. Toi-EDA is not covered here for that reason and because it is an exempt CCO.

ACCOUNTABILITY OF CCOs

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

Bay of Plenty Local Authority Shared Services Limited (BoPLASS)



ABOUT BOPLASS

Bay of Plenty Local Authority Shared Services Limited (BoPLASS) was formed in 2007 to investigate, develop and deliver shared services, joint procurement and communications for the participating councils. The Whakatāne District Council holds a one ninth share in BoPLASS Limited alongside the other eight councils that constitute the Bay of Plenty and Gisborne regions.

The services, projects and initiatives of BoPLASS are delivered through a small team of staff based in Tauranga and through advisory groups made up of representatives of the different councils interested in a particular service. Advisory group membership is essentially a user-pays system based on involvement in the shared services developed under the BoPLASS umbrella. The Whakatāne District Council pays a membership levy to BoPLASS of \$1,000 per year per advisory group.

OVERVIEW OF SERVICES DELIVERED

In 2014/15, BoPLASS focused on fostering collaborative relationships between local authorities in the Bay of Plenty in order to deliver services as efficiently as possible, as well as ensuring appointed vendors remained competitive to return best value to shareholders. The main focus has been on long-term value rather than short-term gains, which is expected to deliver the best outcome for all councils.

BoPLASS has focused on re-tendering and negotiating contracts that have matured over the year, to ensure the best value possible is delivered. BoPLASS managed tenders for several of the larger contracts and negotiated supplier terms and conditions that achieved substantial cost savings and improved service delivery. BoPLASS also partnered with councils from other regions in some of the larger tenders and this inter-region collaboration has further proven how councils can join forces to save money and improve procurement efficiencies.

PERFORMANCE TARGETS

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

TARGET: A minimum of four new procurement initiatives investigated. Initiatives provide financial savings and/or improved service levels to the participating councils.
RESULT: **ACHIEVED** ✓

TARGET: Provide support to BOPLASS councils that are managing or investigating shared services projects.
RESULT: **ACHIEVED** ✓

TARGET: Develop a Collaboration Portal for access to, and sharing of, project information from BOPLASS councils and the greater local government community.
RESULT: **NOT ACHIEVED** ✗

TARGET: Manage and/or renegotiate existing contracts. Ensure contracts due for renewal are tested for competitiveness in the marketplace.
RESULT: **ACHIEVED** ✓

TARGET: Perform self-assessment reviews of governance.
RESULT: **ACHIEVED** ✓

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

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

More information is available in the BoPLASS Annual Report

The full BoP LASS Annual Report for the 2014/15 year along with further information about this CCO can be found on their website: www.boplass.co.nz

Local Government Funding Agency Limited (LGFA)

LGFA  New Zealand Local Government Funding Agency

Leadership
Roads & Footpaths
Water Supply

ABOUT THE LGFA

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

The Whakatāne District Council joined the LGFA in 2012 as a principle shareholder, borrower and guarantor. This is the highest level of Council participation in the LGFA which provides access to the full benefits (all local authorities can borrow from the LGFA, but different benefits apply depending on the level of participation). The LGFA is governed by a Board of Directors which is responsible for the strategic direction and control of LGFA's activities. Operationally, the LGFA is run by a small team based in Wellington.

Sewage Treatment & Disposal

Stormwater Drainage

Waste

OVERVIEW OF SERVICES DELIVERED

Over 2014/15 year the LGFA has continued to operate with the primary objective of optimising the debt funding terms and conditions for participating local authorities including for the Whakatāne District Council. Specifically this has included providing savings in annual interest costs, making longer-term borrowings available and enhancing the certainty of access to debt markets. These outcomes were delivered in accordance with the 'objectives' and 'nature and scope of activities' as set out in their Statement of Intent for 2014/15.

Environmental Sustainability

PERFORMANCE TARGETS

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

Community Safety

TARGET: LGFA's average cost of funds relative to the average cost of funds for New Zealand Government Securities for the period to 30 June 2015 will be less than 0.50% higher

RESULT: NOT ACHIEVED  0.83%

Arts & Culture

TARGET: The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to 30 June 2015 will be no more than 0.15%

RESULT: ACHIEVED  0.13%

Community Property

TARGET: LGFA's annual issuance and operating expenses for the period to 30 June 2015 will be less than \$4.67 million

RESULT: ACHIEVED  \$4.66 million

Recreation & Community Facilities

TARGET: Total lending to participating Local Authorities at 30 June 2015 will be at least \$4,400 million

RESULT: ACHIEVED  \$4,979 million

Corporate & District Activities

More information is available in the LGFA Annual Report

The full LGFA Annual Report for the 2014/15 year along with further information about this CCO can be found on their website: www.lgfa.co.nz

Council Controlled Organisations



Whakatāne Airport

ABOUT THE WHAKATĀNE AIRPORT

The Whakatāne Airport provides facilities for scheduled, commercial and recreational flights. The Whakatāne Airport was formed as a CCO in 2006. It is a valued community asset, which contributes to residents' quality of life and is considered crucial to the economic well-being of the District and the wider Eastern Bay. The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatāne District Council, with each party owning a 50% share. Day-to day operation and maintenance of the airport, including the delivery of projects, services and initiatives, is managed by the Council.

OVERVIEW OF SERVICES DELIVERED

Over the past year the Whakatāne Airport has continued to deliver services in accordance with the 'objectives' and 'nature and scope of activities' as set out in their Statement of Intent for 2014/15.

A major focus of the Airport for the past year has been dealing with Air New Zealand's decision to no longer fly from Whakatāne Airport. The Council carried out an assessment of potential alternative scheduled flight operators before selecting Air Chathams as the new flight service provider.

At 6:50am on Tuesday, 28 April 2015 Air New Zealand's final scheduled flight service from Whakatāne Airport departed. At 9:30am on the same day Air Chathams' first flight as the new flight service provider landed at Whakatāne Airport. As part of this process the Airport undertook CAR Part 139 Aerodrome Certification with the Civil Aviation Authority. Whakatāne District Council and the Crown, as joint venture partners, established new landing fees and implemented aerodrome certification requirements. In addition to Air Chathams' new service, SunAir have also commenced scheduled passenger flights from Whakatāne Airport to Gisborne, Napier and Hamilton using their Piper Chieftain and Aztec aircraft.





PERFORMANCE TARGETS

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

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

RESULT: **NOT ACHIEVED** ✗ Operational expenditure finished the year outside of budget due to an increase in direct costs and a reduction in revenue. The capital works programme finished the year over the budget due to works carried forward from the 2013/14 year.

TARGET: No non-compliance reports are received.

RESULT: **ACHIEVED** ✓ No non-compliance reports were received.

TARGET: Spot inspection of runway and components are conducted monthly and corrective actions undertaken.

RESULT: **ACHIEVED** ✓ Inspections have been conducted monthly and required actions undertaken.

TARGET: Less than five environmentally related complaints are received in a year.

RESULT: **ACHIEVED** ✓ No environmentally related complaints were received relating to the operation of the airport.

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

RESULT: **ACHIEVED** ✓ The Airport was maintained as a non-certificated aerodrome until 28 April 2015, when it became a CAR Part 139 certificated aerodrome in order to be utilised by Air Chathams for flights using a 50 seat Convair C-580.

More information is available in the Whakatāne Airport Annual Report

The full Whakatāne Airport Annual Report for the 2014/15 year along with further information about this CCO can be found on our website: www.whakatane.govt.nz



A young boy with dark hair, wearing a grey long-sleeved shirt and dark pants, stands on a large, mossy log in a lush forest. He is looking upwards with a curious expression. In the background, another person is visible among the dense greenery. The forest is filled with various types of ferns and trees, creating a vibrant and natural setting.

Our Costs in Detail

*Ngā whakapaunga
pūtea me ōna
whānuitanga*

Introduction to 'Our Costs in Detail'

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

Financial Performance Benchmarks

This statement discloses the Council's performance in relation to various 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 2014/15 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 Performance Benchmarks

ANNUAL REPORT DISCLOSURE STATEMENT FOR THE YEAR ENDING 30 JUNE 2015

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 revenue, 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.

Minor changes have been made to prior year comparatives in line with additional guidance provided by the Department of Internal Affairs. The changes have not caused the Council to move from achieved to not achieved.

Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

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

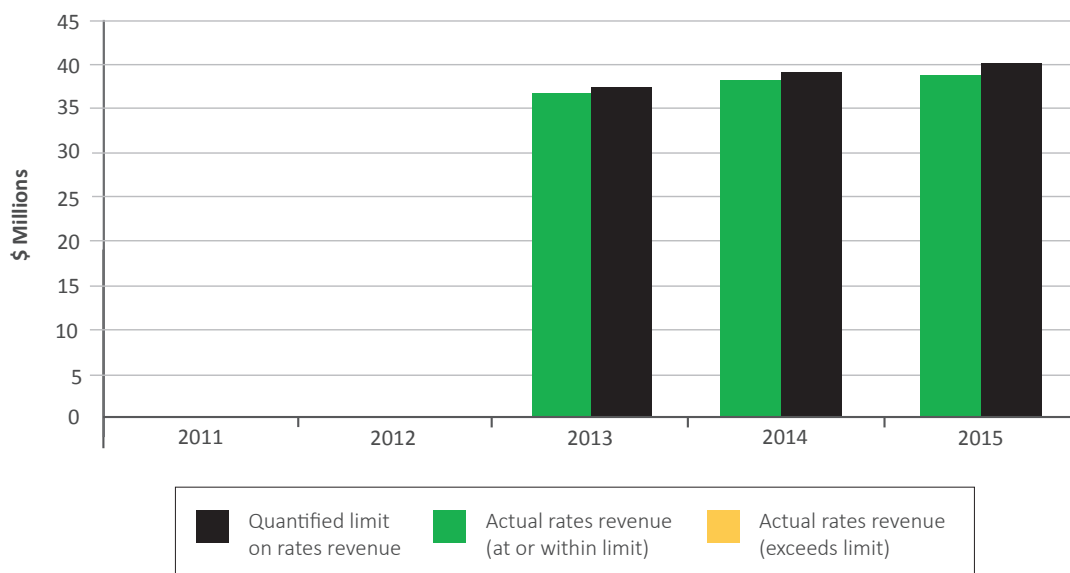
Rates include volumetric water charges, which were not included in these graphs in prior years.

RATES REVENUE AFFORDABILITY

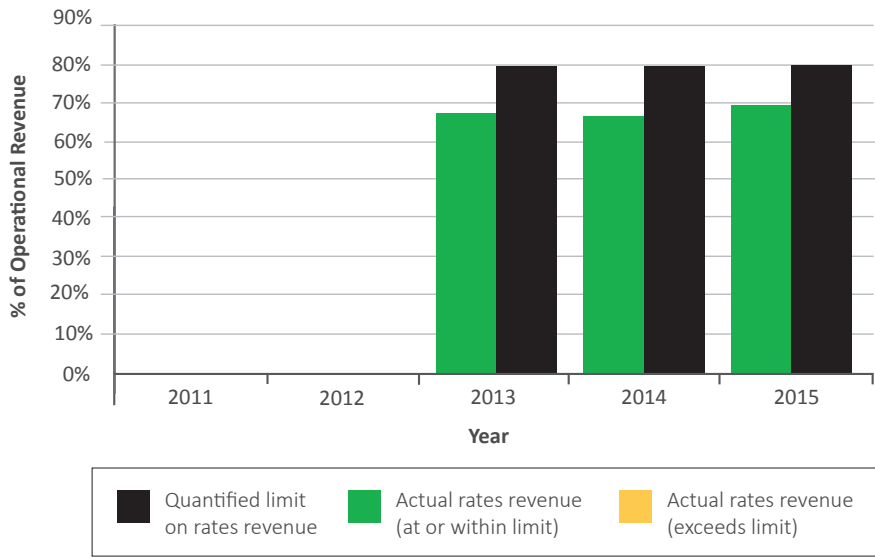
- The following two graphs compare the Council's actual rates revenue with quantified limits on rates contained in the financial strategy included in the Council's Long Term Plan.

Quantified Limits on Rates

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



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



RATES INCREASES AFFORDABILITY

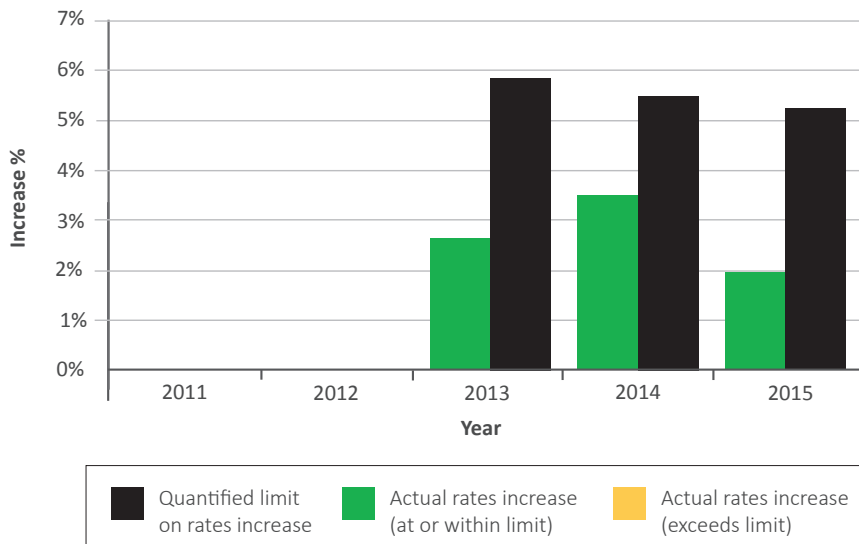
The following graph compares the Council’s actual rates increases with a quantified limit on rates increases contained in the financial strategy included in the Council’s Long Term Plan.

Quantified Limit on Rates Increases

Prior to 2013 there was no fiscal policy on rates increase limits. For all subsequent years, the annual increase in total rates requirement will be limited to the total of:

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

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

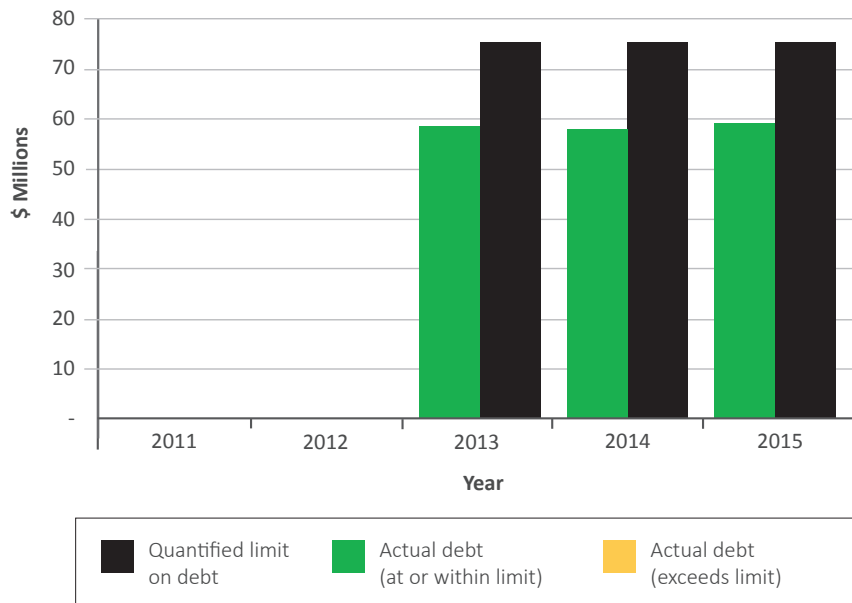


Debt Affordability Benchmark

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

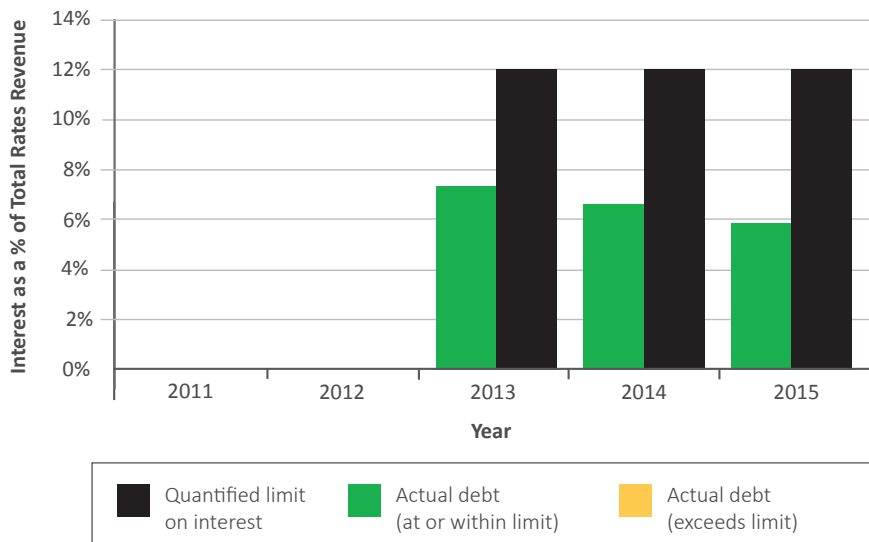
Our Limits for Debt

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



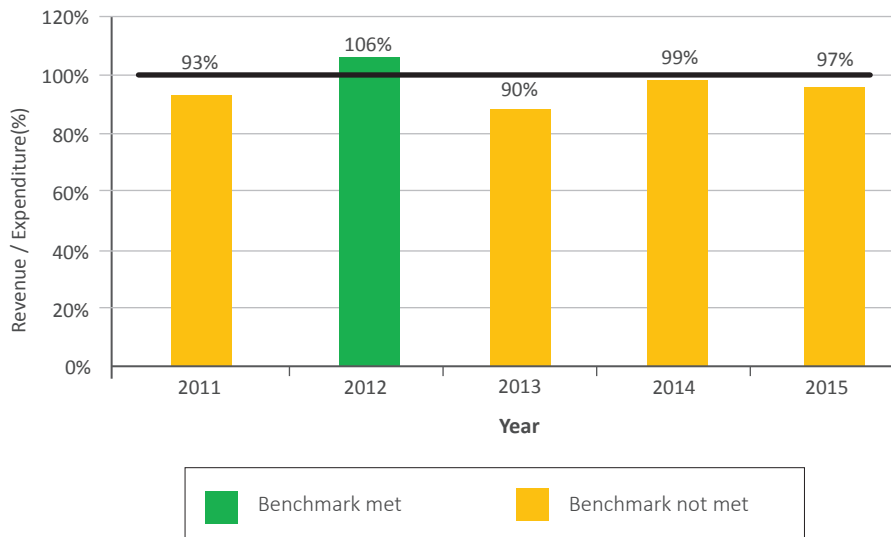
Our Limit on Interest as a Percentage of Total Rates Revenue

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



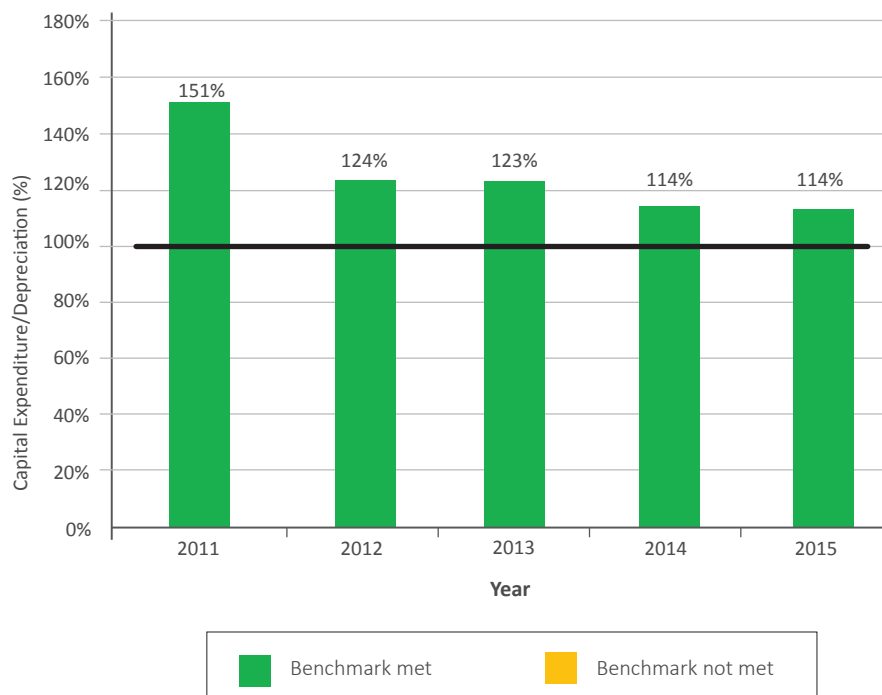
Balanced Budget Benchmark

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

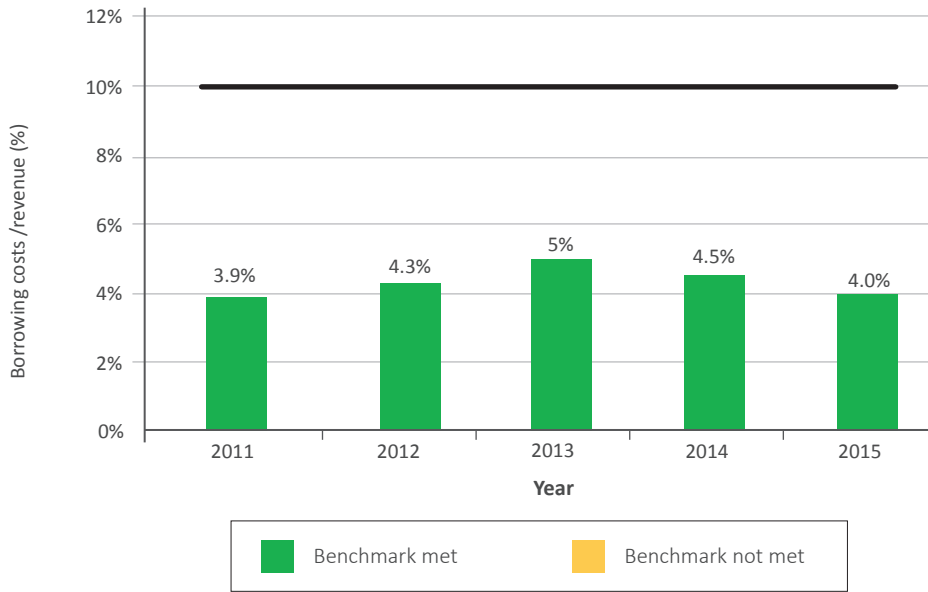
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

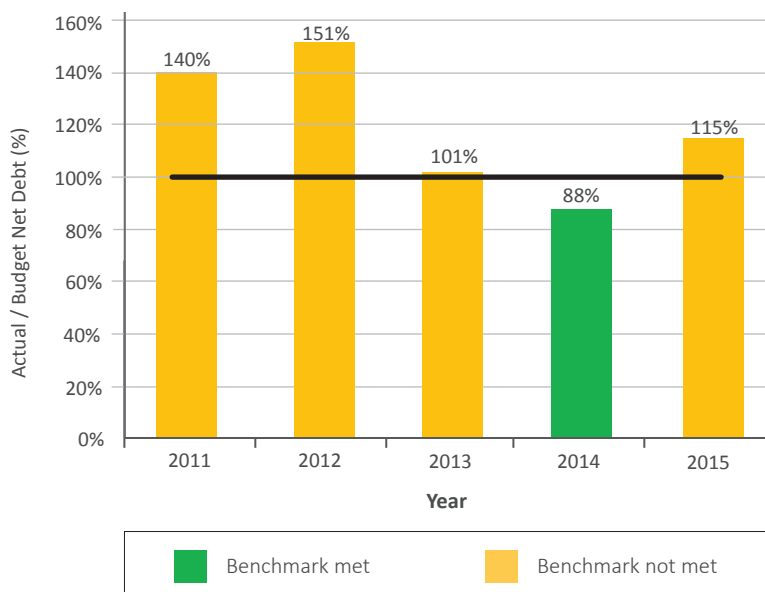
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



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).

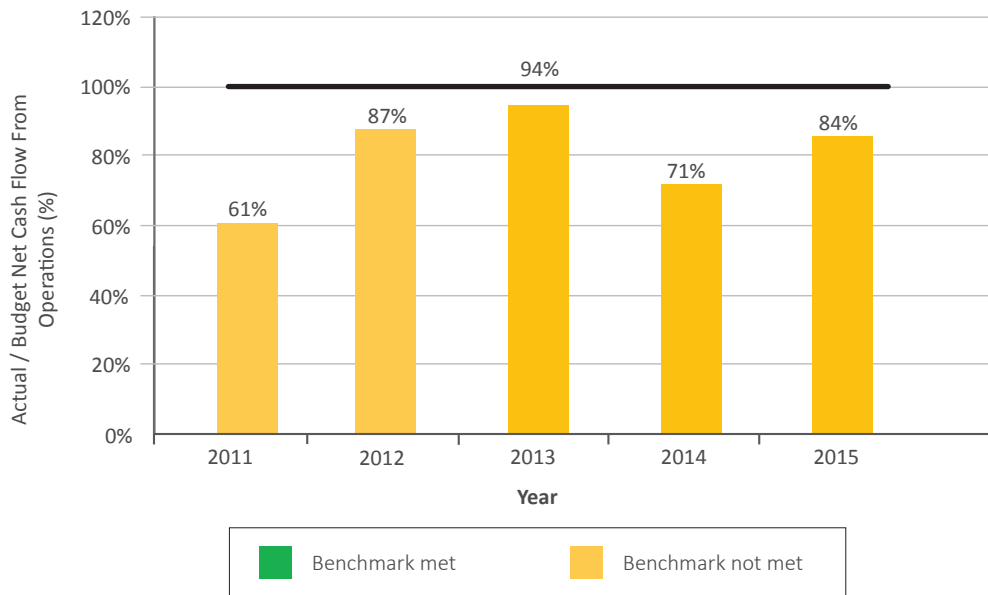
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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



Previously this graph was calculated based on Long Term Plan figures. Subsequently, further guidance was received from the Department of Internal Affairs stating the budgeted figures should be based on the Annual Plan.

Financial Statements

Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2015

ACTUAL 2014 \$000			ACTUAL 2015	BUDGET 2015
			\$000	
REVENUE				
35,451	Rates (excluding volumetric water charges)	Note 2	36,077	36,119
7,405	Subsidies and Grants	Note 3	7,336	11,160
246	Development and Financial Contributions		493	465
7,621	Fees and Charges (including volumetric water charges)		7,336	7,880
40	Interest Revenue	Note 6	50	15
4,791	Other Revenue	Note 3	4,791	5,636
1,893	Gains	Note 7	776	1,068
57,447	Total Revenue		56,859	62,343
EXPENSES				
12,443	Personnel Costs	Note 4	13,332	12,563
15,503	Depreciation and Amortisation Expense	Note 5 & Note 14	14,517	16,256
2,516	Finance Costs	Note 6	2,269	2,470
25,006	Other Expenses	Note 5	27,863	26,509
2,486	Revaluation Losses	Note 5	2,035	-
57,954	Total Expenses		60,016	57,798
(507)	Surplus (Deficit) Before Tax		(3,157)	4,545
(254)	Income Tax Expense (Benefit)	Note 8	(27)	-
(253)	Surplus (Deficit) After Tax		(3,130)	4,545
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
(4,174)	Gains (Loss) on Property, Plant and Equipment Revaluations		(21,819)	2,500
(401)	Tax on Revaluation Surplus		-	-
(4,828)	Total Comprehensive Revenue and Expense		(24,949)	7,045

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

The Notes and the Statement of Accounting Policies on pages 128 to 181 form part of the Financial Statements.

Change in presentation of Revenue and Expense is included in Note 35.

Statement of Financial Position

For the Year Ended 30 June 2015

ACTUAL 2014 \$000			ACTUAL 2015	BUDGET 2015
			\$000	
	EQUITY			
420,769	Accumulated Funds	Note 23	417,831	430,353
17,468	Restricted Equity	Note 23	17,211	17,150
177,310	Asset Revaluation Reserves	Note 23	155,489	181,783
615,547	TOTAL EQUITY		590,531	629,286
	ASSETS			
	Current Assets			
4,737	Cash and Cash Equivalents	Note 9	1,003	34
7,941	Receivables	Note 11	8,864	7,500
-	Derivatives Financial Instruments	Note 12	-	-
1,408	Goods and Services Tax		-	-
95	Inventory	Note 10	93	90
154	Non-current Assets Held for Sale	Note 17	4,521	200
14,335	Total Current Assets		14,481	7,824
	Non-Current Assets			
212	Derivative Financial Instruments	Note 12	-	-
607	Investment in CCOs and other similar entities	Note 13	607	607
80,405	Operational Assets	Note 14	73,731	82,564
493,464	Infrastructural Assets	Note 14	474,876	509,564
497	Intangible Assets	Note 14	132	812
38	Forestry Assets	Note 16	38	38
42,898	Investment Property	Note 17	43,134	45,000
34,531	Restricted Assets	Note 18	34,857	36,907
5,563	Work in Progress	Note 14	5,087	10,000
658,215	Total Non-Current Assets		632,462	685,492
672,550	TOTAL ASSETS		646,943	693,316
	LIABILITIES			
	Current Liabilities			
8,122	Payables and Deferred Revenue	Note 19	9,532	8,475
6	Derivatives Financial Instruments	Note 12	21	-
10,000	Borrowings and Other Financial Liabilities	Note 22	7,000	10,000
1,723	Employee Entitlements	Note 21	2,293	1,430
25	Provisions	Note 20	25	25
-	Goods and Services Tax	Note 19	801	-
19,876	Total Current Liabilities		19,672	19,930
	Non-Current Liabilities			
802	Derivative Financial Instruments	Note 12	2,571	1,402
35,500	Borrowings and Other Financial Liabilities LT	Note 22	33,000	42,000
198	Employee Entitlements LT	Note 21	433	198
480	Provisions LT	Note 20	615	500
147	Deferred Tax Liability	Note 8	121	-
37,127	Total Non-Current Liabilities		36,740	44,100
57,003	TOTAL LIABILITIES		56,412	64,030
615,547	NET ASSETS (Assets minus Liabilities)		590,531	629,286

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

The Notes and the Statement of Accounting Policies on pages 128 to 181 form part of the Financial Statements.



Tony Bonne
MAYOR
8 October 2015



Marty Grenfell
CHIEF EXECUTIVE
8 October 2015

Statement of Changes in Net Assets and Equity

For the Year Ended 30 June 2015

ACTUAL 2014 \$000		ACTUAL 2015	BUDGET 2015
		\$000	
618,909	Balance at 1 July	615,547	622,241
(4,828)	Total Comprehensive Revenue and Expense for the Year	(24,949)	7,045
1,466	Other Adjustment	(67)	-
615,547	Balance at 30 June	590,531	629,286

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

The Notes and the Statement of Accounting Policies on pages 128 to 181 form part of the Financial Statements.

Statement of Cashflows

For the Year Ended 30 June 2015

ACTUAL 2014 \$000			ACTUAL 2015	BUDGET 2015
			\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
43,119	Receipts from Rates Revenue		43,844	42,319
9,076	Subsidies and Grants Received		6,042	10,160
12,270	Fees and Charges and Other Revenue received		13,566	12,091
40	Interest Received		50	15
6	Dividends Received		7	-
(36,040)	Payments to Suppliers & Employees		(38,775)	(34,822)
(7,915)	Payments to Agencies		(7,998)	(7,200)
(2,352)	Interest paid		(2,245)	(2,470)
(2,360)	GST (Net)		2,478	-
15,844	Net Cash Flow from Operating Activities	Note 25	16,969	20,093
CASH FLOWS FROM INVESTING ACTIVITIES				
3,940	Receipts from Sale of Property, Plant and Equipment		19	600
(13,775)	Purchase of Property, Plant and Equipment		(15,222)	(26,999)
(264)	Acquisition of Investments		-	-
(10,099)	Net Cash Flows from Investing Activities		(15,203)	(26,399)
CASH FLOWS FROM FINANCING ACTIVITIES				
23,500	Proceeds from Borrowings		7,000	14,000
(24,402)	Repayment of Borrowings		(12,500)	(7,700)
(902)	Net Cash Flow from Financing Activities		(5,500)	6,300
4,843	Net Increase (Decrease) in Cash Cash Equivalents and Bank Overdrafts		(3,734)	(6)
(106)	Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year		4,737	40
4,737	Cash, Cash Equivalents and Bank Overdrafts at the End of the Year		1,003	34
Represented by:				
4,737	Cash at Bank		1,003	34

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

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

The Notes and the Statement of Accounting Policies on pages 128 to 181 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 2015. The financial statements were authorised for issue by Council on 8 October 2015.

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.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting standards are explained in note 35.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data.

Standards Issued and Not Yet Effective and Not Early Adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects that there will be minimal or no change in applying these updated accounting standards.

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 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 & 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, 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 & Equipment

Property, Plant and Equipment consists of:

Operational assets

These include land, buildings, landfill post-closure, library books, plant and equipment, 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

INFRASTRUCTURAL ASSETS	YEARS
Wharves	
Wharves (concrete)	50
Stormwater	
Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90
Pump stations – structure	80-100
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50
Sewer	
Sewer lines and service lines	60-80
Manholes	70-80
Pump station – structure	60-70
Pump station – contents	12-25
Ponds – structure	60
Ponds – plant and equipment	15-25
Refuse	
Whakatāne landfill	8.5
Murupara landfill	2
Solid Waste	25

OPERATIONAL ASSETS	YEARS
Museum assets	N/A
Land	N/A
Buildings	8-55
Vehicles	5-8
Plant and equipment	4-33
Furniture and fittings	5-10
Library books	2-15
Office equipment	5-10

The assets' residual 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.

Staff training costs are recognised in the surplus or deficit when incurred.

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

Staff training costs are recognised in the surplus or deficit when incurred.

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

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

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

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

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

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Forestry Assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains and losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit when incurred.

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

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property is measured 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, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

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 & Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, 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 2014/15 annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

COST ALLOCATION

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

Critical Accounting Estimates & Assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2015:

Classification of property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties were held for service delivery objectives as part of the Council's social housing policy and were previously accounted for as property, plant, and equipment rather than as investment property. At 30 June 2015 the properties have been classified as Non-Current Assets Held for Sale as the Council had entered a firm commitment to sell the properties.

Note 2 - Rates

ACTUAL 2014 \$000		ACTUAL 2015	BUDGET 2015
		\$000	
GENERAL RATES			
15,445	General Rates	15,626	15,620
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:			
(6)	District	-	-
262	Leadership	277	284
-	Community Safety	35	35
368	Recreation and Community Facilities	403	406
85	Economic Development (CCO)	-	-
7,669	Transport	7,907	7,890
3,789	Waste	4,165	4,164
2,443	Water*	2,392	2,566
2,557	Sewage Treatment and Disposal	2,361	2,363
2,522	Stormwater Drainage	2,635	2,641
679	Rate Penalties	586	600
(362)	Rates Remissions	(310)	(450)
35,451	Net Rate Revenue	36,077	36,119

* excluding volumetric charges for water

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 2014

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	16,701
The total capital value of rating units within the District	7,347,099,950
The total land value of rating units within the District	3,800,624,550

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 2015 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	2015 \$000	2014 \$000
Rates	38,694	37,954
Lump Sum Contributions	11	14
Total Annual Rates Revenue	38,705	37,968

Note 3 - Other Revenue and Subsidies & Grants

ACTUAL 2014 \$000		ACTUAL 2015	BUDGET 2015
		\$000	
SUBSIDIES AND GRANTS			
1,503	Government Grants	1,148	5,300
5,902	Land Transport NZ Subsidies	6,188	5,860
7,405	Total Subsidies and Grants	7,336	11,160
OTHER REVENUE			
225	Vested Assets	38	290
415	Infringements & Fines	322	371
265	Petrol Tax	248	260
2,312	Rental Revenue from Investment Properties	2,409	2,279
947	Rental Revenue Other	1,013	954
6	Dividend Revenue	7	-
76	Insurance Recoveries	75	-
537	Other Services	673	1,482
8	Provision Movement*	6	-
4,791	Total Other Revenue	4,791	5,636
12,196	Total Subsidies & Grants and Other Revenue	12,127	16,796

* Landfill aftercare provision and weather tightness provision.

Note 4 - Personnel Costs

ACTUAL 2014 \$000		ACTUAL 2015	BUDGET 2015
		\$000	
11,876	Salaries and Wages	12,255	12,291
259	Defined Contribution Plan for Employer Contributions*	272	272
308	Increase (Decrease) in Employee Entitlements	805	-
12,443	Total Personnel Costs	13,332	12,563

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

Note 5 - Depreciation & Other Expenses

ACTUAL 2014 \$000		ACTUAL 2015	BUDGET 2015
		\$000	
DIRECTLY ATTRIBUTABLE DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY			
23	Community Safety	28	34
222	Arts and Culture	334	313
1,606	Recreation and Community Facilities	1,150	1,626
802	Community Property	679	772
43	Waste	38	60
6,553	Roads and Footpaths	6,574	6,784
1,969	Water Supply	1,776	1,944
963	Stormwater Drainage	1,007	944
1,290	Sewage Treatment and Disposal	1,303	1,505
10	Reportable Council-controlled Organisations	16	52
2,022	Corporate & District Activities Funds Applied	1,612	2,222
15,503	Total Depreciation and Amortisation Expense	14,517	16,256
OTHER EXPENSES			
123	Audit NZ - Council Financial Statements	125	125
-	- Audit NZ - Long Term Plan	84	84
5	Audit NZ - Whakatāne Airport Joint Venture	5	5
5	Audit fees - Internal Audit	3	3
-	- IANZ - BCA accreditation	21	21
356	Grants and Subsidies	298	345
709	Insurance Premiums	510	570
170	Investment Property Expenses	114	102
2,226	Loss on Disposal of Assets	1,290	-
(22)	Movement in Doubtful Debt Impairment	128	-
6	Operating Leases	4	9
21,576	Other Operating Expenses	25,140	25,245
(153)	Impairment	-	-
5	Movement in Provision*	141	-
25,006	Total Other Expenses	27,863	26,509
	* Movement in landfill and weathertight provisions		
REVALUATION LOSSES			
1,063	Investment Property	-	-
11	Non-current Assets Held for Sale	39	-
1,412	Operational Land	-	-
-	- Derivative Financial Instruments	1,996	-
2,486	Total Revaluation Losses	2,035	-

Note 6 - Interest Revenue and Finance Costs

ACTUAL 2014 \$000		ACTUAL 2015	BUDGET 2015
		\$000	
40	Interest Revenue	50	15
(2,516)	Finance Costs - interest on borrowings	(2,269)	(2,470)
(2,476)	Net Finance Costs	(2,219)	(2,455)

Note 7 - Gains

ACTUAL 2014 \$000		ACTUAL 2015	BUDGET 2015
		\$000	
	NON FINANCIAL INSTRUMENTS		
-	Revaluation - Assets Held for Sale	-	-
-	Revaluation - Investment Property	562	1,068
-	Revaluation - Forestry	-	-
718	Gain on Disposal of Assets	214	-
718	Total Non-Financial Instruments	776	1,068
	FINANCIAL INSTRUMENTS		
1,175	Revaluation - Derivative Financial Instruments	-	-
1,175	Total Financial Instruments	-	-
1,893	Total Gains	776	1,068

Note 8 - Income Tax

ACTUAL 2014 \$000		ACTUAL 2015 \$000
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COMPONENTS OF TAX EXPENSE

-	CURRENT TAX	-
-	Adjustments to Current Tax in Prior Years	-
(254)	Deferred Tax	(27)

(254)	Total Tax	(27)
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RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING SURPLUS

(507)	Surplus (Deficit) Before Tax	(3,157)
(142)	Tax @ 28% (2014: 28%)	(884)

Plus (Less) tax effect of:

142	Non-deductible Expenditure	884
-	Non-taxable Revenue	-
(254)	Deferred Tax Adjustment	(27)
-	Prior Year Adjustment	-

(254)	Tax Expense (Benefit)	(27)
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DEFERRED TAX ASSET (LIABILITY)	PROPERTY, PLANT AND EQUIPMENT \$000	FINANCIAL INSTRUMENTS \$000	EMPLOYEE ENTITLEMENTS \$000	TAX LOSSES \$000	TOTAL \$000
Balance at 30 June 2013	-	-	-	-	-
Charged to Surplus or Deficit	(198)	-	-	452	254
Charged to Other Comprehensive Revenue and Expense	(401)	-	-	-	(401)
Balance at 30 June 2014	(600)	-	-	452	(148)
Charged to Surplus or Deficit	10	-	-	17	27
Charged to Other Comprehensive Revenue and Expense	-	-	-	-	-
Balance at 30 June 2015	(590)	-	-	469	(121)

A deferred tax asset has not been recognised in relation to deductible temporary differences of \$nil (2014: \$nil).

A deferred tax asset has not been recognised in relation to unused tax losses of \$4,441,814 (2014: \$4,119,614).

A deferred tax asset has not been recognised in relation to unused tax losses of \$nil (2014: \$nil) in relation to the Whakatāne Airport joint venture (50% share).

Note 9 - Cash & Cash Equivalents

ACTUAL 2014 \$000		ACTUAL 2015 \$000
4,737	Cash at Bank and on Hand	1,003
4,737	Total Cash and Cash Equivalents	1,003

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

INTEREST RATES

The weighted average effective interest rates during the year on Cash and Cash Equivalents were:

2014		2015
2.83%	Cash and Cash Equivalents	3.18%

Note 10 - Inventories

ACTUAL 2014 \$000		ACTUAL 2015 \$000
HELD FOR DISTRIBUTION:		
95	Water and Sewerage Spare Parts	93
95	Total Inventories	93

No inventories are pledged as security for liabilities (2014: \$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 2015 amounted to \$Nil (2014: \$Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

Note 11 - Receivables

ACTUAL 2014 \$000		ACTUAL 2015 \$000
4,513	Rates Receivables	4,831
2,612	Metered Water Receivables	2,789
703	Sundry Debtor Receivables	1,273
806	Regulatory Receivables	793
692	Land Transport NZ Receivable	1,397
1,230	Accrued Revenue	469
36	Other Receivables	62
10,592		11,614
(2,778)	Less Provision for Impairment of Receivables	(2,906)
7,814		8,708
127	Prepayments	156
7,941	Total Receivables	8,864
Total Receivables Comprise:		
7,980	Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	5,719
2,612	Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	3,145

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.

The ageing profile of receivables at year end is detailed below:

	2015 GROSS IMPAIRMENT		2014 GROSS IMPAIRMENT	
	\$000			
	RECEIVABLES	PROVISION	RECEIVABLES	PROVISION
Current < 120 days - Rates & Water	1,976	-	2,783	-
Current < 120 days - Others	3,077	-	2,880	-
Past due > 120 days - Rates & Water	5,644	2,458	4,343	2420
Past due > 120 days - Others	915	448	587	358
	11,612	2,906	10,593	2,778

MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES:

	2015	2014
	\$000	
At 1 July	2,778	2,800
Provision Adjustment Made During the Year	486	393
Receivables Written Off During the Year	(358)	(415)
Balance at 30 June	2,906	2,778

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 2014 \$000		ACTUAL 2015 \$000
CURRENT ASSETS PORTION		
-	Interest rate swaps	-
CURRENT LIABILITIES PORTION		
6	Interest rate swaps	21
NON-CURRENT ASSETS PORTION		
212	Interest rate swaps	-
NON-CURRENT LIABILITIES PORTION		
802	Interest rate swaps	2,571
(596)	Total Derivative Financial Instrument Liabilities	(2,592)

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 2015.

Information About Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$39.8 million (2014: \$43.8 million). At 30 June 2015 the fixed interest rates of cash flow hedge interest rate swaps were 4.855% (2014: 4.883%) Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2015 are released to the surplus or deficit as interest is paid on the underlying debt.

The Council have no fair value hedges.

Deal Number	Swap 1	Swap 2	Swap 3	Swap 4	Swap 5	Swap 6	Swap 7
Maturity Date	20/07/2023	31/08/2021	22/12/2020	21/03/2024	22/03/2022	22/03/2024	21/12/2015
Fixed Rate	4.9900%	4.4800%	4.8000%	4.8700%	5.7900%	4.9500%	3.8000%
Amount	\$2,000,000	\$2,000,000	\$3,000,000	\$1,600,000	\$2,500,000	\$1,000,000	\$2,000,000
Fair Value	(180,721)	(104,074)	(199,410)	(129,914)	(327,249)	(68,726)	(5,973)

Deal Number	Swap 8	Swap 9	Swap 10	Swap 11	Swap 12	Swap 13	Swap 14
Maturity Date	28/09/2018	22/06/2016	23/06/2021	22/07/2019	22/03/2023	22/06/2018	22/05/2017
Fixed Rate	4.9000%	4.6000%	4.8500%	4.6500%	4.9700%	4.0500%	4.7850%
Amount	\$2,000,000	\$1,000,000	\$1,000,000	\$2,500,000	\$1,000,000	\$1,000,000	\$3,000,000
Fair Value	(105,958)	(15,037)	(71,580)	(134,925)	(85,548)	(25,731)	(97,716)

Deal Number	Swap 15	Swap 16	Swap 17	Swap 18	Swap 19	Swap 20	Swap 21
Maturity Date	22/09/2023	23/09/2024	22/11/2017	20/04/2021	20/12/2024	23/09/2019	24/06/2019
Fixed Rate	5.9000%	5.0000%	4.8800%	4.8500%	4.7300%	5.7500%	4.0300%
Amount	\$1,700,000	\$1,000,000	\$3,000,000	\$2,500,000	\$2,000,000	\$2,000,000	\$2,000,000
Fair Value	(261,629)	(92,358)	(126,561)	(181,217)	(126,744)	(194,262)	(57,027)

FAIR VALUE TOTAL (2,592,360)

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

ACTUAL 2014 \$000		ACTUAL 2015 \$000
50	Shares - NZ Local Government Insurance Corporation Limited: 38,788 shares @ \$1.29	50
9	Shares - Bay of Plenty Local Authority Shared Services Limited: 9 shares @ \$1,000	9
100	Shares - NZ Local Government Funding Agency	100
448	Borrower Notes - NZ Local Government Funding Agency	448
607	Total Investment in Council Controlled Organisations and Other Similar Entities	607

Unlisted Shares

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

The Whakatāne District Council is a shareholder in BoP LASS Ltd, a CCO owned by councils in the Bay of Plenty Region. It is a Joint Venture with each of the eight councils in the region holding a 12.5% share. BoP LASS Ltd has been established to foster collaboration between councils in the delivery of services particularly back office or support services.

Due to the immaterial size and nature of the Council's investment in the NZ Local Government Funding Agency, the Council has estimated the fair value of this investment based on the LGFA's net asset backing at 30 June.

Impairment

There were no impairment provisions for other financial assets. None of the financial assets are either past due or impaired.

Note 14 - Property Plant & Equipment

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

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

* Includes Airport land \$2,720,000 (2014: \$2,720,000) ** Includes 50% Airport assets including runway \$1,352,498 (2014: \$1,357,213 including runway and land) *** Revaluation of pensioner housing portfolio prior to transferring to non current assets held for sale.

No property, plant and equipment is pledged as security. Refer Note 18 for restricted assets. Council has easements giving rights to access to private property where infrastructure assets are located. It has not been feasibly to value at this stage and when valued are not expected to be material. There are no restrictions over the title of Council's intangible assets, nor are there any intangible assets pledged as security for liabilities.

Note 14 - Property Plant & Equipment Continued

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

2014	1 JULY 2013							CURRENT YEAR							30 JUNE 2014	
	COST / VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	ADDITIONS	VESTED	DISPOSALS	TRANSFERS	IMPAIRMENT***	DEPRECIATION REVERSED ON DISPOSAL	DEPRECIATION	REVALUATION	COST / REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE		
OPERATIONAL ASSETS																
Land*	21,046	-	21,046	393	-	22	2,756	-	-	(2,948)	21,225	-	-	21,225		
Buildings**	53,899	8,995	44,904	440	-	750	(1,285)	(215)	232	1,796	43,805	10	10	43,795		
Plant & Equipment	2,569	1,585	984	106	-	-	-	-	-	134	2,675	1,719	1,719	956		
Furniture & Fittings	1,775	862	913	55	-	-	-	-	-	189	1,830	1,051	1,051	779		
Office Equipment	9,349	7,110	2,239	184	-	-	-	-	-	648	9,533	7,758	7,758	1,775		
Motor Vehicles	2,043	1,339	704	107	-	-	-	-	-	238	2,150	1,577	1,577	573		
Harbour Vessels	269	148	121	-	-	-	-	-	-	41	269	189	189	80		
Museum Collection***	7,272	-	7,272	1	-	-	-	62	-	2,279	9,552	62	62	9,490		
Library Books	1,073	472	601	93	-	-	-	-	-	115	1,732	-	-	1,732		
Total Operational Assets	99,295	20,511	78,784	1,379	-	772	1,471	(153)	232	3,161	92,771	12,366	12,366	80,405		
INFRASTRUCTURAL ASSETS																
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	91,363	-	-	91,363		
Stormwater	45,511	1,826	43,685	1,155	-	-	-	-	963	-	46,666	2,789	2,789	43,877		
Harbour	6,511	843	5,668	23	-	-	-	-	-	(1,647)	3,757	-	-	3,757		
Parks	13,273	2,492	10,781	554	-	-	-	-	-	(1,423)	9,091	-	-	9,091		
Refuse	7,000	6,170	830	-	-	-	-	-	37	-	7,000	6,207	6,207	793		
<i>Core Council Infrastructure Assets</i>																
Roading Network	246,657	6,413	240,244	5,670	-	-	-	-	-	6,537	239,120	6,537	6,537	232,583		
Water - Treatment Plants & Facilities	2,923	363	2,560	86	-	-	-	-	-	171	3,009	534	534	2,475		
Water - Other	67,483	3,328	64,155	1,325	57	13	-	-	13	1,798	68,852	5,113	5,113	63,739		
Sewerage - Treatment Plants & Facilities	5,427	239	5,188	-	-	-	-	-	-	116	5,427	356	356	5,071		
Sewerage - Other	42,603	2,090	40,513	1,207	168	-	-	-	-	1,174	43,978	3,263	3,263	40,715		
Total Infrastructural Assets	528,751	23,764	504,987	10,020	225	13	-	-	13	10,796	518,263	24,799	24,799	493,464		
INTANGIBLE ASSETS																
Computer Software	4,058	3,145	913	36	-	-	-	-	-	452	4,094	3,597	3,597	497		

* Includes Airport land \$2,720,000 (2013: \$nil) ** Includes 50% Airport assets including runway \$1,357,213 (2013 \$2,684,538 including runway and land)

*** Impairment losses of \$62,000 have been recognised for the Museum Collection damaged due to flooding that occurred in April 2014. A total of \$20,492 in compensation has been received from insurance claims for the damaged collection and has been recognised as Other Revenue in Note 3. The impairment loss has been recognised in the Statement of Comprehensive Revenue and Expense in the line item Other Expenses.

No property, plant and equipment is pledged as security. Refer Note 18 for restricted assets. Council has easements giving rights to access to private property where infrastructure assets are located. It has not been feasible to value at this stage and when valued are not expected to be material. There are no restrictions over the title of Council's intangible assets, nor are there any intangible assets pledged as security for liabilities.

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 2015 \$000	ACTUAL 2014 \$000
Water, Stormwater and Wastewater Systems	2,591	3,992
Roading Network	1,030	769
Buildings	618	246
Parks and Reserves	54	206
Ports and Harbour	301	244
Intangible Assets	391	106
Airport	102	-
Total Work in Progress	5,087	5,563

Replacement Cost - Core Council Infrastructure Assets

	MOST RECENT ESTIMATE OF REPLACEMENT COST \$000	DATE OF ESTIMATE
Roading Networks	364,612	1 July 2014
Water - treatment plants & facilities	6,698	1 July 2014
Water - other	91,288	1 July 2014
Sewerage - treatment plants & facilities	7,804	1 July 2014
Sewerage - other	77,087	1 July 2014
Stormwater	66,045	1 July 2014

Insurance of Assets

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

	2015 \$000	2014 \$000
The total net book value of all Council assets covered by insurance contracts	206,239	228,698
The maximum amount to which insured assets are insured	257,483	155,885
The total net book value of all council assets covered by financial risk sharing arrangements*	-	155,877
Maximum amount available to the Council under financial risk sharing arrangements*	-	250,000
The value of assets that are self-insured	323,009	323,946
The value of funds maintained for self-insurance	1,181	755

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 2015*

Note 15 - Valuation

Land (Operational, Restricted and Infrastructural)

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

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

Buildings (Operational and Restricted)

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

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

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

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

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

Infrastructural Asset classes: Sewerage, Water, Drainage and Roads

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

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise the risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

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

The most recent valuation for Road assets was performed by Mel England, Asset Information Analyst of Opus International Consultants Limited, and the valuation is effective as at 1 July 2014.

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 is effective as at 30 June 2014.

Museum

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

Note 16 - Forestry Assets

ACTUAL 2014 \$000		ACTUAL 2015 \$000
291	Balance at 1 July	38
-	- Gains (Losses) Arising from Changes in Fair Value on Valuation	-
(253)	Decreases due to Sales	-
38	Balance at 30 June	38

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 2013.

No trees have been harvested during the year (2014: 57.01 hectares).

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

ACTUAL 2014 \$000		ACTUAL 2015 \$000
INVESTMENT PROPERTY		
44,481	Balance at 1 July	42,898
(375)	Sales and Disposals	-
(1,072)	Fair Value Gains (Losses) on Valuation	562
-	- Transfer (to) from Restricted Assets	-
-	- Transfer from Non-Current Assets Held for Sale	-
-	- Transfer from Operational Land	-
(111)	Transfer to Operational Land	-
-	- Transfer from Restricted Land	-
(25)	Transfer to Restricted Land	(326)
42,898	Balance at 30 June	43,134

All investment properties held by Council were valued at 30 June 2015 by Grant Uttridge 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 (2014: \$nil).

Information about the revenue and expenses in relation to investment property is detailed below:

2,312	Rental Revenue	2,409
170	Direct Operating Expenses from Investment Property Generating Revenue	114

NON-CURRENT ASSETS HELD FOR SALE

2,972	Balance at 1 July	154
(2,808)	Sales	-
(10)	Fair value Gains (Losses) on valuation	(39)
-	- Transfer from Operational Assets	4,406
154	Balance at 30 June	4,521

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

Note 18 - Restricted Assets

2014	COST/ REVALUATION 1 JULY 2013	ADDITIONS CURRENT YEAR	DISPOSALS CURRENT YEAR	TRANSFER TO OPERATING LAND	TRANSFER FROM RECREATIONAL RESERVES	TRANSFER TO HARBOUR LAND	TRANSFER TO ASSETS HELD FOR SALE	TRANSFER TO INVESTMENT PROPERTY	REVALUATION CHANGE	COST/ REVALUATION 30 JUNE 2014
	\$000									
Harbour Land (Not Leased)	4,643	-	-	-	-	-	-	-	(1,350)	3,293
Recreational Reserves	29,265	-	-	-	-	-	-	25	1,948	31,238
Total	33,908	-	-	-	-	-	-	25	598	34,531
2015	COST/ REVALUATION 1 JULY 2014	ADDITIONS CURRENT YEAR	DISPOSALS CURRENT YEAR	TRANSFER TO OPERATING LAND	TRANSFER FROM RECREATIONAL RESERVES	TRANSFER TO HARBOUR LAND	TRANSFER TO ASSETS HELD FOR SALE	TRANSFER TO INVESTMENT PROPERTY	REVALUATION CHANGE	COST/ REVALUATION 30 JUNE 2015
	\$000									
Harbour Land (Not Leased)	3,293	-	-	-	-	-	-	326	-	3,619
Recreational Reserves	31,238	-	-	-	-	-	-	-	-	31,238
Total	34,531	-	-	-	-	-	-	326	-	34,857

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 2014 \$000		ACTUAL 2015 \$000
Payables and deferred revenue under exchange transactions		
3,812	Trade Payables	5,378
871	Accrued Expenses	679
1,371	Revenue Received in Advance	1,223
441	Deposits	439
462	Amounts due to Customers for Contract Work	581
Payables and deferred revenue under non-exchange transactions		
-	Other Taxes Payable (GST, etc)	801
1,165	Revenue Received in Advance	1,232
8,122	Total Payables and Deferred Revenue	10,333

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 2014 \$000		ACTUAL 2015 \$000
	Current Portion	
25	Landfill Aftercare Provision	25
-	Weathertightness Provision	-
25	Total Current Portion	25
	Non-current Portion	
278	Landfill Aftercare Provision	272
202	Weathertightness Provision	343
480	Total Non-current Portion	615
505	Total Provisions	640

Movements for each class of provision are as follows:

LANDFILL AFTERCARE PROVISION		
298	Balance at 1 July	303
5	Increase (Decrease) in Net Present Value	(6)
303	Balance at 30 June	297
WEATHERTIGHTNESS PROVISION		
210	Balance at 1 July	202
(8)	Increase (Decrease) in Provision	141
202	Balance at 30 June	343

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 2015 and are being dealt with on a case by case basis (2014: Four). Currently Council's liability in relation to these claims has not been formally established and it is not possible to determine the likely outcome of the claims at this stage. A potential liability has been provided in the 2015 financial statements of \$343,303 based on the expected outcome of negotiations on known claims with four of the affected parties - an increase of \$140,821 to the provision at 30 June 2015. The provision also includes future claims relating to weathertightness issues not yet identified and reported.

Note 21 - Employee Entitlements

ACTUAL 2014 \$000		ACTUAL 2015 \$000
	Current Portion	
544	Accrued pay	780
1,176	Annual and Long Service Leave*	1,506
3	Sick Leave	7
1,723	Total Current Portion	2,293
	Non-current Portion	
189	Annual and Long Service Leave*	420
9	Sick Leave	13
198	Total Non-current Portion	433
1,921	Total Employee Entitlements	2,726

* 2015 includes revaluation of long service leave.

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 2015.

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 2015. A long term annual rate of salary growth of 3.0% per year has been used.

Note 22 - Borrowings

ACTUAL 2014 \$000		ACTUAL 2015 \$000
	Current Portion	
10,000	Secured Loans	7,000
	Non-current Portion	
35,500	Secured Loans	33,000
45,500	Total Borrowings	40,000

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

Maturity Profile		
10,000	Maturing in under one year	7,000
7,500	Maturing in 1-2 years	-
-	Maturing in 2-3 years	8,000
8,000	Maturing in 3-4 years	9,000
9,000	Maturing in 4-5 years	-
11,000	Maturing in 5 years+	16,000
45,500		40,000

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 2015 range from 3.83% to 4.6% (2014: 3.67% to 4.78%) with a weighted average rate of 4.27% (2014: 4.28%). Interest expense for 2015 was \$2.269 million (2014: \$2.351 million).

Security

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

Internal Borrowings

Information about internal borrowings is provided on pages 21 to 109 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Fair Values

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

Note 23 - Equity

ACTUAL 2014 \$000		ACTUAL 2015
		\$000
EQUITY		
420,770	Accumulated Funds	414,831
17,468	Restricted Reserves	17,211
177,309	Asset Revaluation Reserves	155,489
615,547	Total Public Equity	590,531
ACCUMULATED FUNDS		
412,471	Balance at 1 July	407,025
1,465	Other Reserve Movements	(66)
(253)	Surplus/(Deficit) for the Year	(3,130)
(16,565)	Transfers to Council Created Reserves	(14,405)
(5,386)	Transfers to Restricted Reserves	(2,867)
14,223	Transfers from Council Created Reserves	13,551
1,070	Transfers from Restricted Reserves	3,124
407,025	Balance at 30 June	403,232
Add Council Created Reserves (Incl. Depreciation Reserves)		
11,403	Balance at 1 July	13,745
16,565	Transfers from Accumulated Funds	14,405
(14,223)	Transfer to Accumulated Funds	(13,551)
13,745	Balance at 30 June	14,599
420,769	Total Accumulated Funds	417,831
RESTRICTED RESERVES		
13,152	Balance at 1 July	17,468
5,386	Transfers from Accumulated Funds	2,867
(1,070)	Transfer to Accumulated Funds	(3,124)
17,468	Balance at 30 June	17,211
ASSET REVALUATION RESERVE		
181,883	Balance 1 July	177,310
1,322	Other Reserve Movements	-
3,724	Revaluation of Operational Assets	(1,484)
645	Revaluation of Restricted Assets	-
(6,794)	Revaluation of Roothing	(1,404)
-	Revaluation of Water	(13,126)
-	Revaluation of Sewerage	(3,549)
-	Revaluation of Land Drainage	(2,258)
(3,070)	Revaluation of Other Infrastructural Assets	-
(401)	Tax on Revaluation	-
177,310	Balance at 30 June	155,489

Note 23- Equity (continued)

Information about reserve funds held for a specific purpose is provided below: Note: () depicts an overdrawn reserve account balance

ID	RESERVE	ACTIVITY	PURPOSE	2014 - \$000			2015 - \$000			
				OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
COUNCIL OPERATING RESERVES										
Separate Operating Reserves										
6100	General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits	377	1,514	(922)	947	1,007	(1,172)	782
6111	Roading Rate	Roads and Footpaths	For Rooding Rate funded Surpluses or Deficits	(127)	409	(388)	(106)	207	(5)	96
6122	Refuse Collection rate	Waste	For Refuse Collection Rate funded Surpluses or Deficits	(262)	217	(243)	(288)	600	(124)	188
6123	Library Rate	Library	For Library Rate funded Surpluses or Deficits	78	-	(78)	-	-	-	-
6124	Parks Rate	Parks	For Parks and Reserves Rate funded Surpluses or Deficits	298	-	(298)	-	-	-	-
6126	Whakatāne Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	497	552	(368)	681	521	(1,105)	97
6128	Ōhope Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(320)	20	(18)	(318)	318	(9)	(9)
6130	Edgecumbe Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	72	4	-	76	2	(76)	2
6131	Mataā Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(107)	-	(1,216)	(1,323)	-	(687)	(2,010)
6132	Tāneatua Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(29)	6	(1)	(24)	24	(1)	(1)
6133	Te Teko Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(3)	-	(1)	(4)	4	-	-
6134	Murupara Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	50	2	(35)	17	-	(29)	(12)
6136	Te Mahoe Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits	(7)	-	-	(7)	7	-	-
6138	Whakatāne Water	Water	For Water Rate Funded Surpluses or Deficits	(568)	214	(606)	(960)	1,414	(964)	(510)
6140	Ōhope Water	Water	For Water Rate Funded Surpluses or Deficits	1,075	61	-	1,136	33	(1,137)	32
6142	Edgecumbe Water	Water	For Water Rate Funded Surpluses or Deficits	(136)	46	(6)	(96)	112	(18)	(2)
6144	Mataā Water	Water	For Water Rate Funded Surpluses or Deficits	15	20	(43)	(8)	8	(1)	(1)
6146	Tāneatua Water	Water	For Water Rate Funded Surpluses or Deficits	5	-	(55)	(50)	50	(1)	(1)
6148	Murupara Water	Water	For Water Rate Funded Surpluses or Deficits	(89)	-	(7)	(96)	25	(23)	(94)
6150	Rūātōki Water	Water	For Water Rate Funded Surpluses or Deficits	18	-	(28)	(10)	10	-	-
6152	Waimana water	Water	For Water Rate Funded Surpluses or Deficits	(60)	20	(3)	(43)	43	(1)	(1)
6154	Plains Water	Water	For Water Rate Funded Surpluses or Deficits	1,086	159	-	1,245	67	(179)	1,133
6156	Te Mahoe Water	Water	For Water Rate Funded Surpluses or Deficits	(103)	-	(6)	(109)	109	(3)	(3)
6157	Ruatāhuna Water	Water	For Water Rate Funded Surpluses or Deficits	3	-	-	3	-	-	3
6158	Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits	167	51	(7)	211	11	(47)	175
6160	Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits	597	159	(100)	656	70	(278)	448
6162	Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits	12	171	-	183	116	(51)	248
6164	Airport Murupara	Murupara Airport	For Whakatāne Airport Operating Surpluses or Deficits	(546)	3	(163)	(706)	-	(336)	(1,042)
6166	Airport Whakatāne 50%	Whakatāne Airport		-	-	-	-	-	-	-
6168	Mataā Recovery/Disaster Mitigation	Stormwater		-	-	-	-	-	-	-
6169	Strategic & Investment Property	Investment Property		-	-	-	-	-	-	-

ID	RESERVE	ACTIVITY	PURPOSE	2014 - \$000			2015 - \$000			
				OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6170	Whakatāne Pool Rate	Aquatic Centre	For Aquatic Centre Rate funded Surpluses or Deficits	(235)	337	(103)	(1)	-	-	(1)
6171	Murupara Pool Rate	Aquatic Centre	For Aquatic Centre Rate funded Surpluses or Deficits	(5)	5	-	-	-	-	-
6178	Fixed Assets			-	-	-	-	37	(37)	-
6180	Disaster Mitigation - Matatā Grant Funded	Stormwater	For Disaster Mitigation Surpluses or Deficits	(98)	-	(88)	(186)	546	(190)	170
6181	Disaster Mitigation - Matatā Non-Grant Funded	Stormwater	For Disaster Mitigation Surpluses or Deficits	(5)	26	(34)	(13)	27	(8)	6
6182	Disaster Mitigation - Edgecumbe	Stormwater	For Disaster Mitigation Surpluses or Deficits	118	6	(15)	109	3	(110)	2
6183	Disaster Mitigation - Awatapu	Stormwater	For Disaster Mitigation Surpluses or Deficits	(167)	-	(10)	(177)	177	(9)	(9)
6184	Disaster Mitigation - West End	Stormwater	For Disaster Mitigation Surpluses or Deficits	402	35	-	437	13	(438)	12
6190	Whakatāne Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(303)	160	(47)	(190)	197	(5)	2
6191	Ōhope Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(48)	-	(10)	(58)	30	(15)	(43)
6192	Edgecumbe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	25	35	-	60	3	(2)	61
6193	Matatā Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(166)	112	(6)	(60)	36	(2)	(26)
6194	Murupara Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	-	-	-	-	-	-	-
6195	Tāneatua Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(3)	1	-	(2)	-	-	(2)
6196	Te Teko Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	(1)	-	-	(1)	-	-	(1)
6197	Te Mahoe Stormwater	Stormwater	For Stormwater Rate funded Surpluses or Deficits	9	1	(9)	1	-	(1)	-
	Total Separate Operating Reserves			1,516	4,346	(4,914)	926	5,827	(7,064)	(311)
	Other Reserves									
6400	Plant Renewal			-	-	-	-	-	-	-
6402	Car parks Development	Parking	For the Development of Car parks in the District	34	2	-	36	2	-	38
6404	Unspent B.I.Z. Funds			-	-	-	-	-	-	-
6406	Tennis and Netball Resealing			-	-	-	-	-	-	-
6408	Sand mining Royalties	General Council	Revenue received from Sand mining company for access over Council reserve	-	-	-	-	-	-	-
6414	Airport Terminal			-	-	-	-	-	-	-
6416	WM Hall Carpet			-	-	-	-	-	-	-
6418	Civic Building Asset Replace			-	-	-	-	-	-	-
6420	Museum Capital			-	-	-	-	-	-	-
6422	Museum Collections	Exhibitions, Research, Storage & Archives	For the purchase of Assets for the Museum Collection	3	-	(3)	-	-	-	-
6424	BOPE Share Proceeds			-	-	-	-	-	-	-
6426	Galatea Reserve Development	General Council	For amenities within the Galatea and Murupara areas	1	-	-	1	-	-	1
6428	Disabled Facilities	Pensioner Housing	For the improvement of Disabled Facilities throughout the District	-	-	(8)	(8)	-	-	(8)
6431	Roading Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Rooding network	447	308	-	755	426	-	1,181
6432	Te Mahoe Water - special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme	240	13	(36)	217	11	(50)	178

ID	RESERVE	ACTIVITY	PURPOSE	2014 - \$'000			2015 - \$'000			
				OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6434	Forestry Gen/WF Rates Refund			-	-	-	-	-	-	-
6438	Matatā Property			-	-	-	-	-	-	-
6440	Murupara Amenities			-	-	-	-	-	-	-
6441	Asset Divestment			-	-	-	-	-	-	-
6442	Sale of Bennett Block			-	-	-	-	-	-	-
6443	Disaster /LAPP Insurance Reserve	Corporate and District	To fund contributions to the LAPP scheme over and above annual insurance	150	132	-	282	16	-	298
6444	Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets	(93)	4,017	(4,098)	(174)	-	(112)	(286)
6445	Sale of Bennett Block		Surplus funds from the Divestment of Council Assets	(77)	-	(4)	(81)	-	(5)	(86)
6446	Leaky Homes Reserve	Building	To fund weather tight claims	89	206	(15)	280	119	-	399
6447	Whakatāne Community Board	Leadership	Separately collected rates for community projects	52	22	-	74	10	-	84
6448	Rangitikei Community Board	Leadership	Separately collected rates for community projects	4	-	(21)	(17)	-	(2)	(19)
6449	Ōhope Beach Community Board	Leadership	Separately collected rates for community projects	57	3	(21)	39	2	(5)	36
6450	Tāneatua Community Board	Leadership	Separately collected rates for community projects	8	-	(4)	4	-	-	4
6451	Murupara Community Board	Leadership	Separately collected rates for community projects	13	3	-	16	4	-	20
6452	Iwi Liaison Committee	Governance	Separately collected rates for community projects	5	-	-	5	-	-	5
6543	Digitisation	Corporate and District	Separately collected rates for corporate digitisation project	-	-	-	-	250	-	250
	Total Other Reserves			933	4,706	(4,210)	1,429	840	(174)	2,095
DEPRECIATION RESERVES										
6300	Water	Whakatāne Water	To fund the renewal of Water assets	(309)	520	(619)	(408)	520	(653)	(541)
6302	Water	Ōhope Water	To fund the renewal of Water assets	(21)	84	(2)	61	89	(41)	109
6304	Water	Edgecumbe Water	To fund the renewal of Water assets	53	63	-	116	65	(56)	125
6306	Water	Matatā Water	To fund the renewal of Water assets	159	68	-	227	72	(5)	294
6308	Water	Tāneatua Water	To fund the renewal of Water assets	212	56	(5)	263	60	(7)	316
6310	Water	Murupara Water	To fund the renewal of Water assets	352	92	(4)	440	97	-	537
6312	Water	Rūātoki Water	To fund the renewal of Water assets	100	19	-	119	20	-	139
6314	Water	Waimana Water	To fund the renewal of Water assets	6	3	-	9	3	-	12
6316	Water	Plains Water	To fund the renewal of Water assets	969	185	(21)	1,133	194	(56)	1,271
6318	Water	Te Mahoe Water	To fund the renewal of Water assets	32	4	-	36	4	-	40
6320	Sewage Treatment and Disposal	Whakatāne Wastewater	To fund the renewal of Wastewater assets	579	440	(54)	965	456	(264)	1,157
6322	Sewage Treatment and Disposal	Ōhope Wastewater	To fund the renewal of Wastewater assets	28	153	(46)	135	160	(7)	288
6324	Sewage Treatment and Disposal	Edgecumbe Wastewater	To fund the renewal of Wastewater assets	258	60	(635)	(317)	60	(20)	(277)
6326	Sewage Treatment and Disposal	Tāneatua Wastewater	To fund the renewal of Wastewater assets	241	37	-	278	39	-	317
6327	Sewage Treatment and Disposal	Te Mahoe Wastewater	To fund the renewal of Wastewater assets	32	4	(4)	32	4	-	36
6328	Sewage Treatment and Disposal	Murupara Wastewater	To fund the renewal of Wastewater assets	(275)	120	(12)	(167)	171	(58)	(54)
6330	Stormwater	Whakatāne Land Drainage	To fund the renewal of Stormwater assets	185	128	(279)	34	127	(263)	(102)
6332	Stormwater	Ōhope Land Drainage	To fund the renewal of Stormwater assets	149	35	-	184	38	-	222

ID	RESERVE	ACTIVITY	PURPOSE	2014 - \$000			2015 - \$000			
				OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6334	Stormwater	Edgcombe Land Drainage	To fund the renewal of Stormwater assets	(56)	7	(3)	(52)	7	(3)	(48)
6335	Stormwater	Matatā Land Drainage	To fund the renewal of Stormwater assets	7	-	-	7	-	-	7
6336	Stormwater	Tāneatua Land Drainage	To fund the renewal of Stormwater assets	13	1	-	14	1	-	15
6337	Stormwater	Te Mahoe Land Drainage	To fund the renewal of Stormwater assets	15	1	-	16	1	-	17
6338	Stormwater	Murupara land Drainage	To fund the renewal of Stormwater assets	74	4	-	78	5	-	83
6339	Stormwater	Te Teko Land Drainage	To fund the renewal of Stormwater assets	4	-	-	4	-	-	4
6340	Refuse Disposal	Waste	To fund the renewal of Refuse Disposal assets	150	13	(9)	154	14	-	168
6342	Libraries	Libraries	To fund the renewal of Library assets	28	127	(121)	34	127	(127)	34
6344	Museum	Exhibitions, Research, Storage & Archives	To fund the renewal of Museum assets	75	25	-	100	26	-	126
6346	Parks and Gardens & Sports fields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sports fields assets	672	662	(252)	1,082	640	(565)	1,157
6348	Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets	61	46	(43)	64	46	(64)	46
6350	Recreation	Recreation	To fund the renewal of Recreation assets	-	-	-	-	-	-	-
6352	Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets	160	182	(134)	208	187	(68)	327
6354	Halls	Halls	To fund the renewal of Halls assets	464	186	(107)	543	191	(215)	519
6355	Dog Control	Animal Control		-	-	-	-	-	-	-
6356	Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets	245	104	(16)	333	108	(77)	364
6358	Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets	296	125	(86)	335	101	(110)	326
6360	Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets	2	-	-	2	-	-	2
6361	Vehicle & Plant Reserve	Vehicle and Plant	To fund the renewal of Vehicle and Plant	107	273	(157)	223	303	(233)	293
6362	Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets	661	278	(171)	768	206	(274)	700
6363	Information Management	Corporate & District Activities	To fund the renewal of Information Management assets	1,782	968	(168)	2,582	718	(554)	2,746
6364	Port	Ports & Harbour	To fund the renewal of Port & Harbour assets	1,203	438	(23)	1,618	92	(36)	1,674
6366	Roading - assisted / non-assisted / special and safety	Roads and Footpaths	To fund the renewal of Roading assets	444	1,966	(2,092)	318	2,351	(2,030)	639
6368	Airport - Whakatāne 50%	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets	(209)	37	(23)	(195)	31	(125)	(289)
6371	Information Management			-	-	-	-	-	-	-
6374	Vehicle & Plant Reserve			-	-	-	-	-	-	-
6376	Vehicle & Plant Reserve			-	-	-	-	-	-	-
Total Depreciation Reserves				8,948	7,514	(5,086)	11,376	7,334	(5,911)	12,799
Total Council Operating Reserves				11,397	16,566	(14,210)	13,731	14,001	(13,149)	14,583
RESTRICTED RESERVES										
6200	Development Contributions - Whakatāne Water	Water	To fund growth related capital expenditure	108	11	(29)	90	14	-	104
6202	Development Contributions - Ōhope Water	Water	To fund growth related capital expenditure	119	11	-	130	12	-	142
6204	Development Contributions - Edgcombe Water	Water	To fund growth related capital expenditure	5	-	-	5	-	-	5

ID	RESERVE	ACTIVITY	PURPOSE	2014 - \$'000			2015 - \$'000			
				OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE
6206	Development Contributions - Matatā Water	Water	To fund growth related capital expenditure	54	3	-	57	5	-	62
6216	Development Contributions - Plains Water	Water	To fund growth related capital expenditure	(19)	8	(1)	(12)	5	(40)	(47)
6220	Development Contributions - Whakatāne Wastewater	Wastewater	To fund growth related capital expenditure	(771)	43	(81)	(809)	50	(78)	(837)
6221	Development Contributions - Coastlands Wastewater	Wastewater	To fund growth related capital expenditure	(71)	-	(4)	(75)	-	(4)	(79)
6222	Development Contributions - Ōhope Wastewater	Wastewater	To fund growth related capital expenditure	142	25	(6)	161	83	(4)	240
6224	Development Contributions - Edgcombe Wastewater	Wastewater	To fund growth related capital expenditure	(2)	-	-	(2)	-	-	(2)
6234	Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure	411	69	(7)	473	108	(148)	433
6236	Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure	940	69	-	1,009	73	(480)	602
6238	Development Contributions - Rural Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	292	17	(1)	308	16	(77)	247
6240	Development Contributions - Whakatāne Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	(5)	-	-	(5)	-	-	(5)
6242	Development Contributions - Ōhope Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	148	8	-	156	9	(3)	162
6244	Development Contributions - Edgcombe Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	44	3	-	47	3	-	50
6248	Development Contributions - Murupara Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	11	1	-	12	1	-	13
6250	Development Contributions - Recreation	Parks, Reserves, Recreation & Sports Fields	To fund growth related capital expenditure	-	-	-	-	-	-	-
6252	Development Contributions - Public Conveniences		To fund growth related capital expenditure	-	-	-	-	-	-	-
6254	Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure	303	28	-	331	35	-	366
6255	Development Contributions - Library & Museum	Arts and Culture	To fund growth related capital expenditure	-	-	-	-	-	-	-
6256	Development Contributions - Roading	Roads and Footpaths	To fund growth related Roading capital expenditure	1,549	134	(172)	1,511	192	(365)	1,338
6258	Development Contributions - Non Fin Assisted Roading	Roads and Footpaths	To fund growth related capital expenditure	3	-	-	3	-	-	3
6260	Development Contributions - Whakatāne Land Drain	Stormwater	To fund growth related capital expenditure	224	24	(48)	200	79	(36)	243
6262	Development Contributions - Ōhope Land Drain	Stormwater	To fund growth related capital expenditure	42	15	-	57	51	-	108
6263	Development Contributions - Matatā Land Drain	Stormwater	To fund growth related capital expenditure	-	-	-	-	-	-	-

Note 23 - Equity (continued)

ID	RESERVE	ACTIVITY	PURPOSE	2014 - \$'000			2015 - \$'000		
				OPENING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND	CLOSING BALANCE	TRANSFERS INTO FUND	TRANSFERS OUT OF FUND
6269	Development Contributions - Refuse Collection	Waste	To fund growth related capital expenditure	-	-	-	-	-	-
6270	Development Contributions - Whakatāne Car parks		To fund growth related capital expenditure	(6)	-	-	(6)	-	(6)
6271	Otarawairere Disaster Mitigation	Stormwater	To fund growth related capital expenditure at Otawairere	(1,459)	-	(83)	(1,542)	-	(89) (1,631)
6430	Capital Contributions - Roading	Roads and Footpaths	Financial Contributions for Roading Capital Projects	47	-	3	50	3	-
6500	Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward	283	15	(37)	261	12	(89) 184
6502	Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward	22	1	(19)	4	34	-
6504	Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward	20	1	-	21	1	-
6506	Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward	17	1	-	18	1	-
6508	Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward	5	-	-	5	-	-
6510	Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward	25	1	-	26	2	-
6512	Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits	5,074	1,182	(581)	5,675	1,535	(1,710) 5,500
6514	Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets	5,603	3,712	-	9,315	537	-
	Total Restricted Reserves			13,158	5,382	(1,066)	17,474	2,861	(3,123) 17,212
	Total Reserves			24,555	21,948	(15,276)	31,205	16,862	(16,272) 31,795

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 2014 \$000	WHAKATĀNE AIRPORT JOINT VENTURE	ACTUAL 2015 \$000
19	Current Assets	231
659	Non-current Assets	653
175	Current Liabilities	439
-	Non-current Liabilities	-
104	Revenue	97
139	Expenses	213
-	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 2014 \$000		ACTUAL 2015 \$000
(507)	Surplus/ (Deficit)	(3,157)
	Add / (Less) Non-cash Items	
15,503	Depreciation and Amortisation Expense	14,517
153	Property, Plant and Equipment Impairment	-
(225)	Vested Assets	(38)
1,311	(Gains)/Losses on Revaluation	1,259
16,742	Total Non-cash Items	19,128
	Add / (Less) Items Classified as Investing or Financing Activities	
1,508	(Gains)/Losses on Disposal of Property, Plant and Equipment	1,290
1,508	Total Items Classified as Investing or Financing Activities	1,290
	Add/(Less) Movements in other Working Capital Items	
261	(Increase)/Decrease in Receivables	(909)
287	(Increase)/Decrease in Prepayments	(15)
(9)	(Increase)/Decrease in Inventory	2
(3,510)	Increase/(Decrease) in Payables	2,228
(3)	Increase/(Decrease) in Provisions	135
321	Increase/(Decrease) in Employment Entitlements	805
(22)	Movement in Doubtful Debt Impairment	128
776	Bad Debts and remissions	725
(1,899)	Net Movement in Working Capital Items	3,099
15,844	Net Cash Inflow/(Outflow) from Operating Activities	16,969

Note 26 - Capital Commitments and Operating Leases

ACTUAL 2014 \$000		ACTUAL 2015 \$000
	Capital Commitments	
568	Roading Network	1,830
-	Stormwater	165
40	Intangible Assets (Location Services)	40
682	Wastewater	-
465	Water System	-
332	Information and Communications Technology	-
2,087	Total Capital Commitments	2,035
	Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.	
	Operating Leases as Lessee	
127	Not later than one year	120
297	Later than one year and not later than five years	170
424	Total Non-cancellable Operating Leases	290

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.

Note 27 - Contingencies

ACTUAL 2014 \$000		ACTUAL 2015 \$000
350	Other Claims	510
350	Total Contingencies	510

Note 27 - Contingencies (*continued*)

CONTINGENT LIABILITIES

The Council has contingent liabilities for two contracts disputes and one indemnity claim. The maximum cost to the Council is \$360,000 and in its opinion the Council expects to be able to settle these disputes without any cost to the Council. The Council may also be liable to cover plaintiff costs in regard to a resource consent appeal. At this stage costs are expected to be between \$112,500-\$150,000.

(2014: \$350,000 for two contract disputes and one indemnity claim)

Employment Dispute

There are no employment disputes at 30 June 2015 (2014: nil).

Weathertightness Claims

Refer note 20. The council has included a provision in the accounts for the potential liability in relation to building weathertightness claims. The calculation is based on the number of homes currently registered with the Weathertight Homes Resolution Service. From 1 July 2009, our public liability insurance does not cover Weathertight claims.

The Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims is not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services (WHRS) Act 2006, but other statutory limitation periods could also affect claims.

Unquantified Claims

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for that Fund year. The Council received a notice during 2012 for a call for additional contributions in respect of the 2003 and 2004 Fund years as those funds are exhibiting deficits due to the "leaky building" issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

The Supreme Court decision in October 2012 on a Council's liability for non-residential buildings may affect the liability of the Council for weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by the Council. The Council is yet to receive any claims as a result of this ruling.

Muriwai Drive Slip

During the period August 2010 to June 2011 a slip event occurred over land owned by the Council and land controlled and managed by the Council on behalf of the Crown. The slip threatens several private homes, the adjacent road and to a lesser extent, council playground and toilet assets on a near reserve. There have been no subsequent slips and mitigation works have been completed.

Local Government Funding Agency

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

The Council is one of 30 local authority shareholders and eight local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million unpaid ordinary shares are available to be called where the NZLGFA Board has determined that there is an imminent risk of default. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2015, NZLGFA had borrowings totalling \$4.955 billion (2014: \$3.695 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 2015 (2014: Compensation for a resource consent appeal).

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 \$3,485 to Whakatāne Intermediate School to assist the Kapa Haka group to tour to Japan with the Mayor. Mayor Bonne is the Chairman of the Board of Trustees.

The Council has a 1/8th share in BoP LASS Limited. BoP LASS Limited has been established to foster collaboration between councils in the delivery of services particularly back office or support services. Whakatāne District Council's Chief Executive, Marty Grenfell, is a director of BoP LASS Limited. During the year the Council contracted BoP LASS Limited for services costing \$173,936 (2014: \$157,174).

The Council granted \$10,000 to the Pride Whakatāne District Committee of which Councillor Iles is the Chairman. Council paid \$1,004 to Sister Cities NZ INC, of which Councillor Iles is 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 \$88,424 (2014: \$91,938) were carried out with the Joint Venture. Funds held by Council on behalf of the Airport total \$828,833 (2014: \$302,282).

KEY MANAGEMENT PERSONNEL COMPENSATION

	2014 \$000	2015 \$000
Councillors and Mayor		
Remuneration	400	425
Number of elected officials	11	11
Executive Team, including the Chief Executive		
Remuneration	1,003	1,323
Full-time Equivalent Members	5.3	6.9
Total Key Management Personnel Remuneration	1,403	1,748
Total Full-time Equivalent Personnel	16.3	17.9

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

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

The increase in total remuneration is partly owing to the addition of one executive team member and the return to full time hours for another executive team member.

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 \$284,869 (2014: \$255,571) including KiwiSaver. In addition a benefit of \$12,522 (2014: \$12,522) for a vehicle.

ELECTED REPRESENTATIVES

Elected representatives received the following remuneration:

ACTUAL 2014 \$				ACTUAL 2015 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
MAYOR AND COUNCILLORS						
96,781	-	4,575	Bonne, Tony (Mayor)	101,288	-	10,437
10,883	-	415	Chambers, Christine	-	-	-
9,275	-	726	Dowd, David	-	-	-
28,855	-	1,534	Iles, Andrew	33,302	-	6,499
25,280	-	842	Jarrett, Scott	26,642	-	900
25,280	-	842	Johnston, George	26,642	-	900
16,005	-	554	Jukes, Julie	26,642	-	900
9,275	-	290	Ngaropo, Pouroto	-	-	-
30,463	8,482*	842	Orr, Russell	33,302	10,335 *	1,676
16,005	-	677	Pullar, John	26,642	-	2,719
25,280	600	842	Sheaff, Dave	26,642	40	900
17,205	-	4,116	Silcock, Alison	26,642	-	6,741
33,290	1,640	842	Turner, Judy (Deputy Mayor)	37,298	3,280	1,360
25,280	1,640	842	Van Beek, Gerard	26,642	1,920	900

* 2015 includes \$7,085 for District Licensing Committee (2014: 3,792)

COMMUNITY BOARD MEMBERS						
EDGE CUMBE - TARAWERA						
3,020	-	300	Barr Viv	3,775	-	300
4,523	-	300	Bourk, Graeme	3,775	-	300
3,110	-	300	Byrne, Kris	3,775	-	300
3,110	-	300	Dennis, Gavin	3,775	-	300
3,110	-	300	Harvey, Evan	3,775	-	300
5,045	-	300	Richards, Vicki	7,550	-	300

Note 29 - Remuneration (continued)

ACTUAL 2014 \$				ACTUAL 2015 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
TĀNEATUA						
2,802	-	379	Chater, Geoffrey	3,183	-	357
2,802	-	300	Knowles, Les	3,183	-	300
956	-	115	Kora, Monty	-	-	-
2,802	-	448	Kyle, David	3,183	-	456
1,847	-	222	Meihana-Tait, Basil	3,183	-	337
2,802	-	300	Ruiterman, Luke	3,183	-	300
5,765	-	300	Yalden, Diane	6,367	-	671
WHAKATĀNE						
3,418	-	300	Chambers, George	4,092	-	300
4,830	-	300	Delahunty, Neville	4,092	-	300
3,418	-	300	Hall, Tony	4,092	-	300
3,418	-	300	Lander, Peter	4,092	-	300
2,462	-	185	Langdon, Jody	4,092	-	673
956	-	115	Lynch, Kenneth	-	-	-
5,540	-	300	Naude, Mike	8,183	-	391
ŌHOPE BEACH						
4,411	-	300	Casey, Gerard	6,000	-	300
2,368	-	115	Dohrman, Chris	-	-	-
956	-	115	Howe, Josephine	-	-	-
830	-	83	Jenkins, Bruce	3,000	-	640
2,802	-	300	King, Mike	3,000	-	300
2,802	-	300	Lovelock, Hugh	3,000	-	300
830	-	83	Napier, Steve	3,000	-	300
956	-	115	Poppe, Sabine	-	-	-
830	-	58	Tolley, Allan	3,000	-	403
MURUPARA						
956	-	115	Ammunson, Patricia	-	-	-
956	-	115	Chapman, Awhina	-	-	-
1,847	-	185	Jenner, Memorie	3,183	-	418
1,847	-	295	McCarthy, Patrick	3,183	-	605
830	-	83	Meihana, Carolyn	3,183	-	300
1,847	-	185	Rangiwai, Byron	3,183	-	300
829	-	210	Silcock, Alison	-	-	-
956	-	115	Skeet, Charlotte	-	-	-
1,847	-	239	Te Amo, Jackie	3,183	-	583
5,748	-	487	Te Kurapa, Jacob	6,367	-	679
956	-	115	Tuhua, Honey	-	-	-

Note 29 - Remuneration (continued)

ACTUAL 2014 \$				ACTUAL 2015 \$		
SALARIES	HEARINGS	ALLOW & EXP REIMB		SALARIES	HEARINGS	ALLOW & EXP REIMB
IWI LIAISON*						
-	-	527	Jenner, Robert	-	-	-
-	-	858	Kalan, Joshua	-	-	-
-	-	327	Mason, Hohepa	-	-	-
-	-	583	Olsen, Pene	-	-	-
-	-	367	Pryor, Henare	-	-	-
-	-	581	Sisley, Mihipeka	-	-	-
-	-	630	Te Pou, Colin	-	-	-
-	-	172	TeMara, Te Makarini	-	-	-
470,300	12,362	31,262	Total Elected Representatives' Remuneration	512,315	15,575	45,546

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

COUNCIL EMPLOYEES

	2014	2015
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	147	135
\$60,000 - \$79,999	34	43
\$80,000 - \$99,999	19	19
\$100,000 - \$119,999	9	8
\$120,000 - \$179,999	7	7
\$180,000 - \$299,999	1	4
Total Employees	217	216

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

At balance date, the Council employed 140 (2014: 144) full time employees, with the balance of staff representing 42.03 (2014: 40.27) 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 2015 Whakatāne District Council made no severance payments to employees. (2014: no payments).

NOTE 31 - Events After Balance Date

There were no significant events after balance date (2014: nil).

Note 32a - Financial Instrument Categories

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

ACTUAL 2014 \$000		ACTUAL 2015 \$000
	FINANCIAL ASSETS	
	Fair Value Through Surplus or deficit	
	Financial Instruments	
212	Derivative Financial Instrument Assets	-
	Loans and Receivables	
4,737	Cash and Cash Equivalents	1,003
7,941	Receivables	8,864
12,678	Total Loans and Receivables	9,867
	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	548
607	Total Fair Value Through Comprehensive Revenue and Expense	607
	FINANCIAL LIABILITIES	
	Financial Instruments	
808	Derivative Financial Instrument Liabilities	2,592
	Financial Liabilities at Amortised Cost	
8,122	Payables	9,532
45,500	Borrowings - Secured Loans	40,000
53,622	Total Financial Liabilities at Amortised Cost	49,532

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			
2015				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
Local Authority Stock	9	-	9	-
Shares	150	-	150	-
Borrower Notes	448	-	448	-
FINANCIAL LIABILITIES				
Derivatives	2,592	-	2,592	-
2014				
FINANCIAL ASSETS				
Derivatives	212	-	212	-
Local Authority Stock	9	-	9	-
Shares	150	-	150	-
Borrower Notes	448	-	448	-
FINANCIAL LIABILITIES				
Derivatives	808	-	808	-

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:

2014 \$000		2015 \$000
4,737	Cash at Bank and Term Deposits	1,003
7,941	Receivables	8,864
212	Derivative Financial Instrument Assets	-
448	Local Authority and Government Stock	448
(808)	Derivative Financial Instrument Liabilities	(2,592)
12,530	Total Credit Risk	7,723

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:

2014 \$000			2015 \$000
COUNTERPARTIES WITH CREDIT RATINGS			
4,737	Cash at Bank and Term Deposits	AA-	1,003
4,737	Total Cash at Bank and Term Deposits		1,003
Local Authority Stock and Government Bonds			
50	NZ Local Government Insurance Corporation Limited	B+	50
548	NZ Local Government Funding Agency	AA+	548
598	Total Local Authority Stock and Government Bonds		598
212	Derivative Financial Instrument Assets	AA-	-
212	Total Derivative Financial Instrument Assets		-
COUNTERPARTIES WITHOUT CREDIT RATINGS			
9	Bay of Plenty Local Authority Shared Services Limited	AA+	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 2015						
Payables	9,532	9,532	9,532	-	-	-
Secured Loans	40,000	40,089	6,992	-	17,029	16,068
Financial Derivatives	2,592	2,592	21	250	692	1,628
Total	52,124	52,213	16,545	250	17,721	17,696
COUNCIL 2014						
Payables	8,158	8,158	8,158	-	-	-
Secured Loans	45,500	45,576	17,491	-	17,029	11,056
Financial Derivatives	808	808	6	30	275	497
Total	54,466	54,542	25,655	30	17,304	11,553

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 2015						
Cash and Cash Equivalents	1,003	1,003	1,003	-	-	-
Receivables	8,864	8,864	8,864	-	-	-
Net Settled Derivative Assets	-	-	-	-	-	-
OTHER FINANCIAL ASSETS:						
Local Authority and Government Stock	448	448	-	-	272	176
Total	10,315	10,315	9,867	-	272	176
COUNCIL 2014						
Cash and Cash Equivalents	4,737	4,737	4,737	-	-	-
Receivables	7,941	7,941	7,941	-	-	-
Net Settled Derivative Assets	212	212	-	12	-	200
Net Settled Financial Instruments	-	-	-	-	-	-
OTHER FINANCIAL ASSETS:						
Local Authority and Government Stock	448	448	-	-	-	448
Total	13,338	13,338	12,678	12	-	648

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.

	2015 \$000				2014 \$000			
	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY
FINANCIAL ASSETS								
Cash and Cash Equivalents	10	-	(10)	-	47	-	(47)	-
Derivatives - Interest Rate Swaps	-	-	-	-	(109)	-	511	-
Other Financial Assets:								
Local Authority and Government Stock	6	-	(6)	-	4	-	(4)	-
FINANCIAL LIABILITIES								
Derivatives - Interest Rate Swaps	(4,427)	-	(879)	-	(2,317)	-	607	-
Borrowings:								
- Bank Overdraft	-	-	-	-	-	-	-	-
- Debt	330	-	(330)	-	355	-	(355)	-
Total Sensitivity to Interest Rate Risk	(4,081)	-	(1,225)	-	(2,020)	-	712	-

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 (2014: -100bps/+100bps). Derivative financial liabilities not hedge accounted include interest rate swaps with a fair value totalling minus \$2,592,360 (2014: minus \$596,433). A movement in interest rates of plus or minus 1.0% has an effect on the swap value of minus \$879,162 (2014: minus \$1,117,545) and minus \$4,426,889 (2014: minus \$2,426,291).

Local Authority Stock

A total of \$58,000 (2014: \$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 (2014: \$580) on the fair value through equity reserve.

Secured Loans (Floating)

The Council has non-current floating rate debt with a principal amount totalling \$33 million (2014: \$35.5 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$330,000 (2014: \$355,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised cost using the effective interest method.

Creditors and other payables

Trade payables do not include any foreign currency denominated payables in relation to plant and equipment purchases. Therefore there is no currency price risk and no movement under sensitivity analysis.

Note 33 - Capital Management

The Council's capital is its equity (or ratepayer's funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investment, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to

meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Note 34 - Variances from Budget

Explanations for major variations from the Council's budget figures in the 2015 Annual Plan are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The deficit before tax of \$3.157 million is \$7.702 million lower than the budgeted surplus of \$4.545 million in the 2015 Annual Plan. The variance is attributable to the following factors:

Revenue (\$5.484 million 8.8% less than budget)

- Subsidies and grants were \$3.824 million less than budget owing to project delays of \$2.7 million for the Matatā Wastewater Treatment Plant and Reticulation project and \$1.7 million for the Edgumbe Supply Main from Paul Road project.
- Other revenue was \$845,000 less than budget predominantly owing to internal recoveries of \$523,000 being misclassified as revenue in the 2015 Annual Plan rather than being offset against other expenditure. Vested assets, infringements & fines and petrol tax were all less than anticipated in the 2015 Annual Plan by \$313,000.
- Gains on revaluation of investment property were \$506,000 lower than budgeted.
- Fees and charges are \$434,000 less than budgeted across a number of activities including, but not limited to, waste disposal, stormwater recoveries and building inspections.

Expenditure (\$2.218 million 3.8% higher than budget)

- Other expenses are \$1.354 million higher than budget predominantly owing to professional services (consultants, legal and litigation fees) were \$2.506 million higher than budget in respect to Matatā Wastewater Treatment Plant (including costs expensed back from work in progress), local roads network & asset management, harbour leases and District Plan (carry forward), partially offset by operational costs being less than budgeted.
- Losses of \$2.035 million on valuation of derivative financial instruments and non-current assets held for sale were not budgeted for in the 2015 Annual Plan.
- Personnel costs were \$769,000 higher than budget mainly owing to an increase in employee entitlements incurred on the revaluation of long service and sick leave.
- Depreciation was \$1.739 million less than budget mainly owing to a net decrease in depreciation rates as a result of revaluing roading and water infrastructure assets.
- Finance costs were \$201,000 lower than budget owing to external borrowing being significantly lower than forecast in the Annual Plan.

STATEMENT OF CHANGES IN NET ASSETS AND EQUITY

The Council's equity has been adjusted by the current year total comprehensive revenue and expense, a deficit of \$24.949 million, which is the net of the deficit after tax of \$3.130 million and a net loss on revaluation of \$21.819 million for roading, water, stormwater, wastewater infrastructural and operational assets.

STATEMENT OF FINANCIAL POSITION

Net Assets were \$38.755 million 6.2% less than budgeted in the Annual Plan. The variance is mainly attributable to the following factors:

Total Assets (\$46.373 million 6.7 % less than budget)

- Property, plant and equipment (including Infrastructure assets) were \$44 million less than budget owing to \$20 million 2015 revaluation losses for roads and water infrastructure assets, coupled with the 2014 \$10 million revaluation loss for parks, ports and property, which were not known at the time of preparing the 2015 Annual Plan. The \$4.4 million pensioner housing portfolio was transferred from property, plant and equipment to non-current assets held for sale. In addition \$3 million 2015 capital expenditure is tagged to carry forward to 2016 and \$6 million capital expenditure was unspent but will not be carried forward.
- Investment property is \$1.9 million less than budget mainly owing to a revaluation gain of \$562,000 versus a budgeted gain of \$1.068 million. In addition the \$1 million 2014 revaluation loss was not known at the time of preparing the 2015 Annual Plan. Commerce Street land valued at \$326,000 was transferred to restricted assets.
- Restricted assets are \$2 million less than budget owing to outcome of the 2014 revaluation not being known at the time of preparing the 2015 annual Plan.
- Work in Progress was \$5 million lower than budget owing to project delays with the Matatā Wastewater Treatment Plant and Edgecumbe water projects.
- Cash and cash equivalents were \$969,000 higher than budget mainly owing to the receipt of Land Transport New Zealand subsidy overnight on 30 June 2015.
- Receivables were \$1.3 million higher than budgeted predominately owing to re-accrued Ministry of Health subsidies.

Total Liabilities (\$7.618 million 11.9% less than budget)

- External borrowings were \$12 million less than budget owing to delays in capital expenditure.
- Derivatives liability was \$1.169 million more than budget mainly owing to a revaluation loss of \$1.996 million.
- Payables (including expense accruals) were \$1.057 higher than budget in respect to trade creditors.
- Employee Entitlements were \$1.098 million higher than budgeted owing to the revaluation of long service leave and sick leave not known at the time of preparing the 2015 Annual Plan.
- The Goods and Services Tax liability of \$801,000 was not budgeted for.

STATEMENT OF CASHFLOWS

- There was a variation of cash held compared to budget of \$969,000 mainly as a result of Land Transport New Zealand subsidy being paid overnight on 30 June 2015.
- Net Cashflows from operating activities were \$3 million less than budget predominantly owing to project subsidies not received but also as a result of unders and overs across all line items.
- Net cashflows from investing and financing activities were \$11 million less than budget owing to delays in the Matatā Wastewater Treatment Plant project and deferred capital expenditure spending.

Note 35 Adjustments to the Comparative Year Financial Statements

The Council has adjusted its comparative year financial statements for the year ended 30 June 2015 due to reclassification adjustments, transition to the new PBE accounting standards, and the correction of errors. The adjustments are shown in the table below:

	NOTES	BEFORE ADJUSTMENT \$000	RECLASSIFICATION ADJUSTMENT \$000	PBE TRANSITION ADJUSTMENT \$000	CORRECTION OF ERROR ADJUSTMENT \$000	AFTER ADJUSTMENT \$000
Statement of Comprehensive Revenue and Expense:						
Revenue						
Fees and charges	(a)	7,713	-	-	(92)	7,621
Other Revenue	(a)	5,103	-	-	(312)	4,791
Expense						
Other expenses	(a)	25,073	-	-	(67)	25,006
Finance costs	(a)	2,853	-	-	(337)	2,516
Statement of Cashflows						
Fees and Charges and Other Revenue Received	(a) (b)	12,680	(6)	-	(404)	12,270
Dividends Received	(a)	-	6	-	-	6
Payments to Supplies & Employees	(a)	36,444	-	-	404	(36,040)

Explanatory Notes

Prior Year Error Corrections

(a) Internal charges totalling \$404,000 were incorrectly classified as revenue for the year ended 30 June 2014. Furthermore, as a result, finance costs were overstated by \$337,000 and other expenses overstated by \$67,000.

Reclassification Adjustments

(b) To separate cashflow derived from dividends received

An aerial photograph of a coastal town. On the left, a wide, sandy beach stretches along a vibrant turquoise ocean. The town, with its colorful-roofed houses and green lawns, follows the coastline. In the distance, blue mountains rise under a sky with scattered white clouds. A dark blue vertical bar is on the right side of the image, containing the text.

Appendices

Ngā Tāpiritanga

Three white diagonal lines are positioned over the right side of the image, overlapping the dark blue bar and the aerial view of the town.

Council Governance Structure

As at 30 June 2015



Your Council

As at 30 June 2015

MAYOR

Tony Bonne

Ph 07 306 0515 Mob 027 440 1126
tony.bonne@whakatane.govt.nz

WHAKATĀNE - ŌHOPE WARD

DEPUTY MAYOR

Judy Turner

Ph 07 312 4965 Mob 021 309 803
judytturner.ohope@xtra.co.nz

COUNCILLOR

Julie Jukes

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

COUNCILLOR

Scott Jarrett

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COUNCILLOR

Dave Sheaff

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COUNCILLOR

John Pullar

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RANGITĀIKI WARD

COUNCILLOR

George Johnston

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COUNCILLOR

Russell Orr

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COUNCILLOR

Gerard van Beek

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TĀNEATUA-WAIMANA WARD

COUNCILLOR

Andrew Iles

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waimanailles@xtra.co.nz

GALATEA - MURUPARA WARD

COUNCILLOR

Alison Silcock

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

Membership on the Community Boards

As at 30 June 2015

The Council has five community boards covering the entire District. Each board has six members elected from within the community board area and one appointed councillor from the same area.

Community boards provide a link between the Council and the community. If you have issues in your local community, have a question about a Council process or service, looking for more information or advice, or have an idea to enhance your community, then you might like to contact your local community board representative. Alternatively, community boards meet every seven weeks in an open meeting that you are welcome to attend. Contact information for your community board representatives and more details on meeting dates and venues are available on our website: www.whakatane.govt.nz

COMMUNITY BOARDS

Murupara

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

Ōhope Beach

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

Rangitaiki

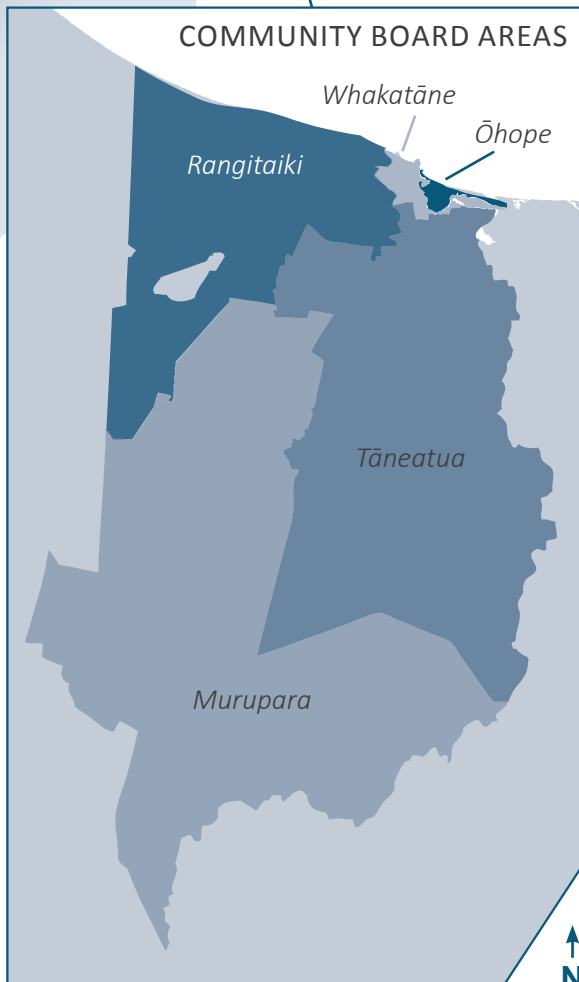
Vicky Edwina Richards - Chair
 Graeme Bourke - Deputy Chair
 Gerard van Beek - Councillor
 Viv Barr
 Kris Byrne
 Gavin Dennis
 Evan Harvey

Tāneatua

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

Whakatāne

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



Membership of Standing Committees

As at 30 June 2015

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

PROJECTS & SERVICES COMMITTEE

Councillor Andrew Iles
(Chairperson)

Councillor Gerard van Beek
(Deputy Chairperson)

Mayor Tony Bonne

Councillor Scott Jarrett

Councillor George Johnston

Councillor Julie Jukes

Councillor Russell Orr

Councillor John Pullar

Councillor Dave Sheaff

Councillor Alison Silcock

Councillor Judy Turner

POLICY COMMITTEE

Mayor Tony Bonne
(Chairperson)

Councillor Scott Jarrett
(Deputy Chairperson)

Councillor Andrew Iles

Councillor George Johnston

Councillor Julie Jukes

Councillor Russell Orr

Councillor John Pullar

Councillor Dave Sheaff

Councillor Alison Silcock

Councillor Judy Turner

Councillor Gerard van Beek

DISTRICT PLAN HEARINGS COMMITTEE

Councillor Russell Orr
(Chairperson)

Councillor Dave Sheaff

Councillor Judy Turner

Councillor Gerard van Beek

AUDIT & RISK

Mayor Tony Bonne
(Chairperson)

Councillor Russell Orr
(Deputy Chairperson)

Councillor Julie Jukes

Councillor Gerard van Beek

Mr A W Lawrie

HEARINGS COMMITTEES

Councillor Russell Orr
(Chairperson)

Councillor Dave Sheaff

Councillor Judy Turner

Councillor Gerard van Beek

Membership on the Youth Council

The Whakatāne District Youth Council consists of young people aged 12 – 24. The team has been appointed to work on youth related projects and provide the Council with a youth perspective. Members consist of a mixture of ethnicity, age, gender, experience and from different geographic locations around the District. More information about the Youth Council can be found in the 'Community Development' pages of the 'Our work in Detail' chapter.

Members are appointed to the Youth Council for the calendar / school year rather than the financial year. Members of the Youth Council for the 2014 year and the current 2015 year are:

YOUTH COUNCIL 2014

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

YOUTH COUNCIL 2015

Sophie Butler (Chairperson)
Dayne Taniwha (Co-chair)
Crystal Paul (Secretary)
Vayda Nicholls (Co-secretary)
Sarah Brown
Wikiriwhi Tahuri
Adrianna Jenner
Celine Tapara
Anouska Howard
Maiah Barnfield
Whareparoa Titoko
Eleanor Kerlake



Council Organisational Structure

As at 30 June 2015

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



Employment Policies & Information

RUNNING THE DISTRICT IS AN ENORMOUSLY VARIED TASK

The Whakatāne District Council is one of the largest employers in the District. To deliver our many activities we employ planners, engineers, library assistants, arborists, accountants, plant operators, parking wardens, service personnel and many more.

As at 30 June 2015 our organisation included 177.0 full time equivalent (FTE) staff with a further 3.8 FTE vacancies at the time. FTE staff numbers (including vacancies) over the last five years are compared below:

YEAR	FTE STAFF NUMBERS AS AT 30 JUNE
2010	176.4
2011	168.7
2012	170.8
2013	176.5
2014	179.7
2015	180.8

Please note that these figures do not include casuals and therefore does not align with note 29.

WE ARE RESPONSIBLE TO THE COMMUNITY & MUST MAINTAIN OUR INTEGRITY & IMPARTIALITY

Our organisation has a Code of Conduct that outlines the policies in respect of staff and their employment at the Council. The policies outline the behaviour expected of employees and also ensures that employees are treated fairly and equitably. As part of this policy, staff must observe the principal of political neutrality and avoid conflicts of interest in their work.

WE SUPPORT AN EQUAL OPPORTUNITIES WORKPLACE

Our organisation is committed to the principles of Equal Employment Opportunities and have continued to maintain the related policies and programmes over the past year. These seek to eliminate discrimination and ensure its continued absence in the workplace as well as promote equal opportunity in all aspects of employment including recruitment, selection and appointment, education, training and development, career-path-planning and promotions.

WE PROMOTE A SAFETY CONSCIOUS WORK CULTURE

We are an accredited employer under the ACC Work Safety Management Practices scheme. This means that we have injury prevention systems and processes in place that meet 'tertiary level' requirements under a national audited safety framework. In the 2014/15 year we had no serious harm health and safety incidences.

Community satisfaction survey- “Communitrak”

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

Since 2014, we have been using the ‘Communitrak’ community satisfaction survey provided by the National Research Bureau (NRB), a well-established research company which conducts surveys on behalf of many councils throughout the country. As part of its research product, NRB is able to provide comparative results to national and peer group averages.

Changes in our survey have implications for reporting against performance targets.

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

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

On this basis, the results indicate that we have achieved 13 of the 19 survey-based measures in our performance framework. Two measures were unable to be compared, and four were not achieved: parking in Whakatāne, public toilets, public swimming pools, and harbour facilities. Although some of these results were close to target, we will look to continue service improvements where possible.

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

'Communitrak' Survey Results

SATISFACTION WITH COUNCIL SERVICES/FACILITIES

SERVICE/FACILITY <i>Note: highlighted results are reported through the 'Our Work in Detail' chapter of this Annual Report</i>	VERY/FAIRLY SATISFIED %	NOT VERY SATISFIED %	DON'T KNOW %	VERY/FAIRLY SATISFIED (EXCLUDING DON'T KNOW) %	
				2015	2014
Council roads overall	89	12	-	89	91
Kerbside waste collection service	85	8	7	91	92
Parks and reserves	90	7	2	93	90
Safety of roads	86	13	1	87	84
Walking and cycling facilities in the District	88	9	3	91	87
Sportsfields	86	7	8	93	94
Roads maintained to an appropriate standard	83	17	-	83	82
Refuse disposal	77	10	13	89	89
Playgrounds	83	7	10	92	90
Harbour facilities	75	13	12	85	86
Street lighting	77	13	10	86	82
Footpaths	72	25	3	74	76
Parking in Whakatāne	69	26	6	73	73
Tourism promotion	70	21	9	77	76
Council's environmental monitoring services overall	71	9	19	89	85
Cemeteries overall	73	1	27	99	97
Public halls	76	11	14	87	84
Libraries in the District overall	82	2	16	98	93
Water supply overall	72	13	15	85	78
Sewerage system	66	12	22	85	86
Public swimming pools	69	17	15	80	80
Council's efforts to enable and promote events	71	18	11	80	72
Dog control	64	21	15	75	70
Noise control	62	11	28	86	86
Whakatāne Exhibition Centre	68	4	28	94	97
Public toilets	60	24	17	71	72
Quality of drinking water	64	22	14	74	68
Council's efforts to manage the Whakatāne Airport	63	15	22	81	89
Council's efforts to attract and retain residents	51	30	19	63	64
Whakatāne Museum on Boon Street	44	4	52	92	90
Stormwater services	53	36	11	60	51
Town planning	50	22	28	69	60
Business promotion	52	30	18	63	49
Whakatāne crematorium facility	41	1	58	98	97
Service from customer front desk staff	92	8	-	92	93
Sufficiency of information*	65	26	9	71	75

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


Statement of Compliance

COMPLIANCE

The Council and management of the Whakatāne District Council confirm that all the statutory requirements of section 98 of the Local Government Act 2002 have been complied with.



Tony Bonne
MAYOR
8 October 2015



Marty Grenfell
CHIEF EXECUTIVE
8 October 2015

Independent Auditor's Report

To the readers of Whakatāne District Council's annual report for the year ended 30 June 2015

The Auditor-General is the auditor of Whakatāne District Council (the District Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
 - the statement of financial position as at 30 June 2015 on page 125;
 - the statement of comprehensive revenue and expense, statement of changes in net assets and equity and statement of cash flows for the year ending 30 June 2015 on pages 124, 126 to 127;
 - the funding impact statement of the District Council on pages 24;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 28 to 109; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 128 to 181;
- the statement of service provision (referred to as groups of activities) of the District Council and the funding impact statements in relation to each group of activities of the District Council on pages 28 to 109; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 118 to 123.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on pages 28 to 109;
 - reserve funds on pages 158 to 164;
 - each group of activities carried out by the District Council on pages 28 to 109;
 - remuneration paid to the elected members and certain employees of the District Council on pages 169 to 172;
 - employee staffing levels and remuneration on page 172;
 - severance payments on page 172;
 - rating base units on page 138; and
 - insurance of assets on page 149;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 7; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 192.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council on pages 124 to 181:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2015;
 - 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;
- the funding impact statement of the District Council on page 24, present 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 statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 28 to 109, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;
- the groups of activities of the District Council on pages 28 to 109:
 - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan;
 - the reasons for any significant variances between the actual service and the expected service; and
 - complies with generally accepted accounting practice in New Zealand;
- the funding impact statements in relation to each group of activities of the District Council on pages 28 to 109, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan; and
- the disclosures on pages 118 to 123 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

The District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 8 October 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and groups of activities. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported groups of activities within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and groups of activities that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the District Council's financial position, financial performance and cash flows;
 - present fairly its service performance, including achievements compared to forecast;
- a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements and the audit of the District Council's 2015-25 Long term Plan and independent assurance review of the District Council's Debenture Trust Deed we have no relationship with, or interests, in the District Council.



Clarence Susan

Audit New Zealand

On behalf of the Auditor-General

Tauranga, New Zealand

Your Council

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TĀNEATUA-WAIMANA WARD

GALATEA-MURUPARA WARD



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