



WHAKATĀNE DISTRICT COUNCIL

» Annual Report «

Rīpoata-ā-tau

2017/18

Foreword

Whakatakinga from Mayor Tony Bonne

Welcome to the Council's Annual Report for the financial year ending 30 June 2018. This document reports on the achievement of the budgets, projects, and performance measures set for 2017/18 in our Long Term Plan 2015-25.

Nau piki mai ki te taumatatanga o ngā mahi whakapaunga pūtea kua tūtuki nei e Te Kaunihera i houanga kua tahuri ake nei. Tērā mō tēnei houanga kake ake ki te mutunga iho o te marama o Pipiri 2018.

Ko te tikanga o tēnei kohikohinga kōrero whakarāpototanga hei whakaatu atu i ngā painga me ngā werohanga me ngā whakatikatikahanga e pā ana ki ngā whakapaunga pūtea i oti ai i runga i ngā kaupapa whānui me ngā kaupapa whaiti hei oranga mō ngā iwi katoa tae atu ki te Hapori e noho mai nei ki roto i te takiwā o Whakatāne huri noa. I whakamatautauria ki runga i ngā ara e arataki nei te whakapaunga kopaki o Te Kaunihera mai i te tau 2017 tae noa ki te tau 2018. E hāngai pu ana ki te Te Rautaki-amua mō ngā tau 2015 tae atu ki te tau 2025.

Hoea te waka, aratakina te waka, ākina te wero, mahi tahi ai kia tae tō tatau waka ki uta hei orange mō te rohe whānui o Whakatāne.

Reflecting on the year, it's clear that the flooding events of April 2017 had far-reaching impacts on our people, and particularly on communities such as Edgecumbe, Poroporo and Tāneatua. These events also had significant impacts on many Council activities. Our rural community was hard-hit, and many of our more remote communities were left completely isolated as a result of damage to our roads, including our special purpose roads. I'd like to acknowledge the hard work and dedication of all those who participated in the Whakatāne District Recovery Project – Kia Manawanui, and thank them for their tireless efforts on behalf of our flood-affected residents and communities. With help from the many volunteers, businesses and organisations involved, 87% of those displaced by the flood had returned to their homes by the end of the 2017/18 year. Of the over 4,000 dairy cows that were trucked out in the first 48 hours after the breach in Edgecumbe, most were shifted back this year.

This year saw significant discussion around Māori representation on the Council, culminating in a voter poll on the introduction of Māori Wards. I was a strong advocate for the establishment of Māori Wards, but ultimately the community voted narrowly against that option. While the result was disappointing for many, I was heartened by the significant voter turnout and by how close the final result was. This represented a significant shift from the previous referendum on Māori wards, and I hope the momentum for change continues to build in the coming years.

We continued to explore options to promote the development of our District, to ensure that it caters for all residents. This year, Council-owned land at Opihi was sold to developers who will undertake a residential and lifestyle development subdivision, bringing us a step closer to a possible Lifestyle Retirement Village. The Opihi Whanaungakore Urupa lies to the east of the subdivision and we have been working closely with the Opihi Whanaungakore Trustees to create a management plan for a protective buffer zone, which will ensure that the cultural values of the urupa are respected.

The Wairaka Centennial Park redevelopment was officially opened this year. The park really makes the most of a beautiful location at the Whakatāne Heads, near the mouth of Ōhinemataroa, the Whakatāne River. It's pleasing to see so many children and families enjoying the zero-depth water play area, the swimming or bombing area, tidal pool, playground and barbecues. The new Minginui playground was also opened this year. We were pleased to be able to partner with the Minginui community and co-fund this joint initiative, which has since been enjoyed by many children in the area. It is also great to see central government investing in Minginui and the surrounding areas, with the Minginui Nursery receiving funding from the Provincial Growth Fund. The Nursery will grow native trees to support the Government's 'One Billion Trees' initiative.

This year, we advanced a number of important stormwater projects, including the commissioning of the McAlister Street pumping station, and the flood protection works on the Wainui Te Whara Stream. These major works are important to minimise the flooding risk to people and property, and are part of our continuing response to ever-changing, climate-related extreme weather events.

We are fortunate to live in a District with a beautiful environment and rich culture. It gives us all wonderful lifestyle choices and the opportunity to work, learn, relax and enjoy a peaceful existence. We are all kaitiaki - guardians - of our environment, and we are obligated to protect this area for our future generations. I look forward to continuing to care for our wonderful District together.



Nāku noa, nā

A handwritten signature in black ink, appearing to read 'Tony Bonne'. The signature is fluid and cursive, written on a white background.

Tony Bonne

Mayor, Whakatāne District Council

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Our District at a glance

He titiro whakakeko o tō tātau rohe



TOTAL POPULATION



13,827

TOTAL DWELLINGS



AVERAGE
HOUSEHOLD SIZE

2.7 PEOPLE

23.2%
OF PEOPLE ARE
AGED UNDER
15 YEARS



15.3%
OF PEOPLE ARE
AGED 65+ YEARS

\$25,600
MEDIAN INCOME



MAJOR ETHNIC GROUPS

66.3% EUROPEAN
43.5% MAORI
2.5% PACIFIC
2.5% ASIAN

MAIN IWI IN THE WHAKATĀNE DISTRICT

NGĀTI AWA
NGĀTI MANAWA
NGĀTI RANGITIHI
NGĀI TŪHOE
NGĀTI TŪWHARETOA
NGĀTI WHARE



ABOUT
2,700
SUNSHINE HOURS
every year



48% OF THE
DISTRICT IS COVERED BY
INDIGENOUS FOREST

The statistics in this section are based on the census in 2013 and population estimates as at 30 June 2015 courtesy of Statistics New Zealand.



ABOUT THE COUNCIL

Ngā Kaupapa Whānui o Te Kaunihera

Our planning cycle

Te Whakaritenga-a-tau

Long Term Plans - Ngā Mahere Roanga

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



Long Term Plan 2018-28



Annual Report 2017/18

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

We produce an Annual Report at the end of each financial year. The Annual Report is our key accountability document, and it tells you how we performed against the budgets and the performance targets we set for the relevant year through the Long Term Plan. The Local Government Act requires certain information in an Annual Report to be audited. The report from our Auditors can be found on page 195 of this document.

This Annual Report is for the period 1 July 2017 – 30 June 2018, the third financial year of the LTP 2015-25.



Annual Budget Update 2017/18



Annual Report 2016/17



Annual Budget Update 2016/17



Annual Report 2015/16



Long Term Plan 2015-25

Annual Budget Updates - Ngā Whakahou Mahere Pūtea ā-Tau

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

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

Where can I find these documents?

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

3 year planning cycle

ABOUT THE COUNCIL

Your Council

Te Kaunihera-ā-Rohe

As at 30 June 2018

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

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

Your Council elected members as at 30 June 2018

MAYOR

Tony Bonne

GALATEA – MURUPARA WARD

Alison Silcock - Councillor

TĀNEATUA – WAIMANA WARD

Andrew Iles - Councillor

RANGITĀIKI WARD

George Johnson - Councillor

Russell Orr - Councillor

Gerard van Beek – Councillor

WHAKATĀNE – ŌHOPE WARD

Judy Turner - Deputy Mayor

Scott Jarrett - Councillor

Julie Jukes - Councillor

Mike van der Boom - Councillor

Nándor Tánczos - Councillor

Your Community Boards

Te Poari Hāpori

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

Community Boards provide an important link between the Council and the community. If you have issues in your local community, have a question about a Council process or service, are looking for more information or advice, or have an idea to enhance your community, then you might like to contact your local Community Board representative. Alternatively, Community Board meetings are held every seven weeks and you are welcome to attend.

Contact information for your Community Board representatives and more details on meeting dates and venues are available on our website: whakatane.govt.nz

Your Community Board elected members as at 30 June 2018*

MURUPARA COMMUNITY BOARD

Alison Silcock - Chair and Councillor
Jackie Te Amo - Deputy Chair
Ormond Hynes
Bruce Jenkins
Mem Jenner
April Waiarangi O'Brien
Te Waiti Virginia Rangiwai

TĀNEATUA COMMUNITY BOARD

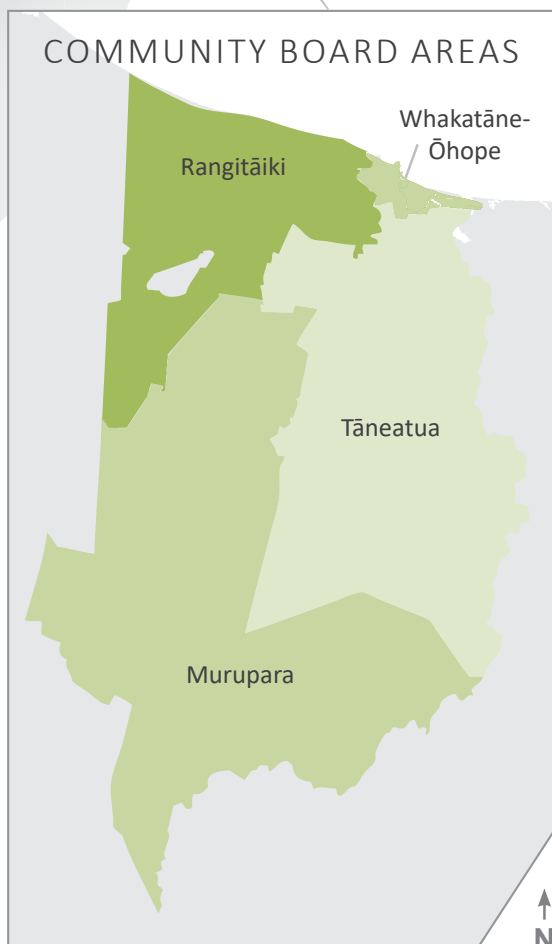
Diane Yalden - Chair
Geoff Chater - Deputy Chair
Andrew Iles - Councillor
Les Knowles
Hohepa McLean
Michael Robert
Luke Ruiterman

RANGITĀIKI COMMUNITY BOARD

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

WHAKATĀNE – ŌHOPE COMMUNITY BOARD

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



* Due to changes in membership over 2017/18, by-elections were held for a position on the Murupara Community Board.

Our role

Te Poumataaho-o-Te Kaunihera

WE PROVIDE COMMUNITY LEADERSHIP

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

WE DELIVER ESSENTIAL SERVICES, LIFESTYLE OPPORTUNITIES AND EXPERIENCES

The Whakatāne District Council provides essential services which are used by almost 35,000 people every day. We also provide opportunities for recreation and access to the experiences that make our District a great place to live. The services we deliver are structured within 36 'activities', which are organised into 11 'groups of activities.' You can learn more about each activity in the 'Our Work in Detail' chapter of the Long Term Plan 2015-25. This Annual Report looks at what we have achieved for each activity in the 2017/18 year.



Vision and purpose

Te Tirohanga whakamua

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

Our Vision

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

In achieving our vision:

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

Our Purpose

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

As a District Council we will achieve this through:

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

Community outcomes

Ngā painga-a-hāpori

Our Community Outcomes are a high-level set of desired goals that we aim to achieve. They seek to improve the social, economic, environmental, and cultural well-being of our District, now and for the future and were set through the Long Term Plan 2015-25. Throughout this Annual Report you will see references indicating our progress in achieving our Community Outcomes during the 2017/18 year.



EFFECTIVE LEADERSHIP **Striving for our future and well-being**

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



SUSTAINABLE ECONOMIC DEVELOPMENT **Working in partnership**

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



COMMUNITY NEEDS **A caring community**

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



QUALITY SERVICES **Excellent value for money**

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



VALUING OUR ENVIRONMENT **Sustaining for future generations**

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



RELIABLE AND AFFORDABLE INFRASTRUCTURE **Meeting current and future needs**

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

Making decisions

Ngā kōrero whakataunga

WE ARE HERE TO LOOK AFTER YOUR INTERESTS

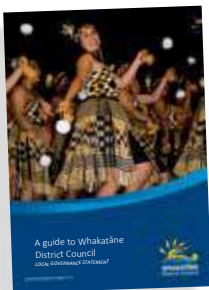
Each year, Council elected members make many decisions that affect different people in different ways. When making decisions, we need to consider, and sometimes balance the competing interests of different sectors of our community. This can be challenging, but we work hard to make decisions that are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

The Council, Committees, Community Boards and Advisory Boards meet regularly throughout the year to provide direction to staff and make decisions. If you are interested in following the decisions that our Council and Committees make, you are welcome to attend and observe meetings. Meeting agendas are publicly available before each meeting. You can get a copy from Council offices and libraries, or from our website: whakatane.govt.nz.

WHAT GUIDES OUR DECISION-MAKING?

Good governance means listening and responding to community needs; dealing with the issues that affect our District; managing our finances prudently; and making decisions to protect and enhance the future of our District.

There are 78 councils in New Zealand, all of which are guided by legislation when making decisions. Guiding legislation includes the Local Government Act (2002), the Local Government Official Information and Meetings Act (1987), the Resource Management Act (1991) and many other Acts of Parliament. We also have key guiding documents specific to our Council, which are available from Council offices and libraries, or from our website: whakatane.govt.nz. Those key guiding documents are as follows.



LOCAL GOVERNANCE STATEMENT:

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




SIGNIFICANCE AND ENGAGEMENT POLICY:

Council makes hundreds of decisions each year. Most decisions are minor, but some are more significant. The Significance and Engagement Policy guides the Council in determining how 'significant' or 'material' a proposal or decision is likely to be. This policy was reviewed as part of the development of the Long Term Plan 2018-28, to ensure the guidance remains appropriate. The updated policy helps us to provide the appropriate level of attention, consideration and consultation for important decisions. The policy also provides guidance to the Council in terms of whether a decision or proposal should be consulted on, and how that consultation should be carried out.



DELEGATIONS REGISTER:

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



Supporting and encouraging Māori to contribute to Council decision making

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

The Council recognises Te Tiriti o Waitangi as the founding document binding Māori and the Crown, and recognises Māori as tangata whenua of our District. We are continuously seeking to improve and further develop meaningful and open relationships with all Iwi in the District, at all levels.

Our decision-making processes include specific provisions for Māori participation and over 2017/18, we have worked in collaboration with Iwi, hapū, and other groups on several projects and proposals, some of which are outlined below.

IWI CHAIRS FORUM

The Iwi Chairs forum is comprised of the Chairpersons of Iwi in the Whakatāne District, and the Mayor of the Whakatāne District Council. They are supported by the Executive Officers of Iwi in the Whakatāne District, and the Chief Executive of the Council. The Iwi Chairs Forum meets regularly to:

- Enable strategic issues of mutual interest to be raised and discussed
- Explore opportunities to integrate and coordinate strategic planning
- Advocate to central government for the collective benefit of the Whakatāne community
- Better understand our differences, and recognise and respect each other's positions.

A strong and positive relationship between Iwi and Council will build a foundation for future partnerships and prosperity. This year, our Iwi partners continued to provide specialist knowledge and insight regarding local projects and strategic planning. The Iwi Chairs Forum also presented a submission to the Council on the Māori Wards representation decision in December 2017.

MĀORI WARDS REFERENDUM

The 2017/18 year saw significant interest in a Council decision regarding Māori representation on the Council. In December 2017, by majority vote, the Council elected to introduce Māori Wards for the 2019 and 2022 elections.

In response to a public petition, a referendum was required to determine whether or not Māori Wards would go ahead.

In May 2018, a poll of electors on whether to introduce Māori Wards in the Whakatāne District saw a majority vote against the proposal. Of those who voted, 44% were for the establishment of Māori Wards, with 56% against. A similar poll in 2007 saw 70% of voters vote against Māori Wards.

The Māori Wards referendum opened a dialogue regarding Māori representation in the District. Throughout the voting period, members of the community ran various awareness campaigns, including a hikoi along The Strand to the Council Civic Centre.

RANGITĀIKI RIVER FORUM

The purpose of the Forum is the protection and enhancement of the environmental, cultural, and spiritual health and wellbeing of the Rangitāiki River and its resources, for the benefit of present and future generations. Working collaboratively, the Forum gathers and distributes information, works to influence central government agencies, and takes action to protect and enhance the river. The Forum is a partnership made up of representatives from Ngāti Whare, Ngāti Manawa, Ngāti Awa, Hineuru and Ngāti Tūwharetoa (Bay of Plenty), as well as elected members from Bay of Plenty Regional Council, Taupō District Council and Whakatāne District Council. Throughout 2017/18, the forum has continued to provide oversight and specialist input and knowledge.

ŌHIWA HARBOUR IMPLEMENTATION FORUM

Ōhiwa Harbour is a traditional māhinga mātaimai (food gathering place) and is therefore a very significant taonga. The Ōhiwa Harbour Strategy covers the Ōhiwa Harbour and the land catchment area surrounding it, and seeks to maintain and enhance its health and natural qualities. In partnership, this forum implements the Ōhiwa Harbour Strategy. Made up of representatives from Ūpokorehe, Whakatōhea, Ngāti Awa, Tūhoe, Bay of Plenty Regional Council, Ōpōtiki District Council and Whakatāne District Council, the forum works to maintain effective planning and kaitiakitanga of the harbour.

In March 2018, the forum endorsed a new Ōhiwa Harbour Recreation Strategy. The Recreation Strategy seeks to provide sustainable recreational opportunities, while ensuring a pristine harbour. It guides the management of current and future recreation in a way that enables opportunities, while balancing the expectations of Iwi, the local community and visitors, and ensuring that the harbour's values are not compromised. The forum also requested that both Ōpōtiki and Whakatāne District Councils consider the Recreation Strategy when undertaking bylaw review processes.

LIFTING THE VISIBILITY OF TE REO MĀORI

Council has committed to working with Te Whare Wānanga o Awanuiārangi to increase the use and visibility of Te Reo Māori in Whakatāne township. Te Whare Wānanga o Awanuiārangi is leading the project, developing innovative activities that support Whakatāne as a bilingual town, and garnering support stakeholders such as hapū, Iwi and marae.

Te Whare Wānanga o Awanuiārangi will provide resources where possible, and work with the Council to explore resource and funding opportunities. Council will consider options for promoting the use and visibility of Te Reo and will provide support for project funding applications to external agencies.

WHAKATĀNE HARBOUR AND COMMERCIAL WHARF DEVELOPMENT

Te Rūnanga o Ngāti Awa, Ngāti Awa Group Holdings Limited and the Council have agreed to a collaborative approach to redeveloping the Whakatāne commercial wharf and its facilities. All three organisations are represented on a governance group that will oversee the redevelopment proposal, and, potentially

any projects that flow from it. The combined approach recognises the parties' significant interests in the Whakatāne waterfront area and the need to consider cultural, historic and commercial imperatives in any development plans. The proposed development will recognise the cultural significance of historical sites, events and practices of the Ngāti Awa people with regard to the Whakatāne River, and the Statutory Acknowledgement in Schedule 10 of the Ngāti Awa settlement legislation.

COLLABORATION WITH NGĀI TAIWHAKAEA

Representatives of Ngāi Taiwhakaea hapū have been working positively with Council on a range of matters relating to the Ngāi Taiwhakaea rohe. Council will provide support to Ngāi Taiwhakaea as research is undertaken to establish the history of the land. It is intended that this process will achieve a better understanding of issues of importance to the hapū. Discussions are also underway regarding maintenance works that could be undertaken to improve the amenity and appropriate use of the roadway between Airport Road and the coast.

NATURE'S ROAD/ TE UREWERA ROAD

Tūhoe Te Uru Taumatua, Te Urewera Board and the Wairoa and Whakatāne District Councils, with support from NZTA, have been working collaboratively to explore the future form and function of Te Urewera Road. The former State Highway 38 is recognised as one of the country's most scenic routes, and provides the only road access to Lake Waikaremoana and remote communities in Te Urewera. Slips, fallen trees and flooding frequently affect the 64 kilometres of steep and winding gravel road. These conditions and the physical distance to urban centres mean the communities in Te Urewera are often isolated, without an alternative access route. A business case is being collaboratively developed to provide support for an NZTA funding application to look at options for improving the route. The future form and function of Te Urewera Road is being explored as an enabler to social, cultural, economic and environmental objectives for Tūhoe tangata whenua, manuhiri (visitors) and Te Urewera herself. This includes looking at the form and function of the road from an environmental sustainability and Tūhoe world view perspective. The outcomes from this process will guide the final form of any improvements to the route.

Keeping in touch with you

Te Manu Kawe Kōrero

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

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



Whakatane District Council



@WhakataneDC1





ABOUT THE YEAR

Puāwaitanga o te tau

Overview of the year

Tirohanga o te tau

The next few pages provide a high level overview of the 2017/18 year. This chapter also highlights some important projects and events during the year, and summarises whether we met our budgets and delivered what we said we would.

In 2017/18, Council continued to deliver 36 different services and facilities across the District, including...



YOUR TRANSPORTATION NETWORK

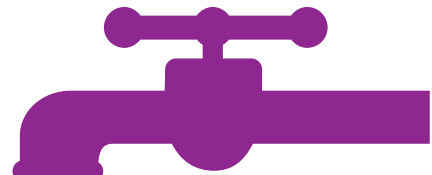
ROADS
FOOTPATHS
STREETLIGHTS
BRIDGES



YOUR ANIMAL CONTROL SERVICES



ECONOMIC DEVELOPMENT



DRINKING WATER

Your Water, Stormwater and Sewerage SERVICES



EMERGENCY MANAGEMENT



SWIMMING POOLS

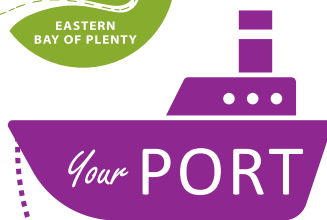
your PARKS AND RESERVES



VISITOR CENTRE



CEMETERIES AND CREMATORIUM



Your PORT

BOAT RAMPS AND HARBOUR ACCESS



PLAYGROUNDS AND SKATEPARKS



YOUR SOLID WASTE SERVICES

Kerbside rubbish and recyclables collection and disposal

Kerbside green waste collection and disposal

YOUR Museum & Te Kōputu EXHIBITION SPACES

YOUR Libraries

and much more...

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

Whakatāne District Recovery Project

– *Kia Manawanui*

On 6 April 2017, the Whakatāne District experienced widespread damage to homes, property, businesses, farms, the natural environment and infrastructure as a result of extreme weather events generated by ex-Tropical Cyclone Debbie and ex-Tropical Cyclone Cook. A local state of emergency for the Whakatāne District was declared on 6 April 2017. 1,600 people were evacuated from Edgcumbe township and 320 homeowners throughout the District were displaced because their homes were either destroyed, or sustained significant water damage.

The principles of the Whakatāne District Recovery Project, Kia Manawanui were:

- Reconnect: *Tūhononga* – Communities that have been adversely affected by flooding are restored to what they were previously, and where possible, enhanced.
- Restore: *Whakahou* – The natural environment is restored and enhanced, where possible, and the primary sector community returns to normal.
- Rebuild: *Waihanga* – Housing, infrastructure, facilities and services are repaired.
- Regenerate: *Whakatipu* – Sustainable business activity is re-established, and where possible, enhanced.
- Partnership: *Mahi Kotahi* – Working with Iwi to identify and prioritise opportunities.

As at 30 June 2018, 87% of people were back in their homes, or their situation had been otherwise ‘resolved’. Resolved may mean a property is for sale, has been demolished or removed, or something else.

2017/18 was a year of recovery. There were many achievements and milestones during the recovery effort - more than can fit on these pages. However, some key achievements are as follows.



Navigator, Rural Facilitators, and Residential Advisory Services

These services were introduced to assist residents to access a wide range of services to support their recovery. The Navigators, Rural Facilitators and Residential Advisory Services offered a personalised service, including providing information, connections to other relevant agencies, access to specialist services and other social and health services. The support services were well received by the community. The support services have also been commended at a national level, recognising that this innovative approach to community support should be implemented as early as possible when significant events occur in the future.

Liveable Homes and insulation support

The Liveable Homes project saw the Recovery Team working with a range of different funding agencies, the construction industry, Te Rūnanga o Ngāti Awa and other volunteer and partner organisations, to support those who did not have the means to repair their flood-damaged homes. The project had wide-reaching community benefits, significantly reducing the number of potentially abandoned homes and the resulting negative effect on community wellbeing and overall property prices. In total, over \$1.4 million was raised from community funding partners, including a free home insulation programme funded by the Eastern Bay Energy Trust, which allowed over 200 families and individuals in affected communities across the District to return to warmer, safer, healthier homes.



Draft Edgcumbe Community Plan 2018-2021

Throughout 2017/18, a draft Community Action Plan was developed for Edgcumbe. The plan has a vision 'to see Edgcumbe reinstated to its former glory, a vibrant and prosperous town'. The Action Plan was drafted after seeking feedback from the Edgcumbe community, which included a workshop led by Peter Kenyon. The draft Action Plan has taken this feedback and developed five desired outcomes, which the community will work towards. It seeks to lay out a vision and provide direction for action in Edgcumbe which will restore community confidence, connections, pride and economic vitality.

Civil Defence and Emergency Management Innovation Award 2018

The Recovery Project Team received an Innovation Award at the 2018 Civil Defence and Emergency Management Awards held in May 2018. The award recognised the Liveable Homes Project, and the wider Whakatāne District Recovery project – Kia Manawanui, citing the "strong team of diversely skilled people, driven by the common purpose of efficiently and effectively restoring damaged lives, homes and infrastructure; ever mindful of seizing the opportunities to 'build back better' across all the recovery environments". This is a great achievement for a team focused on integration, collaboration and partnership as the way to rebuild the community.

Kotahitanga - Unity from adversity

Held on 6 April 2018, to mark the one year anniversary of the storm and flood events that severely impacted Edgcumbe and other parts of our District, Kotahitanga was a whānau affair, with bouncy castles, face painting, music, stalls, a foam pit, and finished with a movie on a big outdoor screen.

Long Term Plan 2018-28

Mahere Roanga

The Long Term Plan sets Council's strategic direction, priorities and work programme for the ten years ahead. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure performance. While the Long Term Plan looks ten years ahead, we renew it every three years. This is because the opportunities and challenges facing our communities and District, and the context in which we work, are continually evolving.

In 2017/18 Council reviewed its Long Term Plan, and adopted a new Long Term Plan for 2018-28

The Long Term Plan 2018-28 was a no frills plan focused on the 'must-do's'. This included looking after our existing assets, replacing our water-related consents, making sure our drinking water is safe, accommodating growth and development, and responding to climate change. We consulted with the community and the feedback we received helped shape the resulting Long Term Plan.

We received 194 written submissions; and we heard from 45 people at a hearing on 15 May 2018.

Examples of some of Council's key decisions include:

- **Postponing the equalisation of Murupara's water and wastewater schemes until there is greater clarity around the nature and cost of future upgrading works**
During the formation of the Long Term Plan, we asked for feedback on a proposal to equalise the water and wastewater schemes for Murupara. The Murupara schemes will soon need upgrading, and equalising was a way to avoid huge rates increases by sharing the costs across the District. As there is still uncertainty regarding the wider upgrading work, the proposal to equalise these schemes have been delayed.
- **A \$150,000 budget increase for tourism and events**
Our District continues to grow in popularity as a tourist destination. A strong theme through LTP submissions, Communitrak survey results and Whakatāne Ki Mua feedback, is a desire for increased funding for tourism and events. Council is committed to encouraging businesses and communities in our District to thrive. The additional \$150,000 of funding allocated towards tourism and events each year will assist in doing



this. By offering a variety of events across the calendar year, immediate economic benefits and positive media are experienced, which again encourages tourism.

- **Allocating \$300,000 to investigate an alternative water supply for Whakatāne and Ōhope**
The water supply for Whakatāne and Ōhope is currently sourced from the Whakatāne River. The water quality can be affected by turbidity and salt water intrusion, and as we continue to experience more extreme weather patterns, it becomes risky to rely on this source alone. Council has included \$300,000 in the Long Term Plan to explore the development of shallow wells alongside the river, upstream of the current water treatment plant. Should the investigation be successful, the wells will be implemented in 2018/19, at a cost of approximately \$2 million. If the investigation identifies that the wells are not an appropriate option, then other avenues will need to be explored.

Community feedback helped shape the decisions made as part of the Long Term Plan 2018-28. Some examples include:

- Allocating \$0.5 million from sales proceeds for Council-owned land at Piripai for future work required to extend the Mōtū Trails cycleway from Ōpōtiki to Whakatāne Airport, including a possible foot/cycle bridge across the Whakatāne River (to be matched by funding provided by the developers of the Piripai block)
- Establishing a partnership facilitation fund of \$50,000 to assist community groups in securing external funding for a range of community projects, including a mountain bike park, extensions and improvements to the Whakatāne Skate Park, and the future use and amenity of Bob Byrne Park in Ōhope.
- Including funding to support waste management education and projects by Community Resources Whakatāne (CRew).

Our priorities for the 2017/18 year

Ngā kaupapa matua mō te tau

In the Long-Term Plan 2015-25, we set Council's four key focus areas for those ten years. In 2017/18, we continued to deliver projects and services and make decisions in line with those four priorities. More information about each of the projects on the next four pages is available in the 'Our Work in Detail' section of this Annual Report.

Delivering quality core services

Ngā Kaupapa Matua

One of our key priorities is to maintain and improve our assets so that we can continue to provide quality services in an affordable and sustainable way. Relevant examples during 2017/18 are as follows.

- Introducing Tableau, a new widget tool, to the water, wastewater and stormwater teams. Among other things, Tableau records water pressure to help identify problems like leaks or blockages in the water system.
- Completing the new Otumahi water treatment plant and the refurbishing the Tahuna Road water treatment plant, which are now the main sources of water for Edgumbe and Te Teko.
- Upgrading the Ōhope wastewater treatment plant, including installation of wetlands in the treatment ponds to help treat and dispose of wastewater in a way that is clean, safe, and environmentally responsible.
- Continuing to repair major damage to roading infrastructure caused by the April 2017 floods, such as the Manawahe Road and Te Mahoe Road underslips.
- Upgrading the McAlister stormwater pump station to improve drainage from the Apanui catchment. This plays a key role in reducing the risk of flooding in the catchment.
- Commencing work on a comprehensive stormwater plan for a stronger and more resilient stormwater system, and exploring best practice treatment options and techniques.

Working together to meet the needs of our communities

Mahi tahi oranga tahi

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

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

- Working alongside Civil Defence Bay of Plenty and other Councils including Bay of Plenty Regional, Tauranga City, Western Bay, Kaikoura and Christchurch, to develop a Disaster Waste Management Planning Tool that can be applied in all Civil Defence emergencies;
- Continuing our partnership with Department of Corrections Probation Services to provide community work gangs to respond to litter complaints;
- Providing ongoing support for the Whakatāne Ki Mua initiative, in partnership with the community and organisations such as Bike Whakatāne, Inclusion Whakatāne, Green Print and Waste Zero Whakatāne, and the Whakatāne Homelessness Action Team, to progress identified priorities;
- Delivering and supporting projects and events as part of the Eastern Bay Road Safety Programme, a combined effort of the Bay of Plenty Regional Council, the Kawerau, Ōpōtiki and Whakatāne District Councils, Police and NZTA;
- Continuing our partnership with Ngāti Manawa to deliver dog control services in Murupara and the surrounding area, which has seen a positive improvement in service delivery; and exploring other similar partnership opportunities;
- Supporting the delivery of alcohol and drug programmes for Eastern Bay offenders convicted of drug or alcohol driving convictions, in collaboration with Ngāti Awa Social and Health Services, Corrections, Police Road Safety, Police Māori Liaison, Willetts Funeral Services and Tamati Paul;
- Working together with Bay of Plenty Regional Council and central Government representatives to identify options and potential funding sources for a managed retreat from the Awatarariki Fanhead, and a property purchase package.



Encouraging communities and businesses to thrive

Whaia te ara hei whakapakari i ngā pākihi

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

In 2017/18, in partnership with community and other stakeholders, Council has continued its commitment to help create an environment where people, communities and businesses thrive. Activities include:

- Establishing a Regional Growth Leadership Group, in collaboration with the Mayors of the three Eastern Bay of Plenty Councils, the Mayor of the Western Bay District Council, the Chair of the Bay of Plenty Regional Council and the Chair of Toi Economic Development Agency, to support regional economic development and growth;
- Completion of the Toi Moana Regional Growth Study – Visitor Economy Strategy for the Eastern Bay of Plenty, identifying focus areas to support existing visitation and enable further growth;
- Harnessing the tourist potential of Whakaari/ White Island to attract visitors to our District, and encouraging visitors to stay longer;
- Running successful marketing campaigns to attract domestic travellers to our District, including the ‘Nothing and Everything’, and ‘Our endless summer’ campaigns;
- Finalising the sale of land at 77 Bunyan Road, to be used for residential and lifestyle retirement development;
- Attending meetings and events with the Chamber of Commerce, and providing support and advice for new and growing businesses in the District.

Keeping rates affordable

Taupoki Raiti

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

Rates decisions in 2017/18 were:

- \$50,000 from Edgecumbe’s stormwater operating reserves was utilised to reduce rates costs for all urban properties in the township;
- Part of the Harbour Fund’s 2017/18 operating surplus was used to part-fund the cost of activities on harbour-owned land, including the Library and Exhibition Centre; Visitor Information Centre; and parks, reserves and gardens. This allowed the overall rating requirement to be reduced;
- The portion of total rates funded through the Uniform Annual General Charge (UAGC) was increased from 28% to 30% (the maximum allowed), to partially offset the disproportionate impact of property value increases on rates for high value rural properties.

Whakatāne District Council finished the 2017/18 financial year with a rating deficit of \$181,000.

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

Council estimated that we would need to collect \$42.65 million from rates in 2017/18. This year, the Council recorded a rating deficit of \$181,000, which is equivalent to about 0.4% of our annual budget. This means the funds we collected through rates did not quite cover all of our costs, with the deficit involved having to be recovered through rates in future years.

Factors influencing that outcome included:

- Council had planned to sell its land at Piripai, and therefore had budgeted to receive \$300,000 of interest earnings on that money. That income, which would have been used to offset the rating deficit, was not received. The land sale proceeds are being paid in instalments over a number of years, meaning the investment interest generated will also be spread across a number of years.
- Savings were made in the Roads and Footpaths activity, but these were offset by unbudgeted repairs, non-planned maintenance and emergency works in other activities. This work included securing the Rūātoki water supply against river erosion and addressing odour issues at the Whakatāne wastewater treatment ponds.
- The Aquatics Centres had additional costs associated with short-term staff changes and maintenance. These costs are partly offset by income from increasing customer numbers.
- Salary costs have increased for the Library activity. This increase is reflective of changes in library employment nationally.



We had an overall operating surplus of \$6,140,000

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

The final operating result for the 2017/18 year was a net surplus of \$6.14 million, compared to a budgeted surplus of \$3.93 million. Our operating surplus is the balance remaining between how much revenue the Council earned throughout the year, and how much it needed to spend. An explanation of some of the larger variances in our revenue and expenditure budgets are outlined below.

- Council revenue comes in the form of rates, fees and charges, subsidies and grants, development contributions etc. In 2017/18, Council received \$77.5 million worth of revenue.
- The largest contributing factor was in Subsidies and Grants, which reported a positive variance to budget of \$13 million. These additional subsidies relate to unbudgeted emergency works in the Roothing and Footpaths and Emergency Management activities related to the April 2017 flood events. The majority of the flood damage occurred on Special Purpose Roads. The New Zealand Transport Agency provides Council with 100% of the investment required to maintain and repair Special Purpose Roads in our District. These emergency works had to be undertaken instead of planned road works, which would have had a lower rate of investment from NZTA. As a result, the level of funding we received was higher than had been budgeted.
- A total of \$1.4 million of increased revenue was received from fees and charges in 2017/18. This increase is due to the demand for some Council services and activities increasing in 2017/18. In particular, this involved the Whakatāne Aquatic Centre, Building Inspection services, Waste services and the Whakatāne Holiday Park. As these services and activities charge a fee, the increase in demand has meant an increase in revenue received.
- Other Revenue reports an unfavourable variance to budget of \$4.27 million. Council was offset by a reversal of flood recoveries revenue of \$2.9 million, relating to costs incurred by the Council in the immediate aftermath of the April 2017 flood events. Council is seeking insurance payouts for that amount. Any revenue we gather is offset by money we have to spend to provide activities and services for the community. In 2017/18 Council spent \$71 million on activities and services for the community.
- Our overall expenditure was heavily impacted by costs incurred as a result of the floods in April 2017. We received investment from NZTA to repair flood damage to the special purpose roads, but this was offset by other flood-related roading costs and other flood-related expenditure. The latter included things like contract costs, security services, equipment and materials, maintenance and repairs, and rates remissions for affected community members. Personnel Costs report an unfavourable variance of \$2 million. A factor contributing to this was costs relating to the requirement for the Emergency Recovery team to work beyond the timeframe originally budgeted for. We also brought more of the Transportation team operations back in house, generating some contract savings.
- Depreciation is \$3.4 million positive, as a result of revaluations during the financial year, as well as the timing of capital projects. Some of Council's big infrastructure activity assets were revalued in 2017/18. This included water, wastewater, stormwater and roading assets. Roading assets, which are valued at \$344 million, were being depreciated at a rate of 2.77% per annum. The valuation process set a new rate of 1.74% for depreciation of roading assets. This has been a major contributing factor to the favourable balance for the year.

The Edgecumbe Flood Reserve has a deficit of \$2,947,000.

The Council's Edgecumbe Reserve Fund had a deficit of **\$2,947,000** at the end of the 2017/18 year.

The deficit results from costs incurred by Council in the immediate aftermath of the April 2017 flooding event. These costs were expected to be covered by insurance, however there have been delays in insurance claim payments. Council is continuing to work with insurers to resolve the outstanding claims.

The financial position of our groups of activities

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

Figure 1: Financial performance by groups of activities 2017/18

SUMMARY COST OF SERVICE	ACTUAL	ACTUAL	ACTUAL	ANNUAL PLAN
	EXPENDITURE	REVENUE	NET COST SURPLUS/(DEFICIT)	NET COST SURPLUS/(DEFICIT)
	\$000			
Leadership	3,152	3,223	71	105
Roads and Footpaths	19,550	26,625	7,075	254
Water Supply	6,109	5,912	(197)	(140)
Sewage Treatment and Disposal	4,805	3,748	(1,057)	(256)
Stormwater Drainage	4,003	3,964	(39)	(129)
Solid Waste	5,078	5,319	241	167
Environmental Sustainability	1,958	1,937	(21)	56
Community Safety	6,770	4,170	(2,600)	302
District Growth	3,092	5,366	2,274	1,465
Recreation and Community Services	16,670	14,941	(1,729)	(1,872)
Corporate and District Activities	1,977	4,142	2,165	2,046
Council Controlled Activities	236	169	(67)	(205)
Operational Cost of Service Delivery Surplus/(Deficit)	73,400	79,516	6,116	1,795
Internal Interest	(1,226)	(1,226)	-	1,534
Rates Remissions	(755)	(755)	-	600
Total Council Surplus/(Deficit) Before Tax	71,419	77,535	6,116	3,929

Notes:

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

Expenditure and Revenue in Figure 1 above include reclassification from interdepartmental transfers compared to the Statement of Comprehensive Revenue and Expense (page 131).

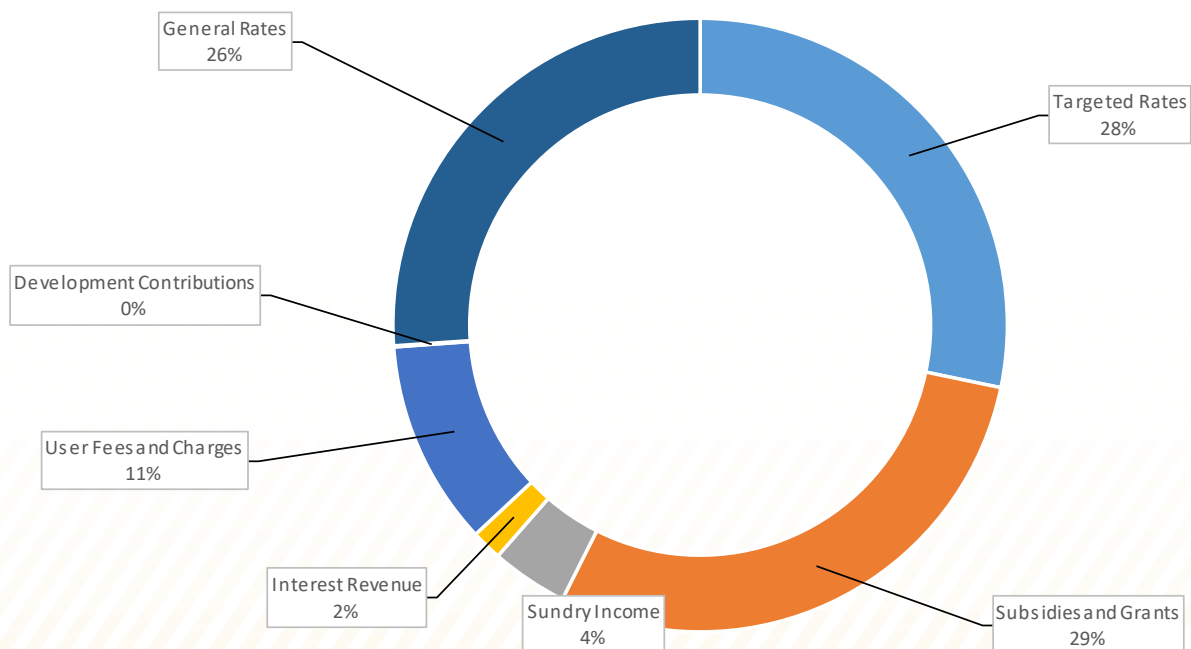
Budget differs from Corporate and District Activity Funding Impact Statement (page 108) as budget for vested assets and gains on investment property are not included in the activity table.

46% of our revenue came from sources other than rates

Affordability is a major focus in our planning. Wherever possible, we aim to secure funding from sources other than rates, to help make Council services and facilities affordable.

In the 2017/18 year, rates made up 54% of our revenue, with 46% coming from other sources, including subsidies and grants, local sponsorship, and user fees and charges.

Figure 2: Where operating revenue came from in 2017/18

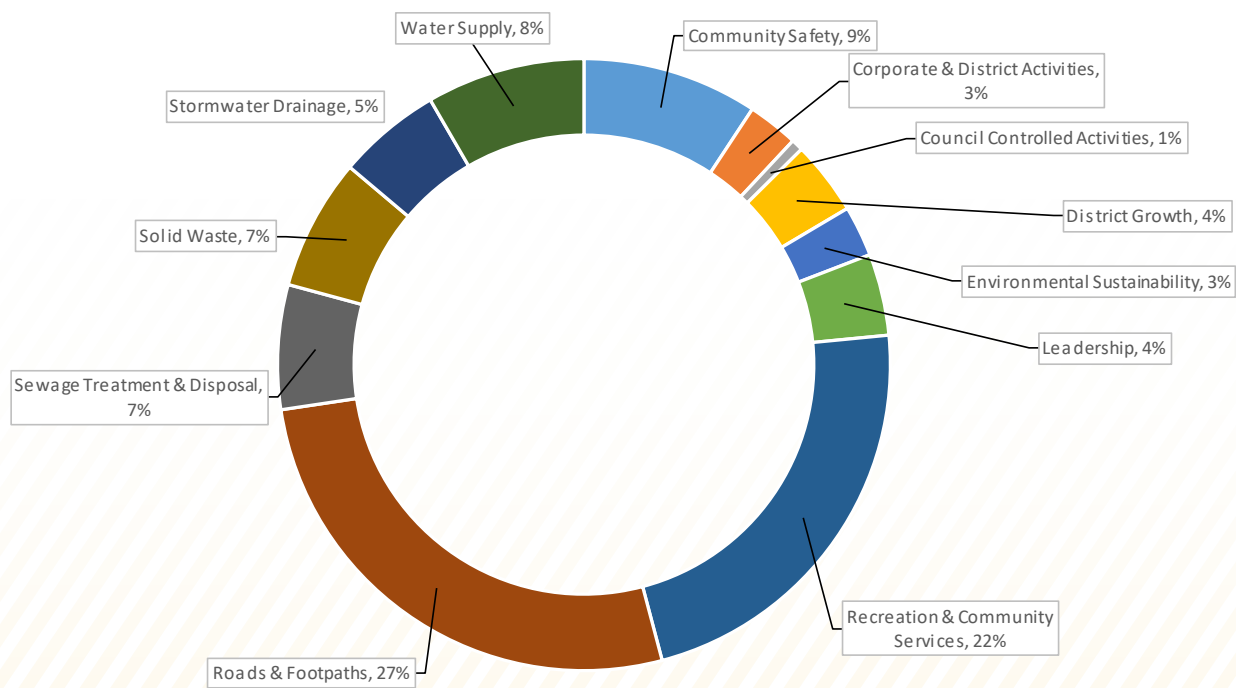


54% of our operating expenditure was on core services

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

The Council's total operating expenditure for the 2017/18 financial year was \$73 million. Our 'core services' (water supply, sewage treatment and disposal, stormwater, roads and footpaths, and waste) accounted for the biggest spend, making up around 54% of total operating expenditure for the year.

Figure 3: Where operating expenditure occurred in 2017/18



Our capital expenditure was **\$31.9 million**

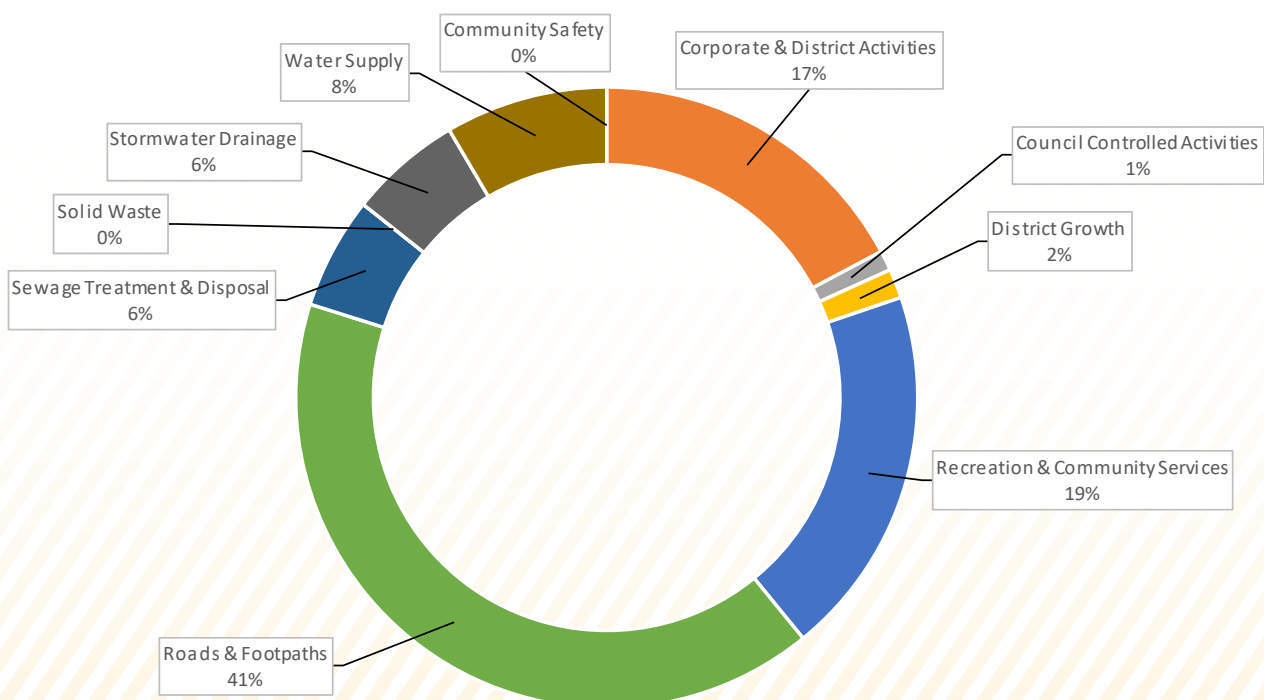
Capital expenditure is the cost of buying or building a new asset, renewing an existing asset, or improving an asset to deliver a better service. We refer to these projects as ‘capital projects’.

Over the 2017/18 financial year, \$31.9 million was spent on 171 different capital projects, compared with a budget of \$34.1 million.

Most capital expenditure is committed to maintaining or improving Council’s core infrastructure (for water supply, sewage treatment and disposal, stormwater, and roads and footpaths). In 2017/18, 61% of our capital expenditure was spent on core infrastructure, including \$2.5 million on repairs to our storm-damaged road network.

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

Figure 4: Where capital expenditure occurred in 2017/18



We achieved **68%** of our performance targets

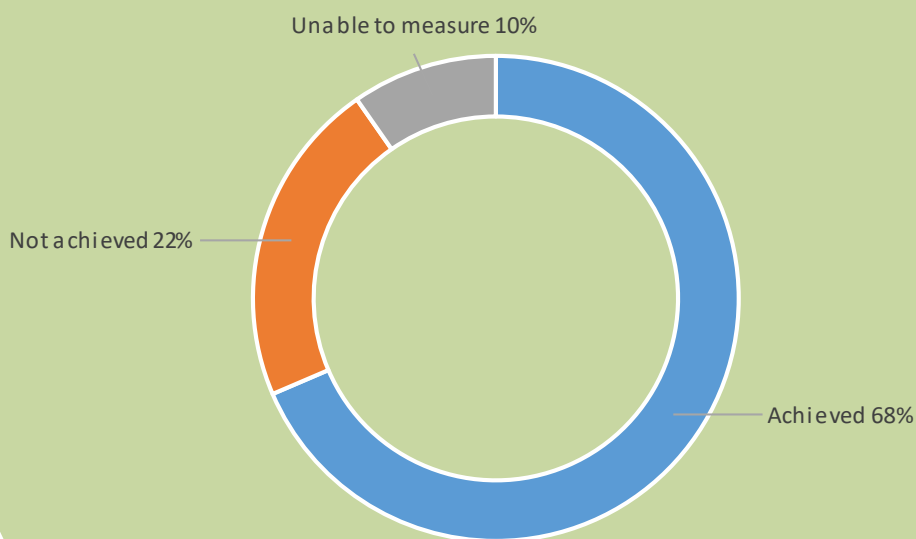
Our performance framework outlines the level of service that we aim to provide. This includes a series of non-financial performance measures. Some measures are technical (like the number of days taken to process a building consent), and others are perception-based measures monitored through surveys.

For the 2017/18 year, we set out 92 non-financial performance targets. We achieved 68% of the targets (63 out of 92 targets). 20 targets were not achieved.

Of the 20 targets that were not achieved, 11 out of 20, or 56%, were within 5% of the target. Weather issues outside of Council's control, including some work remaining from the April 2017 severe weather events, impacted many of our performance measure results. The prioritisation of urgent requests for service, over other requests received at the same time, also impacted on our performance measure results.

We were unable to report on nine of our performance measures for the 2017/18 year. This is mainly due to unreliable data system reporting. We are working to improve our systems to ensure more robust reporting in the future. Further information is provided for each activity in the 'Our Costs in Detail' section of this Annual Report from page 29.

Figure 5: Performance against level of service targets in 2017/18



Overall, **78.7%** of people are fairly or very satisfied with our services and facilities

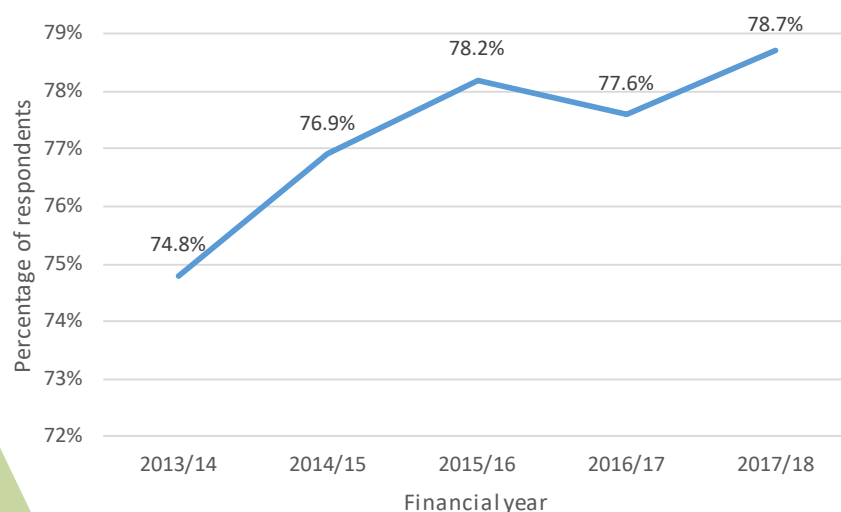
Each year, we survey a random sample of 300 residents from across the District to help gauge how satisfied people are with our services. This survey, called Communitrak, is conducted on our behalf by an independent survey provider.

In 2017/18, the Communitrak survey measured perception across 29 of the services and facilities we deliver. The results showed an improvement across 10 of these, a decrease in 14, and five remained the same as in 2016/17. On average, across the services and facilities measured, 78.7% of respondents were very or fairly satisfied. As the below table shows, this is an increase compared to last year's result. The 2017/18 result was also higher than that for 2015/16, the previous benchmark result.

In 2017/18, more than 90% of respondents said that they were 'fairly' or 'very' satisfied with a range of Council services and facilities. This included the Whakatāne Crematorium facility (95% of users very/fairly satisfied), libraries in the District overall (94%), kerbside waste collection services (93%), and parks, reserves, sportsfields and cemeteries overall (all 92%).

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

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








OUR WORK IN DETAIL

Ngā taipitopito mahi



Our activity structure

Ngā kawenga mahi

Groups of activities

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

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

The groups of activities are:

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

Council Controlled Organisations

Council is a shareholder or partner in four Council Controlled Organisations (CCOs). Information about each of these CCOs is available on pages 115-121 of this Annual Report.

The CCOs are:

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

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

What is in this chapter

Ngā kaupapa o tēnei wāhanga

For each group of activities:



Recreation and Community Services

Te Whare Tapere me ngā rātonga hāpori

LIBRARIES NGĀ WHARE PUKAPUKA	CEMETERIES AND CREMATORIUM URUPĀ ME NGĀ WHARE TAHU TŪPĀKAU
MUSEUM AND ARTS WHARE TAONGA ME TE TOI	PUBLIC CONVENIENCES WHARE PAKU ME TE HĪRERE
PENSIONER HOUSING PENIHANA MŌ NGĀ WHARE	AQUATIC CENTRES NGĀ WHARE KAUKAU
HALLS NGĀ HŌRO	PORTS AND HARBOUR TUMU HERĒNGA WAKA ME TE MOANA
PARKS, RESERVES, RECREATION AND SPORTSFIELDS PAPA RĒHIA, WHENUA RAHUI ME NGĀ PAPA TĀKARO	COMMUNITY DEVELOPMENT WHAKAWHANAKETANGA HĀPORI

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COVER PAGE

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

FUNDING IMPACT STATEMENT

The Funding Impact Statement for each group of activities shows the budgeted and actual costs for the activities during the 2017/18 year. It also describes how the activities were funded and includes information about our internal borrowing movements for the activities in 2017/18. An explanation of the categories used in these statements can be found on page 32 of this Annual Report.

WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18		
	5000				
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	9,327	9,533	9,300		
Targeted Rates	17	18	-		
Subsidies and grants for operating purposes	363	373	311		
Fees and Charges	1,425	1,471	1,941		
Internal charges and overheads recovered	1,095	1,161	2,271		
Local authorities fuel tax, fines, infringement fees, and other receipts	173	178	1,255		
Sources of operating funding (A)	12,400	12,734	15,078		
Applications of operating funding					
Payments to staff and suppliers	6,768	6,927	6,527		
Finance costs	707	691	594		
Internal charges and overheads applied	4,468	4,553	5,779		
Other operating funding applications	-	-	-		
Applications of operating funding (B)	11,943	12,171	14,900		
Surplus (deficit) of operating funding (A-B)	457	563	178		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	-	70	1,110		
Development and financial contributions	-	-	-		
Increase (decrease) in debt	(208)	(227)	711		
Gross proceeds from sale of assets	625	625	135		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Sources of capital funding (C)	417	468	1,956		
Capital expenditure					
- to meet additional demand	1,024	7	62		
- to improve level of service	451	359	2,845		
- to replace existing assets	1,917	6,790	3,260		
Increase (decrease) in reserves	(2,518)	(6,125)	(4,034)		
Increase (decrease) of investments	-	-	-		
Applications of capital funding (D)	874	1,031	2,134		
Surplus (deficit) of capital funding (C-D)	(457)	(563)	(178)		
Funding Balance (A-B) + (C-D)	-	-	-		
INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Recreation and Community Services	13,311,111	1,357,311	646,621	14,021,802	593,935

For each activity

A YEAR IN REVIEW

This section outlines highlights, developments, and major projects delivered by the activity in 2017/18. Information about why we carry out the activity and what is planned for the future can be found in the Long Term Plan 2015-25.

COMMUNITY OUTCOMES

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

COST OF SERVICE

In the Long Term Plan, a budget was set for the 2017/18 financial year for each activity. This table compares the budgeted cost and the actual cost of the activity for 2017/18, and explains any major variations between the two. An explanation of the categories used in these tables can be found on page 33 of this Annual Report.

UPDATE ON MAJOR CAPITAL PROJECTS

This table provides an update on the major capital projects that were planned for the 2017/18 year, and any new major capital projects that were progressed during the year. It sets out how we performed against our budget and summarises the reasons for any major variances.

WHAT WE DELIVERED

This section provides results for our performance measures for the year. These measures and targets were set through the Long Term Plan 2015-25 and include some measures that are mandatory for all Councils to report on, having been set by the Department of Internal Affairs.

Several measures relate to our annual 'Communitrak' perception survey. Unless noted, results for these are based on the percentage of respondents that are either 'very' or 'fairly' satisfied with a service or facility. The results for two measures (in the Environmental Management – Consents and Building activities) are taken from a different annual survey; results are based on a score out of one-hundred, representing the average level of satisfaction reported by respondents. You can find out more about both surveys on our website: whakatane.govt.nz.

Explanation of categories in the Funding Impact Statements

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

What these activities cost and how they were paid for - Operational

SOURCES OF OPERATING FUNDING (REVENUE)

General rates, uniform annual general charges, rates penalties	Revenue from general rates charged on the capital value of all properties within the District, fixed charges across the whole district (UAGC), and penalties for late payment of rates.
Targeted rates	Rates where the benefit or use of a service can be assigned to specific households or communities, such as water, stormwater or promotion and economic development.
Subsidies and grants for operating purposes	Money received from other organisations that contribute to the operational cost of the service.
Fees and charges	Includes admission charges for Council facilities and regulatory fees e.g. permits and dog registration.
Internal charges and overheads recovered	Charges received from other departments of the Council such as overheads and direct costs.
Interest and dividends from investments	Money earned from our savings and investments through interest and dividend payments.
Local authorities fuel tax, fines, infringement fees, and other receipts	Miscellaneous revenue from other sources generally not of a significant nature e.g. local authority petrol tax.
Total Operating Funding	Total revenue from the day to day operation of this activity.

APPLICATIONS OF OPERATING FUNDING (EXPENDITURE)

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

What these activities cost and how they were paid for - Capital

SOURCES OF CAPITAL FUNDING

Subsidies and grants for capital expenditure	Money received from other organisations that contribute to the capital cost of the service.
Development and financial contributions	Money paid by developers towards providing assets or extending existing assets to cater for increased demand due to growth, e.g. extending sewerage systems.
Increase (decrease) in debt	Borrowing money to pay for new assets, parts of assets or to fund temporary deficits, less loan repayments.
Gross proceeds from the sale of assets	Revenue to be raised from the sale of assets belonging to this activity.
Lump sum contributions	Payments made by an eligible ratepayer for the purposes of contributing to a capital project. However, we do not accept lump sum contributions for targeted rates.
Total Sources of Capital Funding	Total capital funding for this activity.

APPLICATIONS OF CAPITAL FUNDING

Capital expenditure	Capital expenditure creating a completely new asset or extending or renewing an existing asset to provide the same or greater service than it currently provides e.g. extending a sewer pipe to increase capacity. The expenditure is split to fund level of service improvements versus population growth and/or renewal works. While a lot of our capital projects contribute to more than one of these drivers, legislation requires us to allocate each project to just one driver in the Funding Impact Statements.
Increase (decrease) in reserves	Transferring funds into and from a reserve account held for a special purpose. Includes: transferring development contribution revenue to development contribution reserves; using funds from depreciation reserves, and using funds from operational reserves to provide or to assist with maintaining existing assets or services.
Increase (decrease) of investments	Net movement of investments.
Total Applications of Capital Funding	Total capital expenditure for this activity.
Surplus (Deficit) of Capital Funding	Sources of capital funding less applications of capital funding.
Funding Balance	Net operating funding less net capital funding.

Explanation of categories in the Cost of Service Tables

OPERATIONAL	
Expenditure	The day to day running costs of this activity e.g. salaries and wages, materials and services, depreciation on assets and interest on borrowings.
Revenue	Revenue directly related to the activity e.g. user charges, targeted rates, subsidies.
Net Cost of Service - Surplus/(Deficit)	Expenditure less revenue = the total operational cost of running these activities.

The below show the variance between the actual cost of each activity against what was budgeted for the year.

\$ - Favourable Variance: This activity cost less than budgeted, produced more revenue than budgeted, or has a \$0 variance

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

If variances for an activity are greater than 10% and \$20,000 of the Long Term Plan budget for 2017/18, an explanation will be provided. Expenditure and Revenue in these tables includes different reclassification from interdepartmental transfers compared to the Statement of Comprehensive Revenue and Expense on page 131.

Funding Impact Statement – Whole of Council

Year ended 30 June 2018

	ANNUAL PLAN 2016/17	ANNUAL REPORT 2016/17	ANNUAL PLAN 2017/18	ACTUAL 2017/18
\$000				
OPERATIONAL				
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	19,312	19,265	21,038	21,200
Targeted Rates	22,341	22,074	22,235	22,088
Subsidies and grants for operating purposes	3,653	8,686	3,770	11,434
Fees and Charges	6,941	6,805	7,496	8,019
Interest and dividends from investments	50	37	47	35
Local authorities fuel tax, fines, infringement fees, and other receipts	2,630	6,516	2,859	453
Total Sources of operating funding (A)	54,928	63,383	57,444	63,229
Applications of operating funding				
Payments to staff and suppliers	40,191	49,372	41,790	53,532
Finance costs	2,920	2,161	2,695	2,538
Other operating funding applications	890	1,137	1,050	1,260
Total Applications of operating funding (B)	44,001	52,670	45,535	57,329
Net Interest	-	1,581	(485)	1,077
Surplus (deficit) of operating funding (A-B)	10,927	10,713	11,909	5,900
CAPITAL				
Sources of capital funding				
Subsidies and grants for capital expenditure	9,832	4,892	6,323	11,324
Development and financial contributions	94	(2)	94	50
Increase (decrease) in debt	4,147	4,464	(7,986)	2,589
Gross proceeds from sale of assets	-	557	7,000	671
Lump Sum Contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of capital funding (C)	14,073	9,911	5,430	14,634
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,286	1,625	955	3,181
- to improve level of service	11,744	11,336	8,654	10,429
- to replace existing assets	16,082	10,056	14,889	18,280
Increase (decrease) in reserves	(5,112)	(2,393)	(7,158)	(11,356)
Increase (decrease) of investments	-	-	-	-
Total Applications of capital funding (D)	25,000	20,623	17,339	20,534
Surplus (deficit) of capital funding (C-D)	(10,927)	(10,713)	(11,909)	(5,900)
Funding Balance ((A-B) + (C-D))	-	-	-	-

Leadership

Te Poumanukura

GOVERNANCE
MANA WHAKAHAERE

COMMUNITY SUPPORT
TAUTOKO O TE HĀPORI

STRATEGY AND POLICY
RAUTAKI ME NGĀ KAUPAPA HERE



WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18
	\$000		
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,704	2,755	2,712
Targeted Rates	336	335	328
Subsidies and grants for operating purposes	-	-	-
Fees and Charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	64	2	183
Sources of operating funding (A)	3,104	3,092	3,223
Applications of operating funding			
Payments to staff and suppliers	2,101	2,059	2,046
Finance costs	5	5	4
Internal charges and overheads applied	996	1,023	1,053
Other operating funding applications	-	-	-
Applications of operating funding (B)	3,102	3,087	3,102
Surplus (deficit) of operating funding (A-B)	2	5	121
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(6)	(6)	(6)
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(6)	(6)	(6)
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(4)	(1)	116
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	(4)	(1)	116
Surplus (deficit) of capital funding (C-D)	(2)	(5)	(121)
Funding Balance ((A-B) + (C-D))	-	-	-

INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Leadership	82,727	-	5,515	77,212	3,513

Governance

Mana Whakahaere



A year in review

Māori Wards Poll undertaken

In late 2017, the Council voted in favour of establishing Māori wards in the Whakatāne District. Elected members heard submissions from iwi and interested members of the public before deliberating and voting six to five in favour of the introduction of one or more Māori wards.

In February 2018, Council received a petition signed by about 1,800 people, demanding that a poll of electors be undertaken on the decision to introduce a Māori ward or wards at the 2019 local government election.

The petition met the requirement that should be signed by at least five percent (1,161) of registered electors and as a result, a binding poll of electors was undertaken, with voting closing at midday on 19 May.

The outcome subsequently declared by Electoral Officer saw 55.4% of voters voting against the establishment of Māori wards and 44.3% voting for Māori wards. That result meant that the proposed introduction of a Māori ward or wards in the Whakatāne District for the 2019 and 2022 local government elections did not proceed.

At the 7 June Council meeting, the Mayor noted that he was heartened by the degree of parity in the poll result. In an equivalent 2007 poll, just 30% of voters were for the establishment of Māori Wards and 70% were against.

Mayoral delegation to Kamagaya City and Shibukawa City

The Whakatāne District Sister Cities Association has a Sister City relationship with Japanese city Kamagaya and a friendship agreement with Shibukawa City. As part of the 20th anniversary celebration of the agreement, a Mayoral delegation visited Kamagaya and Shibukawa in November 2017. A recognition ceremony was held in Kamagaya, attended by about 300 residents.

The Whakatāne delegation of 15 included the Mayor, some Councillors, and the Chief Executive. A Kapa Haka group from Trident High School was also part of the Kamagaya delegation, while a Kapa Haka group from Whakatāne High School joined the delegation to Shibukawa, in recognition of the relationships that have developed with each of these schools over the last two decades. While in Kamagaya, members of the delegation were home-hosted, providing a unique cultural experience for all.

Community Board highlights

Murupara Community Board – Due to a resignation, a by-election was held to fill a vacancy on the Board and April O'Brien was elected. Amongst other activities, the Board sent out regular newsletters updating matters of community interest; supported the Healthy Homes project; organised the annual garden competition to encourage people to garden; and received regular updates from local Police.

Rangitāiki Community Board – The Board actively participated in and supported the ongoing flood recovery efforts; hosted volunteer functions in Edgecumbe and Matatā; and worked with Council and the New Zealand Transport Agency to have the SH2 bridge into Edgecumbe repainted.

Tāneatua Community Board – The Board has been working with the New Zealand Transport Agency on initiatives to calm the traffic travelling through Tāneatua; and has provided support for the community gardens.

Whakatāne-Ōhope Community Board – Has been working to promote awareness of the Board's activities, through attendance at numerous community events. The Board coordinated community engagement activities as part of the Long Term Plan consultation process and Whakatāne Ki Mua community vision project.

Cost of service

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000	UNFAVOURABLE OR FAVOURABLE	MAJOR VARIANCE EXPLANATION
Expenditure	1,729	1,844	(115)	\$	Variance within 10% or \$20,000
Revenue	1,729	1,721	(8)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	-	(123)	(123)	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

What we delivered

How we performed against our target

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
The Council makes decisions in an open, inclusive and transparent manner that supports the sustainable development and needs of the community	Satisfaction with the performance of the Mayor and Councillors	79-83% survey results	✓ ACHIEVED 80% satisfaction (2016/17 result: 79%)



Community Support Tautoko o te hāpori

A year in review

Delivering community events

Each year, the community support activity delivers events to support and celebrate the community. This year, the Council hosted six citizenship ceremonies, where residents who have immigrated to New Zealand were formally presented with their citizenship documents. In 2017/18, 113 people received New Zealand citizenship, 21 more than in 2016/17.

The annual Young Achiever Awards ceremony was held on 2 November 2017. This year, 203 recipients were awarded certificates, presented by His Worship the Mayor and the Allocation Committee.

On 13 November 2017, the annual Trustpower Community Awards ceremony was held. This year, 27 award nominations were received for the five categories of the awards. The Edgecumbe Volunteer Fire Brigade won the local Trustpower Community Award for 2017 and went on to win the national award.

The annual over-80's morning tea was held on 12 December 2017, providing an end-of-year highlight for the many attendees.

Supporting community arts and recreation

Some nationwide organisations know that we know our community best, and give money to the Council to allocate to individuals and groups across the District and support their endeavours.

Twice a year, Creative New Zealand provides funds for Council to for arts-related projects. Over the 2017/18 year, \$32,122 was granted to 13 applicants for arts activities. Sport New Zealand also provides funds to Council each year, to be allocated to applicants aged between 5 and 19 years old. This year, \$14,795 was granted to 14 organisations to help 46 teams travel to sports competitions.

Community Board Grants 2017/18

One of the functions of Community Boards is to allocate discretionary funds to provide financial assistance for local initiatives that benefit their communities. During the 2017/18 year, the District's four Community Boards awarded 38 grants totalling more than \$130,000.

- **Murupara Community Board** – 3 grants totalling \$10,420.24. This included support for the local Garden Competition and an inflatable for the Murupara Pool.
- **Rangitāiki Community Board** – 5 grants totalling \$14,389.87. This included support for a community volunteer 'thank you' breakfast.
- **Tāneatua Community Board** – 5 grants totalling \$5,163.78. These were awarded to three organisations and two individuals.
- **Whakatāne-Ōhope Community Board** – 25 grants totalling \$117,248.04. This included support for an international team and two Board-sponsored grants.

Cost of service

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	199	158	41	Ⓢ	\$20k Preservation Grant and some lease grant funding not allocated
Revenue	204	201	(3)	Ⓢ	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	5	43	38	Ⓢ	
Capital Expenditure	-	-	-	Ⓢ	Variance within 20% or \$50,000

Key: Ⓢ Favourable Ⓢ Unfavourable

Strategy and Policy

Rautaki me ngā kaupapa here



A year in review

Long Term Plan 2018-28 adopted

A large focus across the whole Council during 2017/18 was the development of the Long Term Plan 2018-28. The Long Term Plan is Council's guiding document and sets the strategic direction for the next 10 years, with the first three years in more detail. It sets out what Council intends to deliver for the community, including the projects we'll undertake, the services we'll deliver, how much that work will cost, how it will be funded and how progress will be measured. The overall objective is to deliver an affordable and balanced response to the District's environmental, social, cultural and economic well-being needs.

Community consultation is a big part of the Long Term Plan process. It is important that all members of the community have an opportunity to have their say. To reach as many people in the District as possible, a concise Consultation Document was distributed to mailboxes throughout the District, to provide information on key issues and generate discussion and feedback for inclusion in the Long Term Plan. In addition, messaging went out on Council's social media platforms, and on local radio stations and newspapers, and information stalls were provided at community events in Whakatāne and Murupara. In total, 194 submissions were made on the Long Term Plan 2018-28, and Council heard from 45 submitters at a hearing on 15 May 2018.

Bylaw review programme complete

June 2018 saw the completion of an 18-month long bylaw review programme. Council has to review any new bylaws it makes within five years of adoption. In total, 12 bylaws were reviewed, three of which were revoked as they were either no longer necessary, or were covered by other legislation. These included the Fire Prevention in Urban Areas Bylaw, Food Administration Bylaw and the Mobile Trading Bylaw. Nine bylaws were rewritten and the community was consulted to ensure they are still fit for purpose and meet community needs. These included the Alcohol Control Bylaw, Beaches Bylaw, Cemeteries and

Crematorium Bylaw, Combined Waters Bylaw, Control of Animals (excluding Dogs), Bees and Poultry Bylaw, Dog Control Bylaw, Ports and Wharves Bylaw, Traffic and Speed Limit Bylaw and the Waste Management and Minimisation Bylaw. Overall, 308 submissions were received as part of the bylaw review programme.

Easter Sunday trading approved

In 2016, central Government introduced the Shop Trading Amendment Act 2016. This Act enabled Council to decide whether or not to allow shops in the District to trade on Easter Sunday. In October 2017, the community was consulted on three options - to not make a policy; to make a policy that allowed all shops in the District to trade on Easter Sunday; or to make a policy that allowed shops in only some parts of the District to trade on Easter Sunday. We also asked about this in the 2017 Communitrak phone survey, and surveyed local businesses. The majority of people supported having a policy that allowed any shop in the District to trade on Easter Sunday, if they wanted to, and that policy was adopted and implemented in time for Easter 2018. Allowing trading on Easter Sunday helps support a diverse and vibrant economy, by giving shops an extra day they can open at a time when many visitors are holidaying in the District.

Climate Change Action Plan

Both central and local government recognise that climate change is a major risk facing communities. In response to community demand and government direction, a Climate Change Action Plan was proposed and in December 2017, the Council voted unanimously to progress this project. The Action Plan is likely to have two key focus areas - mitigating our impact on the environment, and adapting to the impacts of climate change. Work has commenced on an energy audit of Council operations, which is expected to identify opportunities to reduce the organisation's carbon footprint and showcase climate change leadership. The Action Plan project is ongoing and as this progresses, Council will be looking to collaborate with key interest and knowledge groups across the country to encourage a greater awareness and involvement.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,203	1,149	54	Ⓢ	Variance within 10% or \$20,000
Revenue	1,303	1,301	(3)	Ⓢ	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	100	151	51	Ⓢ	
Capital Expenditure	-	-	-	Ⓢ	Variance within 20% or \$50,000

Key: Ⓢ Favourable Ⓢ Unfavourable



Roads and Footpaths

Ngā huarahi me ngā ara

TRANSPORT NETWORKS
NGĀ ARA WAKA

PARKING ENFORCEMENT
WHAKAURUHI TŪWAKA

WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18
	\$000		
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(14)	(15)	(23)
Targeted Rates	7,732	7,873	6,825
Subsidies and grants for operating purposes	3,064	3,132	9,156
Fees and Charges	92	94	87
Internal charges and overheads recovered	0	-	1,132
Local authorities fuel tax, fines, infringement fees, and other receipts	863	864	1,204
Sources of operating funding (A)	11,737	11,948	18,381
Applications of operating funding			
Payments to staff and suppliers	6,412	6,553	12,610
Finance costs	654	652	450
Internal charges and overheads applied	1,513	1,577	2,090
Other operating funding applications			-
Applications of operating funding (B)	8,579	8,782	15,150
Surplus (deficit) of operating funding (A-B)	3,158	3,166	3,232
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	6,080	5,715	8,244
Development and financial contributions	-	-	-
Increase (decrease) in debt	191	(141)	462
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	6,271	5,574	8,707
Capital expenditure			
- to meet additional demand	-	-	7
- to improve level of service	2,577	1,801	3,342
- to replace existing assets	7,309	7,426	9,644
Increase (decrease) in reserves	(457)	(486)	(1,055)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	9,429	8,741	11,938
Surplus (deficit) of capital funding (C-D)	3,158	(3,166)	(3,232)
Funding Balance ((A-B) + (C-D))	-	-	-

INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Roads and Footpaths	9,928,547	1,334,323	871,956	10,390,914	449,917

Transport Networks Ngā Ara Waka



A year in review

More transport services brought in-house

The 2017/18 year saw Council bringing more road management activities back in-house. A new Road Network Management Team was formed in 2017, with eight new employees. Council previously had a long-standing road maintenance and management professional services contract with Opus. Bringing these services in-house allows staff to have more direct control over management of roading activities, and is also expected to reduce overall road management costs.

Te Mahoe under-slip

During the April 2017 severe weather events, a large under-slip occurred on a section of Galatea Road. The under-slip occurred 3.6 km north of the Matahina Dam, near Te Mahoe township. The repair includes a large retaining wall on the river side of the road and cutting back the steep hill on the other. Works commenced in April 2018. The road has had to be closed for most of the works, with a detour in place via Tahuna Road.

Manawahe Road under-slips

The April severe weather events also caused two sections of Manawahe Road to drop away, in close proximity to each other. Repairs involved construction of two retaining walls to reinstate the road width. Works commenced in late-April and were completed in August 2018.

Horomanga Stream Bridge repairs

The northern approach of the Horomanga Stream Bridge (on Troutbeck Road, Galatea) was also washed away during the severe weather events in April 2017. A Bailey bridge was installed to provide temporary access over the stream, while permanent repair options are investigated. Consideration was given to adding a further bridge span across the stream, but due to the costs and impact of new earthquake code requirements on this solution, the preferred option is to reinstate the washed out approach, with upstream work to better direct flood flows under the existing bridge structure. Reinstatement works are expected to be completed in the 2018/19 construction season.

Special purpose road repairs

Overall, Cyclone Debbie caused in excess of \$20 million worth of damage to Council's roading infrastructure across the district. Nearly half of this occurred on the Special Purpose Roads, which includes Matahī Valley Road and the route through Te Urewera, south of Murupara. Multiple slips and washouts closed these roads in numerous places, and most of the work to open these roads again occurred between April and September 2017. Following this initial work, there were still 13 sites that required further geotechnical investigation and design. This has now been completed and permanent reinstatement repairs to these sites will take place during the 2018/19 construction season.

Increasing visibility on rural roads

Various pieces of work were undertaken across the District in 2017/18 to increase visibility and safety on our rural roads. This work included geometric improvements, such as cutting into banks and widening roads.

Renewal works continue

Road renewal works across the District have continued in the 2017/18 year with five sections of road being renewed. These included Main Road in Murupara; and Golf Links Road, Putiki Road, Thornton Road and East Bank Road within the Rangitāiki Plains area.

Roads are resealed to maintain water resistance. In 2017/18, approximately 40 km of Council's 700 km of sealed roads were resealed, and 4000 m² of hotmix asphalt was laid.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	14,826	19,267	(4,440)	\$	Over budget due to storm damage works related to April 2017 flood
Revenue	15,064	26,377	11,312	\$	Over budget subsidies associated with storm damage works
Net Cost Of Service Surplus/(Deficit)	238	7,110	6,872	\$	
Capital Expenditure	7,400	12,993	(5,593)	\$	Storm damage repairs which were unbudgeted, also projects carried forward from 2017

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Unsealed Metalling (local roads)	461	733	892	A larger program completed than had been budgeted. Overspend offset in other budgets.
Resurface Chip Seal (local roads)	1538	1538	1355	Works are complete at year end. Under budget at year end to accommodate other over spends.
Resurface Thin AC (local roads)	390	390	253	Works on track, with underspend to accommodate other overspends.
LED Carriageway Light Upgrades	1000	1997	1251	Works are on track, to be completed in 2019
Minor Improvements (local roads)	1,480	2,627	2,696	A number of completed works including those at Blue Rock Quarry, Millers Stream and Waimana (Right Turn Bay)
Permanent Reinstatement April Floods 2017 (local Roads)	-	-	1,481	Work commenced at two sites, with full programme to be completed in 2019.
Unsealed metalling (special purpose roads)	277	517	415	Works are complete at year end. Under budget at year end to accommodate other over spends.
Resurface chip seal (special purpose roads)	-	107	54	Works are complete at year end. Under budget to accommodate other over spends.
Minor improvements (special purpose roads)	85	163	172	Works are complete at year end.
Pavement Rehabilitation (local roads)	754	754	1118	Overspend due to site conditions differing from original design.
Landing Road Improvements (local roads)	60	60	-	Project deferred, included in 2019 budget

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT		
Provide safe and reliable local transport networks to enable efficient and affordable transportation of people and goods	Satisfaction with roads in your District, excluding state highways	89-93% survey results	X	NOT ACHIEVED 86% Specific comments raised by residents include traffic at Whakatāne Bridge and repair and maintenance of roads. Comments regarding a second bridge into Whakatāne are being explored. (2016/17 result: 85%)	
	Average quality of ride on a sealed local road network - smooth travel exposure*	89-93%	✓	ACHIEVED 93% (2016/17 result: 92%)	
	Percentage of sealed local road network that is resurfaced**	6-8% annually	✓	ACHIEVED 6% resurfaced (2016/17 result: 6.7%)	
	Percentage of qualifying footpaths within the Whakatāne District that fall within the level of service or service standard for the condition of footpaths that is set out in the Activity Management Plans**	100% of qualifying footpath faults will be scheduled for repair	✓	ACHIEVED 100% scheduled for repair (2016/17 result: 100%)	
	Percentage of customer service requests relating to roads and footpaths responded to within timeframes specified in LTP**	100% of emergency requests within 2hrs	X	NOT ACHIEVED 91% 17 out of 200 calls were not recorded as being responded to within 2 hours. (2016/17 result: 89.5%)	Processes have been carried out to ensure actual job response times are reflected in the reporting system even when input of service requests are delayed or coded to incorrect departments.
		100% of urgent requests within 1 day	X	NOT ACHIEVED 90% 6 out of 60 calls were not recorded as being responded to within one day. (2016/17 result: 97.6%)	
		100% of non-urgent requests within 7 days	X	NOT ACHIEVED 98% 15 out of 1135 calls were not recorded as being responded to within 7 days. (2016/17 result: 97.6%)	

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

** Mandatory measure.

Did you know, we maintain...

905 km TOTAL ROAD NETWORK	6,250 CULVERTS AND CESSPITS	260 km KERB AND CHANNEL
702 km SEALED ROAD	3,454 STREETLIGHTS	7,261 ROAD SIGNS
203 km UNSEALED ROAD	196 km FOOTPATHS	185 BRIDGES
10 km SHARED USE PATHWAYS		

Parking Enforcement

Whakauruhi tūwaka



A year in review

Infringement reasons vary

A total of 4,559 parking infringement notices were issued in 2017/18. The majority of infringement notices issued were for vehicles that parked over the allocated time limit, with a total of 3,029 issued. A total of 909 registration and licensing infringements were issued, while a total of 270 warrant and certificate of fitness infringements were issued. Infringement notices were also issued for parking in a disability parking space without a permit, and damaged tyres.

The majority of infringement notices were paid, with some cancelled or waived for various reasons, or sent on to the Courts for collection. There were no Court hearings of disputed infringement notices in 2017/18.

Promoting responsible vehicle ownership

Council continued to promote responsible vehicle ownership throughout the 2017/18 year. A mixture of methods are used to reach as many members of the community as possible, including proactive messaging via Facebook, and the Council website. Messages are also promoted on local radio station 1XX.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	287	283	4	\$	Variance within 10% or \$20,000
Revenue	304	249	(55)	\$	Parking wardens numbers were down due to secondment associated with the Edgcumbe flood. This had an affect on the number of fines issued resulting in less income.
Net Cost Of Service Surplus/(Deficit)	17	(34)	(51)	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

WHAT WE DELIVERED How we performed against our target

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Parking enforcement maximises the availability of parking spaces and ensures vehicles are safe	Regular patrols are carried out in Whakatāne CBD	Two patrols per working day	✓	ACHIEVED (2016/17 result: Not achieved)

Water Supply

Ngā puna wai

WATER SUPPLY
NGĀ PUNA WAI



WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR:

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18
	\$000		
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4	4	-
Targeted Rates	5,289	5,334	5,213
Subsidies and grants for operating purposes	-	-	-
Fees and Charges	269	277	202
Internal charges and overheads recovered	161	166	176
Local authorities fuel tax, fines, infringement fees, and other receipts	24	24	63
Sources of operating funding (A)	5,747	5,805	5,655
Applications of operating funding			
Payments to staff and suppliers	1,838	1,846	2,171
Finance costs	456	429	413
Internal charges and overheads applied	2,052	2,114	1,804
Other operating funding applications	-	-	-
Applications of operating funding (B)	4,346	4,389	4,388
Surplus (deficit) of operating funding (A-B)	1,401	1,416	1,267
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	425
Development and financial contributions	18	18	7
Increase (decrease) in debt	(465)	(434)	(263)
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(447)	(416)	169
Capital expenditure			
- to meet additional demand	519	267	522
- to improve level of service	-	64	1,362
- to replace existing assets	998	995	812
Increase (decrease) in reserves	(563)	(327)	(1,259)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	954	999	1,437
Surplus (deficit) of capital funding (C-D)	(1,401)	(1,416)	(1,267)
Funding Balance ((A-B) + (C-D))	-	-	-

INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Water Supply	9,498,388	899,473	1,162,544	9,235,317	413,403



A year in review

Water Safety Plans progressing

In accordance with the Health (Drinking Water) Amendment Act 2007 and the Health Act 1956, Council is obliged to take all practicable steps to comply with NZ Drinking Water Standards (NZDWS) and introduce and implement Water Safety Plans for each municipal water supply within the district.

Water Safety Plans are detailed documents that identify how each water scheme operates safely and highlight risks to water supplies and how these can be managed and/or mitigated, to reduce the likelihood of water supply contamination. Of the nine water schemes in the District, only the water safety plans for the Matatā and Te Teko supplies are current. Steady progress was made throughout the 2017/18 year to update and revise the expired Water Safety Plans.

24-hour water pressure monitoring

A new widget tool, Tableau, was introduced by the 3 Waters Assets team in August 2017. One of its functions is that it can assess and monitor the information coming from approximately 35 pressure logger devices throughout the District's water supply system. Pressure logger information is recorded every 15 minutes, 24 hours a day, and a report is sent through daily. The pressure logger system will immediately send a notification of any spike or drop in pressure outside a set range. This information is helpful in detecting the location and severity of a leak or blockage. Tableau's 24-hour monitoring also provides helpful water usage intelligence.

Otumahi (Paul Road) water supply project complete

The new Otumahi water treatment plant, located at Paul Road, upgraded Waikohua Puna Wai (Tahuna Road) source and treatment plant have been operational since September 2017. This significant water project provides increased security of supply and enhanced water quality for connected properties in the Edgecumbe and Te Teko townships, and some neighbouring areas, and isolates the supply from the Johnson Road and Braemar sources.

The Otumahi plant and the refurbished Tahuna Road plant both meet the National Drinking Water Standards. An on-site generator, which automatically delivers power to the water treatment plant within two minutes of any power outage, was installed for emergency.

Water meter trials have been undertaken in Edgecumbe to help customers identify and fix any leaks within their properties. The installation of water meters also means customers can better manage the way water is used. From the beginning of the 2018/19 financial year, Edgecumbe water rates will be based on a connection charge and a consumption charge for the actual amount of water used. Consumption charges are set at a level which will cover the expected cost of water treatment, pumping and maintenance across the District's water supply schemes.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	5,650	6,109	(459)	\$	Variance within 10% or \$20,000
Revenue	5,510	5,912	402	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	(140)	(197)	(57)	\$	
Capital Expenditure	1,916	2,696	(780)	\$	Variance calculated on revised budget; includes carry forwards and revisions

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Huna Rd Development	-	310	403	Works well advanced. Revised budget of \$625k approved.
Whakatāne Infiltration Gallery	-	300	119	Project on hold due to farm virus issue. Owner wants no access over farm.
Replacement Whakatāne Treatment Plant Roof	-	100	6	Project to be carried out in 2019 financial year. Request carry forward of unspent funds.
Whakatāne Water Supplies Residual Chlorine Monitoring	-	65	57	Free Available Chlorine (FAC) monitors installed.
Ōhope Supply Main from Ngāti Awa	800	850	71	Failed first tender as over budget. Project proposed to split in 2 stages. New budget \$1.35m with works to be undertaken early in 2019 financial year.
Edgecumbe Pipe Sampling Programme	5	10	-	Unspent budget to be requested for carry forward to 2019.
Replace Matatā Water Mains	30	30	35	Complete
PLAINS W Johnson Road Delivery	-	395	297	Work underway.
PLAINS W Johnson Road Chlorination Upgrade	-	120	117	Work underway.

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Provide safe and clean water to all properties within the District's water boundaries	Safe drinking water - a) percentage of the time drinking water supply complies with Part 4 of the Drinking Water Standards for all of the specified supplies (bacteria compliance criteria)	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Plains / Te Mahoe		ACHIEVED 100% (2016/17 result 94%)
	Safe drinking water - b) percentage of the time drinking water supply complies with Part 5 of the Drinking Water Standards for all of the specified supplies (protozoal compliance criteria)	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Edgecumbe		NOT ACHIEVED 84%. Four water treatment plants supplied Edgecumbe's water during 2017/18. Two of these plants (Braemar and Johnson Road) do not have protozoal treatments; however, other safeguards are in place to ensure water quality. (2016/17 result: not achieved)
	Customer satisfaction - Total number of complaints, per 1,000 connections to the Council's networked reticulation system, received by the Council about:			
	a) drinking water clarity*	a) 30 complaints per 1,000 connections		ACHIEVED 2.14 complaints about drinking water clarity per 1,000 connections (2016/17 result: 1.6)
	b) drinking water taste*	b) 30 complaints per 1,000 connections		ACHIEVED 0.65 complaints about drinking water taste per 1,000 connections (2016/17 result: 0.88)
	c) drinking water odour*	c) 30 complaints per 1,000 connections		ACHIEVED 0.29 complaints about drinking water odour per 1,000 connections (2016/17 result: 0.48)
	Satisfaction with the water supply	77-81% survey results		ACHIEVED 90% satisfaction (2016/17 result: 87%)
Provide incentives and opportunities for the community to reduce unnecessary consumption of water	Average consumption of drinking water per day per resident in the District*	280 litres per day per resident for metered areas		NOT ACHIEVED Average 282 litres per day per resident (2016/17 result: 240 litres)
	Average consumption of drinking water per day per resident in the District*	450 litres per day per resident for unmetered areas		ACHIEVED Average 307 litres per day per resident (2016/17 result: 300.7 litres)

GOAL	PERFORMANCE MEASURE	TARGET	RESULT		
Provide a continuous, appropriate and safe water system throughout the District's urban, residential and commercial areas	Maintenance of reticulation - Percentage of real water loss from our networked reticulation system*	Metered schemes – less than 20%	X	NOT ACHIEVED 38% Metered water scheme loss is predominantly happening in the Plains scheme as the water pressure has increased, causing leaks when the new source came in. Work is underway to alleviate water loss in the future. (2016/17 result: 25%)	
		Unmetered schemes – less than 50%	X	NOT ACHIEVED 61% Non-residential properties with meters were not recording consumption therefore has been recorded as loss. Work is underway to resolve this issue. (2016/17 result: 49.4%)	
	Fault response times:				
	a) Median response time to attend urgent call-outs*	a) 80% < 1 hour	UNABLE TO MEASURE (2016/17 result: 76%, 0.07 hours)	A new asset management system was introduced at the beginning of the 2017/18 year. Data reporting from the date of installation was unreliable. This resulted in the 'request for service' data being incorrectly recorded throughout the year as jobs were unable to be closed properly. Given the unreliability of the data for 2017/18 a result is unable to be provided. Council is continuing to work to improve the system to ensure correct data reporting for these performance measures in the future.	
	b) Median response time to resolve urgent call-outs*	b) 80% < 10 hours	UNABLE TO MEASURE (2016/17 result: 81%, 3 hours)		
	c) Median response time to attend non-urgent call-outs*	c) 80% < 4 days	UNABLE TO MEASURE (2016/17 result: 85%, 0.3 hours)		
	d) Median response time to resolve non-urgent call-outs*	d) 80% < 5 days	UNABLE TO MEASURE (2016/17 result: 82%)		
	Customer satisfaction –				
	Total number of complaints received, per 1,000 connections to the Council's networked reticulation system, by the Council about:				
	a) drinking water pressure or flow*	a) 50 complaints per 1,000 connections	✓	ACHIEVED 4.95 complaints about drinking water pressure or flow per 1,000 connections (2016/17 result: 3.19)	
b) continuity of supply*	b) 50 complaints per 1,000 connections	✓	ACHIEVED 5.12 complaints about continuity of drinking water supply per 1,000 connections (2016/17 result: 79.5)		
c) the local authority's response to any of these issues*	c) 2 complaints per 1,000 connections	✓	ACHIEVED 1.2 complaints about the Council's response per 1,000 connections (2016/17 result: 2.63)		
Percentage of water supply systems (excluding Plains, Rūātoki and Edgecumbe) with adequate flow and pressure for firefighting purposes for urban residential properties, as defined by the firefighting standards	90%		NO RESULT AVAILABLE (2016/17 result: 99.82% for Whakatāne township and Coastlands)		

* Mandatory measure

** Median time from job received to job completed unable to be measured for 2017/18 as requests for service could not be closed properly while transitioning to a new system. The system has been set to begin recording this data moving forward.

COMPLIANCE WITH SPECIFIED NEW ZEALAND DRINKING WATER STANDARDS BY SCHEME

The following table presents the compliance with parts 4 and 5 of the New Zealand Drinking Water Standards for each scheme. Current year results are extracted from the '2017/2018 Annual Compliance Survey' completed by Council and the Drinking Water Assessor.

Prior year results are extracted from the Ministry of Health 'Annual Report on Drinking Water Quality 2016-2017'.

In the table below, the bacteria compliance criteria (part 4) is met when water in the distribution zone does not exceed the Maximum Acceptable Value of E.coli (less than 1 per 100ml sample), on the basis that this best represents the water quality received by consumers. To achieve compliance, a strict schedule of sampling within the distribution zones has to be followed throughout each 12-month reporting period.

All Council schemes were 100% compliant for part 4 in 2017/2018, with the exception of 1 scheme which was 98% compliant.

The protozoal compliance criteria (part 5) is assessed at the treatment plant. A scheme is deemed to have achieved the National Standards if all treatment plants supplying the scheme during the reporting period achieved protozoal standards. Protozoal treatment of water is typically achieved through a combination of filtration and ultraviolet (UV) disinfection.

However, if treatment is interrupted (for example due to power outages, or flood events that cause periodic high turbidity issues) within the reporting period, compliance with these criteria will not be met. As such, some Council schemes do not meet the part 5 criteria for 2017/2018. However, to ensure a safe drinking water supply if treatment is interrupted, all Council water supplies are monitored with alarm systems which alert staff – or automatically shut down the water supply when turbidity is high or there are low levels of free available chlorine.

Compliance with specified New Zealand Water Standards by scheme

SCHEME	2017/2018 RESULTS		2016/2017 RESULTS	
	COMPLIANCE – PART 4 (BACTERIA COMPLIANCE CRITERIA)	COMPLIANCE – PART 5 (PROTOZOAL COMPLIANCE CRITERIA)	COMPLIANCE – PART 4 (BACTERIA COMPLIANCE CRITERIA)	COMPLIANCE – PART 5 (PROTOZOAL COMPLIANCE CRITERIA)
Matatā	Yes	No – Matatā WTP experienced short failures of UV disinfection due to power outages in the area. The scheme met protozoa standards for 98% of the year.	Yes	No
Murupara	Yes	No – There is currently no water treatment at this location. Frequent sampling is occurring at the bore and within the distribution zone.	Yes	No
Edgecumbe	No - Although MoH did not give compliance there was only ONE positive E.coli result throughout the monitoring period at one of the sampling sites. Council believes this was a mistake by the lab as the FAC of sample was 0.65mg/L, and no other positive results nearby. All appropriate transgression sampling was undertaken.	No – This scheme was predominantly supplied by the Otumahi (Paul Road) WTP, which achieved full protozoal compliance in the 2017/2018 year through its interim “secure bore status”. However, this scheme was interconnected with the wider Rangitāiki Plains, meaning that the Braemar WTP and Johnson Road WTP still supplied water to Edgecumbe. There is currently no protozoal treatment at the Braemar and Johnson Road WTPs. In July 2018, Edgecumbe was fully isolated from the Rangitāiki Plains, meaning that the scheme will receive water from the Otumahi and Te Teko WTPs only.	Yes	No
Rangitāiki Plains Rural	Yes	No – There is currently no protozoal treatment at the Braemar and Johnson Road WTPs. Frequent sampling is occurring within the distribution zone.	Yes	No
Te Teko	Yes	No – This scheme was predominantly supplied by the Te Teko (Tahuna Road) WTP. Performance of UV disinfection at the Te Teko WTP achieved full protozoal compliance in the 2017/2018 year. However, this scheme was interconnected with the wider Rangitāiki Plains, meaning that the Braemar WTP and Johnson Road WTP still supplied water to Te Teko. There is currently no protozoal treatment at the Braemar and Johnson Road WTPs. In July 2018, Te Teko was fully isolated from the Rangitāiki Plains, meaning that the scheme will receive water from the Otumahi and Te Teko WTPs only.	Yes	No
Rūātoki	Yes	No – Multiple heavy rain events led to high turbidity issues in the river, affecting the efficiency of UV disinfection at the Rūātoki water treatment plant. Extra sampling were carried out at the source, treatment plant, as well as within the supply zone during these severe weather events. Council will investigate options to relocate bore site to a more secure location.	Yes	No
Tāneatua	Yes	Yes	Yes	No
Te Mahoe	Yes	No – There is currently no protozoal treatment at this location. Frequent sampling is occurring within the distribution zone.	Yes	No
Waimana	Yes	No – Waimana WTP experienced short failures of UV disinfection. Component failure was for less than five minutes each time, but still breached the standards. Overall, the scheme met protozoa compliance for 84% of the year.	Yes	No
Ōhope	Yes	Yes	Yes	No
Whakatāne	Yes	Yes	Yes	No



Sewage Treatment and Disposal

Te rāwekeweke me te rukea o
te parakaingaki

SEWAGE TREATMENT AND DISPOSAL
TE RĀWEKEWEKE ME TE RUKEA O TE
PARAKAINGAKI

WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR:

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18
	\$000		
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	42	44	175
Targeted Rates	2,847	3,792	3,329
Subsidies and grants for operating purposes	-	-	-
Fees and Charges	152	157	119
Internal charges and overheads recovered	66	67	146
Local authorities fuel tax, fines, infringement fees, and other receipts	182	187	115
Sources of operating funding (A)	3,289	4,247	3,883
Applications of operating funding			
Payments to staff and suppliers	1,148	1,229	1,823
Finance costs	574	610	285
Internal charges and overheads applied	888	917	1,357
Other operating funding applications	-	-	-
Applications of operating funding (B)	2,610	2,756	3,465
Surplus (deficit) of operating funding (A-B)	679	1,491	418
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	208	1,497	-
Development and financial contributions	53	55	10
Increase (decrease) in debt	(37)	1,075	350
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	224	2,627	360
Capital expenditure			
- to meet additional demand	825	-	300
- to improve level of service	582	4,078	508
- to replace existing assets	2,903	669	1,049
Increase (decrease) in reserves	(3,409)	(630)	(1,079)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	901	4,117	778
Surplus (deficit) of capital funding (C-D)	(679)	(1,491)	(418)
Funding Balance ((A-B) + (C-D))	-	-	-

INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Sewage Treatment and Disposal	6,425,701	579,047	228,980	6,775,768	285,138

Sewage Treatment and Disposal

Te rāwekeweke me te rukea o te parakaingaki

Community Outcomes



Leadership

Roads and Footpaths

Water Supply

Sewage Treatment and Disposal

Stormwater Drainage

Solid Waste

Environmental Sustainability

Community Safety

District Growth

Recreation and Community Services

Corporate and District Activities

Council Controlled Organisations

A year in review

Wastewater Asset Management Plan reviewed

The Wastewater Asset Management Plan sets out a 10-year programme for the management of all wastewater assets in the District. It is typically reviewed every three years, alongside the Council Long Term Plan. This includes a defined methodology for planned maintenance and asset repair, as well as a forecast of the expected costs to maintain and replace assets. The Wastewater Asset Management Plan has been developed in accordance with the National Asset Management Steering (NAMS) Guidelines. The guidelines cover forecasted population growth, the level of service expected by customers, the condition of the asset and planned maintenance and replacement, which ensures a complete and consistent approach to the long-term planning of assets.

Ōhope Wastewater Treatment Plant upgrades

All wastewater ponds have been desludged, and the installation of wetlands has been completed at the Ōhope wastewater treatment ponds. Wetlands act like a filter, removing nutrients from the water, which means wastewater disposal is cleaner, safer, and in an environmentally responsible way. Further improvements will include a wastewater recirculation system between ponds and installation of new aerators in the aeration lagoon.

The resource consent issued by the Bay of Plenty Regional Council required Council to install ultraviolet (UV) treatment of effluent, before it is pumped to the sea outfall. The UV unit has been installed in a shed next to the ponds, and includes automation, pipes and supports for the UV filters and chemical cleaning unit.

COST OF SERVICE











	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	4,256	4,805	(549)	\$	Variance calculated on revised budget; includes budget revision for Ōhope desludging project (spend \$633k)
Revenue	4,001	3,748	(253)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	(256)	(1,058)	(802)	\$	
Capital Expenditure	1,420	1,858	(438)	\$	Variance calculated on revised budget; includes carry forwards and revisions

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Inflow Infiltration Reduction	100	100	108	Project complete.
Huna Road Development	-	320	205	Spending ahead of schedule, project scheduled for completion 2019.
Ōhope Wastewater Treatment Plant Upgrade	300	713	593	Electrical safety upgrades.
Edgecumbe pump station Upgrade and Storage	3500	-	-	This project did not progress this year.
Murupara Sewer Reticulation	250	30	-	Not required
Te Mahoe Install Screens	-	-	-	Budget not required. Expenditure incurred in 2016/17 year.

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
To provide high quality, efficient and reliable sewerage systems that are affordable and meet the reasonable needs of the urban and commercial communities	User satisfaction with the sewage system	90-95% Survey Results		NOT ACHIEVED 87% satisfaction (2016/17 result: 86%)
	Number of complaints received, per 1000 connections to the Council's sewerage system, about:			
	a) sewage odour*	a) 25 complaints per 1,000 connections		ACHIEVED 3.22 complaints about sewage odour per 1,000 connections (2016/17 result: 1.71)
	b) sewerage system faults*	b) 20 complaints per 1,000 connections		ACHIEVED 13.99 complaints about sewerage system faults per 1,000 connections (2016/17 result: 11.16)
	c) sewerage system blockages*	c) 25 complaints per 1,000 connections		ACHIEVED 16.25 complaints about sewerage system blockages per 1,000 connections (2016/17 result: 8.14)
	d) the Council's response to issues with our sewerage system*	d) 2 complaints per 1,000 connections		ACHIEVED 0.85 complaints received about the Council's response per 1,000 connections (2016/17 result: 0.67)
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system*	90% < 3 hours	UNABLE TO MEASURE (2016/17 result: 92%, 0.02h)	A new asset management system was introduced at the beginning of the 2017/18 year. Data reporting from the date of installation was unreliable. This resulted in the 'request for service' data being incorrectly recorded throughout the year as jobs were unable to be closed properly. Given the unreliability of the data for 2017/18 a result is unable to be provided. Council is continuing to work to improve the system to ensure correct data reporting for these performance measures in the future.
	Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system*	90% < 10 hours	UNABLE TO MEASURE (2016/17 result: 92%, 3h)	
Reduce the environmental impact of sewage through an efficient and uninterrupted sewerage system	Number of dry weather sewerage overflows from the Council's sewerage system per 1,000 connections*	25 overflows per 1,000 connections		ACHIEVED 1.94 overflows per 1,000 connections. Causes of dry weather overflow include tree roots, power outages and blockages in the system. (2016/17 result: 1.81)
	Number of:			
	a) abatement notices*	a) zero notices received		ACHIEVED Zero notices received (2016/17 result: zero notices)
	b) infringement notices*	b) zero notices received		ACHIEVED Zero notices received (2016/17 result: zero notices)
	c) enforcement orders*	c) zero orders received		ACHIEVED Zero orders received (2016/17 result: zero orders)
d) convictions* received by the Council in relation to the resource consents for discharge from our sewerage systems.	d) zero convictions received		ACHIEVED Zero convictions received (2016/17 result: zero convictions)	

* Mandatory measure

** Median time from job received to job completed unable to be measured for 2017/18 as service request information could not be closed properly while transitioning to a new system. The system has been set to begin recording this data moving forward.



Stormwater Drainage

Te awakeri o te wai
āwhiowhio

STORMWATER DRAINAGE
TE AWAKERI O TE WAI ĀWHIOWHIO

WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18		
	\$000				
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	395	449	339		
Targeted Rates	2,948	2,896	3,253		
Subsidies and grants for operating purposes	-	-	-		
Fees and Charges	-	-	1		
Internal charges and overheads recovered	1,189	1,218	1,698		
Local authorities fuel tax, fines, infringement fees, and other receipts	200	206	177		
Sources of operating funding (A)	4,732	4,769	5,468		
Applications of operating funding					
Payments to staff and suppliers	1,899	1,957	2,552		
Finance costs	1,192	1,161	906		
Internal charges and overheads applied	643	665	1,059		
Other operating funding applications	-	-	-		
Applications of operating funding (B)	3,734	3,783	4,517		
Surplus (deficit) of operating funding (A-B)	998	986	951		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-		
Development and financial contributions	26	27	31		
Increase (decrease) in debt	(628)	(261)	1,130		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Sources of capital funding (C)	(602)	(234)	1,161		
Capital expenditure					
- to meet additional demand	-	-	2		
- to improve level of service	1,007	984	1,327		
- to replace existing assets	53	80	539		
Increase (decrease) in reserves	(662)	(311)	244		
Increase (decrease) of investments	-	-	-		
Applications of capital funding (D)	398	753	2,112		
Surplus (deficit) of capital funding (C-D)	(998)	(986)	(951)		
Funding Balance ((A-B) + (C-D))	-	-	-		
INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Stormwater Drainage	20,416,372	1,849,891	719,601	21,546,662	906,394

Stormwater Drainage

Te awakeri o te wai āwhiowhio



A year in review

McAlister pump station upgrade complete

The McAlister stormwater pump station plays a key role in draining stormwater from the Whakatāne urban area. There are currently four separate pump stations that discharge stormwater into the Whakatāne River from the Apanui catchment. The McAlister pump station accounts for 70% of the total catchment pumping capacity.

This Apanui catchment area represents approximately one-third of the entire Whakatāne urban area. Stormwater pumping is critical in this catchment, because there are significant areas where the ground level is at or below the high tide level. The McAlister pump station upgrade increased the stormwater pumping capacity from just over 3,000 litres per second to almost 6,000 litres per second. This has increased the drainage capacity by about 65% and plays a key role in reducing the risk of flooding in the Apanui catchment.

The upgrade involved the construction of a 3-metre by 1-metre gravity bypass culvert (which discharges stormwater when the river level allows), significant pump station structural modifications and widening of the inlet screen from 7 metres to 12 metres and replacement of the three pumps with new, high-efficiency submersible pumps. The electrical and control systems were also replaced and upgraded.

Wainui Te Whara stream works

The final stage of the major flood protection works on the Wainui Te Whara Stream in Whakatāne began in October 2017. This project saw the stream channel through the urban area widened and deepened, increasing its flood flow capacity by at least 60 percent to approximately 32 cubic metres per second.

The contractor has completed approximately 1350 metres of channel reshaping work, representing 80% completion of the channel length. Progress on the channel cut slowed significantly in the latter part of the 2017/18 year due to a number of rain events that elevated the stream and prevented works in the stream base. During this period, outstanding rock protection work in the upper reaches was completed.

The reinstatement works continued into the 2018/19 year.

Comprehensive Stormwater Plan 2050

Council has begun the process of reviewing the management of the Whakatāne urban stormwater systems, including the quantity and quality of stormwater run-off. This is driven in part by the need to obtain a Comprehensive Stormwater Consent for the Whakatāne urban area. When approved by the Bay of Plenty Regional Council, the consent will enable Council to undertake stormwater-related activities for the entire urban catchment.

Council is also using this as an opportunity to plan for a stronger, more resilient stormwater system. As part of the comprehensive stormwater consent, Council is developing a stormwater management plan which is a 'live' document and includes the best treatment options and techniques for the future management of stormwater. This plan looks ahead to 2050, to encompass expected development and anticipated climate change impacts.

To date, this project has included improving the information Council has regarding stormwater infrastructure through a data cleansing process for stormwater and flood level modelling. Sediment and water sampling has begun, which will be used as part of an Assessment of Environmental Effects. Council has also begun engaging with community groups and organisations with different areas of expertise to support this project.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$'000	ACTUAL 2017/18 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	3,945	4,003	(58)	\$	Variance within 10% or \$20,000
Revenue	3,816	3,964	148	\$	\$4.8 million book entry associated with found assets
Net Cost Of Service Surplus/(Deficit)	(129)	(39)	90	\$	
Capital Expenditure	985	1,868	(883)	\$	Variance calculated on revised budget; includes carry forwards and revisions

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Wainui Te Whara	-	731	881	Projected overspend. Final project costs have escalated, due to additional channel protection measures required as part of consent. Additional consultant costs due to further assessment work required during the resource consent process.
Maraetōtara stream	-	25	22	Request carry forward of unspent budget for easements.
Wharekura stream works	20	20	3	In progress, request carry forward of unspent for Gabion baskets.
Hinemoa pump station and pipes	100	100	21	Carry over to 2019 approx. 30%, underspend as a result of modelling works coded to operational expenditure.
Pipe Upgrades (McAlister)	750	150	820	McAlister overspend. Works complete.
Upgrades Shaw/Huna Rd	-	-	-	Shaw Rd budget was revised, as deemed not required.
Peace Street Collector	-	140	33	Project on hold for modelling report, expected in 2018/19.

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Provide safe and reliable urban stormwater systems throughout Whakatāne District's urban areas, to protect properties and transport links from flooding	Number of flooding events in the District, and for each event, number of habitable floors affected	Four events. 10/1,000 habitable floors per event	✓	ACHIEVED Zero flooding events affecting habitable floors. (2016/17 result: zero*)
	The median response time to attend a flooding event**	80% in less than 3 hours		Not applicable for 2017/18 as there were no flooding events* (2016/17 result: 91%, 0.7h)
	Number of complaints received about the performance of the stormwater system per 1,000 connections	Less than 10 complaints per 1,000 connections***	✓	ACHIEVED 7.33 complaints per 1,000 connections (2016/17 result: 8.31)
Reduce the environmental impact of stormwater through an efficient and uninterrupted urban stormwater system	Number of:			
	a) abatement notices**	a) zero notices	✓	ACHIEVED Zero notices received (2016/17 result: zero)
	b) infringement notices **	b) zero notices	✓	ACHIEVED Zero notices received (2016/17 result: zero)
	c) enforcement orders**	c) zero orders	✓	ACHIEVED Zero orders received (2016/17 result: zero)
	d) convictions** received by the Council in relation to the resource consents for discharge from our stormwater system	d) zero convictions	✓	ACHIEVED Zero convictions received (2016/17 result: zero)

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

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

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

Council acknowledges that these definitions, and thus the results for this measure, do not reflect all of the impacts of the April 2017 Civil Defence emergency flooding events. More information about these events can be found on pages 14 - 15 of this Annual Report.

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

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

Solid Waste

Ngā Parapara

SOLID WASTE
NGĀ PARAPARA



WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18		
	\$000				
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	966	991	1,684		
Targeted Rates	4,416	4,530	2,477		
Subsidies and grants for operating purposes	-	-	128		
Fees and Charges	820	841	916		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	113		
Sources of operating funding (A)	6,202	6,362	5,318		
Applications of operating funding					
Payments to staff and suppliers	5,009	5,140	4,328		
Finance costs	214	199	141		
Internal charges & overheads applied	723	751	508		
Other operating funding applications	-	-	-		
Applications of operating funding (B)	5,946	6,090	4,977		
Surplus (deficit) of operating funding (A-B)	256	272	341		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-		
Development and financial contributions	-	-	2		
Increase (decrease) in debt	(241)	(244)	(248)		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Sources of capital funding (C)	(241)	(244)	(246)		
Capital expenditure					
- to meet additional demand	-	-	-		
- to improve level of service	-	11	-		
- to replace existing assets	15	26	-		
Increase (decrease) in reserves	3	(9)	95		
Increase (decrease) of investments	-	-	-		
Applications of capital funding (D)	18	28	95		
Surplus (deficit) of capital funding (C-D)	(259)	(272)	(341)		
Funding Balance ((A-B) + (C-D))	-	-	-		
INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Solid Waste	3,318,815	-	248,079	3,070,736	140,916

Solid Waste Ngā Parapara



A year in review

Kiwifruit vine compost blend

Throughout the 2017/18 year, Council has been used to create a unique composting blend that turns three different types of waste into a reusable product. This process takes Kawerau papermill waste product, greenwaste and kiwifruit orchard waste and turns it into a safe and effective composting material.

Wild kiwifruit vines can occur from birds eating orchard waste and excreting the seeds, which causes a biosecurity problem. As the temperature of the composting process is high, it makes the seeds inert and also kills the PSA virus. The resulting compost is therefore safe to put back on kiwifruit orchards.

Disaster Waste Management Planning Tool

The Solid Waste Manager has been working alongside Civil Defence Bay of Plenty and other councils (including the Bay of Plenty Regional Council, Tauranga City, Western Bay of Plenty, Kaikoura and Christchurch), to develop a Disaster Waste Management Planning Tool. After the severe weather events in Edgumbe in 2017, an extra 7,000 tonnes of waste had to be disposed of.

The Planning Tool includes guidance about what resources are needed, how to acquire the extra resources and how to manage the different waste streams, including normal household, hazardous, silt and sludge waste. The purpose of the Planning Tool is to assist councils to be as prepared as possible to manage waste in an emergency event.

New Waste Management and Minimisation Bylaw

A new bylaw to manage and minimise the District's waste came into force on 1 April 2018. A template was designed, in collaboration with the wider Bay of Plenty and Waikato regions, to ensure the bylaws are as similar as possible, where appropriate. This helps to streamline the process for waste operators to follow as they work across the regions.

The bylaw also created a framework that would allow Council to license waste operators in the future, if required. The would ensure that Council could gather and record data on the types of waste collected and where it is disposed of.

Event waste management

Events can create a lot of waste, and event organisers need to ensure that all the waste is properly managed and disposed of appropriately. Standard council litter bins are designed for day-to-day use, and will not be sufficient to handle the volumes of waste an event can create.

Council's new Waste Management and Minimisation Bylaw requires that an Event Waste Management Plan needs to be submitted to Council for approval for any event that expects 1,000 or more attendees. However, it is always helpful to create an Event Waste Management Plan, regardless of the turnout expected.

To help with event waste, Council has waste stations that are available for events to use at no charge. This provides an effective way to manage rubbish, glass, recycling and compost. The event waste stations proved to be popular during the 2017/18 summer events season.

COST OF SERVICE




	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	4,943	5,077	(134)	\$	Variance within 10% or \$20,000
Revenue	5,110	5,319	209	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	167	242	75	\$	
Capital Expenditure	35	-	35	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Burma Rd Landfill Restoration	10	10	-	Request carry forward of funds for completion in 2019.
Landfill leachate pump station	25	25	-	Request carry forward of funds for completion in 2019.

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Waste Minimisation is actively promoted within the community	Decrease in the amount of Council controlled solid waste sent to landfill	10,900 tonnes sent to landfill		NOT ACHIEVED 12,941 tonnes sent to landfill. The waste resulting from the April 2017 floods continued to be cleaned up and sent to landfill in the 2018 financial year. (2016/17 result: 16,777 tonnes)
The community has access to affordable kerbside collection, waste disposal and recycling facilities	User satisfaction with refuse disposal (transfer station facilities)	85-89% Survey Result		ACHIEVED 85% user satisfaction (2016/17 result: 92%)
	User satisfaction with the kerbside waste collection service	89-93% Survey Result		ACHIEVED 93% user satisfaction (2016/17 result: 93%)



Environmental Sustainability

Toitū o te Taiao

RESOURCE MANAGEMENT – POLICY
WHAKAHAERE RAWA – KAUPAPA HERE

RESOURCE MANAGEMENT – CONSENTS
WHAKAHAERE RAWA - WHAKAAETANGA

WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18		
	\$000				
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	1,703	1,536	1,602		
Targeted Rates	-	-	-		
Subsidies and grants for operating purposes	-	-	-		
Fees and Charges	282	289	178		
Internal charges and overheads recovered	-	-	-		
Local authorities fuel tax, fines, infringement fees, and other receipts	104	106	157		
Sources of operating funding (A)	2,089	1,931	1,937		
Applications of operating funding					
Payments to staff and suppliers	1,209	1,035	1,087		
Finance costs	172	157	111		
Internal charges and overheads applied	639	659	721		
Other operating funding applications	-	-	-		
Applications of operating funding (B)	2,020	1,851	1,919		
Surplus (deficit) of operating funding (A-B)	69	80	18		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-		
Development and financial contributions	-	-	-		
Increase (decrease) in debt	(255)	(271)	(281)		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Sources of capital funding (C)	(255)	(271)	(281)		
Capital expenditure					
- to meet additional demand	-	-	-		
- to improve level of service	-	-	-		
- to replace existing assets	-	-	-		
Increase (decrease) in reserves	(187)	(192)	(264)		
Increase (decrease) of investments	-	-	-		
Applications of capital funding (D)	(187)	(192)	(264)		
Surplus (deficit) of capital funding (C-D)	(69)	(80)	(18)		
Funding Balance ((A-B) + (C-D))	-	-	-		
INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Environmental Sustainability	2,624,027	-	281,342	2,342,686	111,415

Resource Management – Policy Whakahaere Rawa – Kaupapa here

Community Outcomes



Leadership
Roads and Footpaths
Water Supply
Sewage Treatment and Disposal
Stormwater Drainage
Solid Waste
Environmental Sustainability
Community Safety
District Growth
Recreation and Community Services
Corporate and District Activities
Council Controlled Organisations

A year in review

Keepa Road plan change

The Council accepted a private proposed plan change from Lysaght Developments to rezone industrial land to residential land at 23 and 45 Keepa Road, Whakatāne, which was notified on 9 March 2018. Council received 34 submissions and 12 further submissions covering flooding, contamination, cultural effects and geotechnical issues. Currently, the applicant is getting further reporting completed in response to the submissions. After reports are collated, a pre-hearing meeting will be held to discuss the reports and issues in the submissions. A hearing will be held later in the 2018/19 year.

The Council has sought to reduce the high loss-of-life risk through planning provisions, as it is required to do under the terms of the Resource Management Act 1991 and subsequent amendments; and the Bay of Plenty Regional Council's Regional Policy Statement.

The proposed District Plan change would change the residential zoning of 45 properties (34 of which are privately-owned) which are assessed as having a high loss-of-life risk. This would prevent any future development in the fanhead area. The proposed Regional Natural Resources Plan change would remove existing use rights for 18 properties and require inhabited properties to be vacated within a specified timeframe.

Awatarariki plan change

In June 2018, the Awatarariki Fanhead plan change was publicly notified, seeking the identification of the Awatarariki Debris Flow Policy Area, including a "high risk", "medium risk" and a "low risk" area, and rezoning the high risk area from Residential to Coastal Protection Zone.

Alongside the plan change processes, Council has prepared a business case and acquisition strategy to support a managed retreat from the high risk area. Council, Regional Council and Government representatives have been working together to identify options and potential funding sources for a managed retreat and property purchase package.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,071	967	104	\$	Variance within 10% or \$20,000
Revenue	1,127	1,125	(2)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	56	158	102	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

WHAT WE DELIVERED How we performed against our target

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Growth and Development is planned while our natural and physical resources are managed in a sustainable manner	Status of second generation Whakatāne District Plan	Plan made operative	✓	ACHIEVED Second Generation of the Whakatāne District Plan is operative. (2016/17 result: not measured)



Resource Management – Consents

Whakahaere Rawa – Whakaaetanga

A year in review

Resource Consent applications

During 2017/18, the Resource Management team made decisions on 56 land use consents, 30 subdivision consents, and 1 land use consent required by the National Environmental Standard.

Notable resource consents include:

- Bay of Plenty Regional Council, for the subdivision of land to enable the strengthening of the College Road stop bank damaged by the April 2017 floods and road realignment in Edgcombe.
- Extreme Boats, to establish a Marine Construction Precinct in Thornton Road. Consent was granted for a Site Development Master Plan, providing certainty to the Applicant on business growth opportunities, and certainty to the local community and Council on the scale and nature of future development.
- Housing New Zealand, for the redevelopment of housing stock in Kirk Street.
- Whakatāne District Council's subdivision of the Opihi Block on Bunyan Road was completed, separating the reserve and landscape buffer areas from the remainder of the land, to enable the developers to acquire the main block.

- Creswell NZ Limited, to vary an existing resource consent to allow a large increase in the scale of water bottling on the property at 57 Johnson Road, Otakiri. The independent commissioners' decision was to approve the variation, subject to a significant number of conditions. A number of groups appealed both Council and the Bay of Plenty Regional Council's decisions. The Environment Court has directed that appeals are placed "on hold" while both Councils file and serve a joint reporting memorandum. This is due by 12 October 2018, and will be referred to the presiding judge for directions.

Throughout 2017/18 work continued on:

- A subdivision application for Piripai Rise, being a 26-lot residential subdivision next to the Council's Opihi land in Bunyan Road;
- Monitoring for compliance with consent conditions for the Kopepeo Canal remediation.

Changes to the Resource Management Act 1991

A number of changes to the way resource consents are assessed under the Resource Management Act 1991 came into effect on 18 October 2017. The Planning Consents team made the required changes to forms, templates, processes and the information provided to applicants and the general public. The changes allowed for:

- Fast track consents;
- Activities that are deemed to be permitted and do not require resource consent include boundary activities, temporary or marginal infringements; and
- Changes to consent appeals, notification and objection processes.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$'000	ACTUAL 2017/18 \$'000	VARIANCE \$'000		MAJOR VARIANCE EXPLANATION
Expenditure	956	991	(35)	\$	Variance within 10% or \$20,000
Revenue	956	812	(144)	\$	Consent applications lower than budgeted
Net Cost Of Service Surplus/(Deficit)	-	(179)	(179)	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Resource Management Act (RMA) administrative services are provided to facilitate environmentally sustainable development within the Whakatāne District	User satisfaction with Council's resource consent process (Customer Satisfaction Index score sourced from targeted postal survey)	63-67/100 Survey Results	✓	ACHIEVED 67.5/100 (2016/17 result: 78.7/100)
	Time for processing non-notified land use resource consents	15 days	✗	NOT ACHIEVED Average 16.6 days. Unfilled staff vacancies are impacting on processing time. (2016/17 result: 13.69 days)
	Time for processing non-notified subdivision resource consents	20 days	✓	ACHIEVED Average 18.2 days (2016/17 result: 14.06 days)
	Land use consents granted in the previous financial year are monitored for compliance with conditions of consent	100%	✓	ACHIEVED 100% (2016/17 result: 100%)



Community Safety

Te whakamaru o tū

LICENSING (ALCOHOL AND GAMBLING)
RAIHANA (WAIPIRO ME TE PETI)

ENVIRONMENTAL HEALTH
KIA HĀUROA AI TE HĀPORI

REGULATION MONITORING
AROTAKE AROMATAUWAI

BUILDING
HANGATANGA

ANIMAL CONTROL
TAKE KARAREHE

EMERGENCY MANAGEMENT
MAHI WHAKAMARUMARU

WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18
	\$000		
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,694	1,610	2,896
Targeted Rates	-	-	-
Subsidies and grants for operating purposes	5	5	1,832
Fees and Charges	1,102	1,131	1,517
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	410	421	(2,075)
Sources of operating funding (A)	3,211	3,167	4,170
Applications of operating funding			
Payments to staff and suppliers	1,923	1,850	5,173
Finance costs	-	-	-
Internal charges and overheads applied	1,182	1,215	1,469
Other operating funding applications	-	-	-
Applications of operating funding (B)	3,105	3,065	6,642
Surplus (deficit) of operating funding (A-B)	105	101	(2,472)
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	72	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(2)	(2)	(2)
Gross proceeds from sale of assets	-	-	-
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	70	(2)	(2)
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	103	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	72	99	(2,474)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	175	99	(2,474)
Surplus (deficit) of capital funding (C-D)	(105)	(101)	2,472
Funding Balance ((A-B) + (C-D))	-	-	-

INTERNAL BORROWING BY GROUP					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Community Safety	1,946	-	1,946	(0)	83

Licensing (Alcohol and Gambling) Raihana (Waipiro me te Peti)

Community Outcomes



Leadership

Roads and Footpaths

Water Supply

Sewage Treatment and Disposal

Stormwater Drainage

Solid Waste

Environmental Sustainability

Community Safety

District Growth

Recreation and Community Services

Corporate and District Activities

Council Controlled Organisations

A year in review

Alcohol licensing applications

In 2017/18, the District Licensing Committee received 324 applications, 38 more than were received in 2016/17. Decisions were made on 327 applications (some of which had been received in the previous financial year).

There were four new On Licenses and three new Off Licenses issued to completely new premises. As at 30 June 2018, there are 94 licensed premises in the District, and 250 people hold manager's certificates.

There were four hearings in 2017/18, one relating to a special licence, two regarding manager's certificates, and one relating to an off licence.

During 2017/18, Council's Licensing Officer continued to assist Ōpōtiki and Kawerau District Councils with their licensing requirements.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	240	231	9	\$	Variance within 10% or \$20,000
Revenue	240	284	44	\$	Applications were higher than expected, with a large number of special licenses
Net Cost Of Service Surplus/(Deficit)	-	53	53	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Licensed premises comply with the Sale and Supply of Alcohol Act 2012	Regular inspections of licensed premises	100% annually	✓	ACHIEVED 100% of licensed premises inspected. Some premises visited more than once. (2016/17 result: 100%)
	Regular controlled purchase operations are conducted	2 operations annually	✗	NOT ACHIEVED 1 operation was initiated. Only Police can initiate Controlled Purchase Operations, and this year they have only initiated 1. (2016/17 result: zero)



Environmental Health

Kia Hāuroa ai te hāpori

A year in review

Food Verification Agency Certificate

In September 2017, Council received its formal Notice of Recognition to carry out verification of National Programme Food Operators, after taking advantage of the fast track, no fee application option that the Ministry for Primary Industries made available to Council staff across the country. This approval allows Council to assess National Plan Food Operators, such as dairies, and verify that they are operating in line with the requirements under the Food Act 2014 that are specific for different types of food operators. This is additional to Council's other responsibilities under the Food Act 2014.

The Notice of Recognition is conditional and will expire in February 2019. The conditions include ensuring there is a trained and competent staff member available to do the verification work; and that a Quality Management System is implemented and maintained. Council currently has two staff members available to undertake the verification work. Council has also committed to

developing a Quality Management System, as required, and commenced work to have this externally-audited.

Since this authority was received, several local food operators have been in contact to arrange for verification work to be undertaken.

Responding to noise complaints

Council responds to complaints of unreasonable or excessive noise at any time of the day or night. Both the Resource Management Act 1991 and the District Plan contain rules about noise. In 2017/18, Council received a total of 713 noise complaints. Of the complaints received, there were 64 verbal Excessive Noise Directions issued, and 109 written Excessive Noise Directions issued. Four noise complaints resulted in the seizure of equipment by Police. On investigation, 536 of the noise complaints received in 2017/18 were deemed to not be excessive.

December 2017 and January 2018 were the busiest months for noise complaints, with 98 complaints received in December, and 103 complaints received in January.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	376	334	42	\$	Variance within 10% or \$20,000
Revenue	376	397	21	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	-	63	63	\$	
Capital Expenditure	-	-	-	\$	

Key: \$ Favourable \$ Unfavourable

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Community Environmental Health values are maintained or enhanced	After hours excessive noise complaints responded to promptly*	90%	✓	ACHIEVED 92% of complaints responded to promptly (2016/17 result: 95%)
	Environmental health complaints (excluding noise) responded to in a timely manner	100% within 2 working days	✗	NOT ACHIEVED 95% - One complaint was missed due to a lack of familiarity with the complaints database system.(2016/17 result: 75%)
	Food premises are regularly inspected and registrations are issued	100% annually	✓	ACHIEVED 100% of food premises inspected (2016/17 result: 100%)

*promptly in terms of timeframes is defined for each definition area in the LTP 2015-25 as follows:

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

Regulation Monitoring Arotake aromatauwai



A year in review

Enforcing Council's bylaws

Council officers continued to enforce bylaws and respond to community concerns throughout 2017/18, including the new bylaws that came into force in 2018. The most common service requests relate to abandoned cars, illegal dumping (known as 'fly-tipping'), overhanging vegetation and fire hazards.

The number of abandoned car complaints rose to 120 in 2017/18, which may be related to the price of steel dropping, as unwanted cars are no longer worth as much to sell. Council officers collect and dispose of abandoned vehicles.

Collaborating to reduce litter

In 2017/18, Council continued its arrangement with Department of Corrections Probation Services to provide community work gangs to respond to litter complaints. This includes street clean-up and disposal. In cases of illegal dumping, evidence to identify the offender is looked for and, if found, is given to Council for prosecution.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	77	76	1	\$	Variance within 10% or \$20,000
Revenue	77	82	5	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	-	6	6	\$	
Capital Expenditure	-	-	-	\$	

Key: \$ Favourable \$ Unfavourable

WHAT WE DELIVERED How we performed against our target

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
The Council administers and enforces bylaws to deal with issues that create nuisance to the community	Time taken to respond to complaints relating to abandoned cars, litter or general bylaw offences	100% within 2 working days	<p>NOT ACHIEVED</p> <p>96% nine out of 268 service requests were not actioned within timeframes. Staffing levels and prioritising urgent call-outs was the cause of most 'not achieved' results. Staff are exploring options to mitigate this issue.</p> <p>(2016/17 result: 90%)</p>

Building Hangatanga

A year in review

Alpha One online building consents

It has been an eventful year for the building team with lots of changes – one in particular being our progression from paper-based building consents to our online consent system Alpha One. We passed the one year milestone with Alpha One in June. Alpha One was implemented to streamline the consent process, which will provide a far more efficient and effective service going forward. Additional consent applications relating to flood-damage resulted in the issuing of a total of 744 building consents between July 2017 and June 2018.

Audit of the Building Consent Authority

In December 2017, IANZ conducted an audit of Council's Building Consent Authority. The purpose of this is to ensure Council has, and consistently and effectively implements, all policies, procedures and systems to perform its building control functions. The audit identified five Corrective Action Reports that Council had to remedy before passing the audit. Most were relatively minor, with the most significant relating to how we processed the flood-related building consents following the April 2017 floods.

Significant work was required to gather evidence to satisfy all five Corrective Action Reports. Ultimately, all were cleared, allowing the Council to retain its Building Consent Authority registration and ability to process, issue and inspect building consent work.

Major consent applications underway

Two of the more complex consents that we have been working on completing in this financial year have been for our Museum on Boon Street and the comprehensive revamp of Ōhope Beach School.

The Whakatāne Museum's consent saw the building refurbished, extended, and seismic strengthening achieved, at an estimated cost of \$3 million. The consent was first issued in December 2016 and is due to be assessed for code compliance in 2018/19.

The Ōhope School building consent involved the construction of a new school building following the demolition of the existing building. The consent was issued on 30 May 2017, with an estimated project value of \$5.7 million. A certificate of public use has been issued, meaning that the new school classrooms are able to be occupied. The project is in its final stages, and is soon to be assessed for code compliance.



COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,200	2,379	(179)	\$	Variance within 10% or \$20,000
Revenue	2,400	2,595	195	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	200	216	16	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
High quality outcomes for building consent and code compliance applications are provided in a timely and professional manner	User satisfaction with the process Council used for a building consent (Customer Satisfaction Index score sourced from targeted postal survey)	76-80/100 Survey Results	X	NOT ACHIEVED 70.33/100 - Unfilled staff vacancies are impacting on processing time. (2016/17 result: 81.2/100)
	Time for processing building consents	15 working days		UNABLE TO MEASURE A new online building consents system, AlphaOne, was introduced on 1 July 2017. From the date of installation there have been teething issues, specifically relating to the recording of processing times. These issues have led to unreliable data, meaning a result for 2017/18 is unable to be provided. Further investigation identified a system error which has since been corrected. Council is continuing to work with AlphaOne to improve the system, and to ensure robust and transparent data reporting for this performance measure in the future. This performance measure does not measure the quality of technical decisions which are the basis on which building consents (with any specific conditions) are issued. (2016/17 result: 12.98 working days)
	Retain accreditation as a Building Control Authority	Retain accreditation	✓	ACHIEVED Accreditation retained. (2016/17 result: accreditation retained)

Animal Control *Take Kararehe*

A year in review

Education Programme Working Group

Animal Control staff have been involved in a working group with the Department of Internal Affairs, SPCA, SOLGM, Veterinary Association and animal control management from other councils. The purpose of this working group is to formulate a public education programme and support for local councils in the dog control space. The main focus areas are educating children about appropriate behaviour; educating the non-dog owning public, particularly those in high risk occupations, about how to keep themselves safe; and responsible dog ownership. This collaborative effort promotes a consistent approach and messaging across councils.

Responding to community requests

Council's animal control staff continued to respond to complaints and requests for service from the community throughout the 2017/18 year. A total of 354 infringement notices were issued, with the majority being for unregistered dogs. The remaining infringement notices were for aggressive dogs and other offences.

Animal control staff responded to 2,505 service requests across the District. These requests related to aggressive, roaming or barking dogs, stock complaints and welfare issues. The most common service requests related to lost, found or collected animals, totalling 866 service requests during the year.

Collaborative animal control

Following the success of Council's partnership with Ngāti Manawa, which saw the iwi taking over day-to-day animal control and other activities in Murupara and surrounding areas, Council has been approached by other iwi groups interested in similar arrangements. Animal control staff continue to be willing to work in partnership with iwi groups and community representatives, providing support and training as necessary.

Free dog de-sexing programme continues

Council continued to offer free de-sexing of certain breeds of menacing dogs in 2017/18, thanks to funding received from central Government. This applies to the Brazilian fila, dogo Argentino, Japanese toso, perro de presa canario, and American pit bull terrier breeds.

Council reviewed and adopted a new Dog Control Bylaw in June 2018. The bylaw makes it mandatory for all menacing dogs to be de-sexed. Animal control staff have been preparing to implement this new requirement, which came into force at the start of the 2018/19 year. This may see an increase in uptake of the free de-sexing offer.



COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	708	711	(3)	\$	Variance within 10% or \$20,000
Revenue	712	703	(9)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	4	(8)	(12)	\$	
Capital Expenditure	80	-	80	\$	Project deferred to 2019

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne Dog Pound Extension	80	80	-	Project did not commence this financial year. Request budget to be carried forward to 2019.

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Public safety and comfort is protected	Aggressive/threatening dogs and roaming stock complaints responded to immediately	100% < 1 hour	<p>NOT ACHIEVED</p> <p>99.5% responded to in less than an hour. One out of 215 service requests were not responded to within one hour. Staff were responding to another service request when a second service request came through. (2016/17 result: 99%)</p>
	All other animal control complaints responded to in a timely manner	100% < 2 working days	<p>NOT ACHIEVED</p> <p>99.56% responded to in less than two working days. 10 out of 2,291 service requests were not responded to within 2 working days. Prioritising urgent call-outs over recording job progress into Council's reporting system was the cause of most of the 'not achieved' results, and not a failure to complete the job within the agreed timeframes. Work continues to improve the recording processes in the future. (2016/17 result: 99%)</p>



Emergency Management Mahi Whakamarumarū

A year in review

Civil Defence alert system testing

The Bay of Plenty Emergency Management team tested its Civil Defence alert system on 24 May 2018. It is important to note that this alert system is for all emergency events, not just tsunamis. In a civil defence emergency, the key message is to listen to your radio for updates.

Engaging with the community

Through Emergency Management Bay of Plenty, the Council aims to actively engage with the wider community to increase the level of awareness, preparedness and resilience in terms of dealing with a Civil Defence emergency. In 2017/18, the following Emergency Management initiatives were undertaken to engage with the community:

- Attended 2 days at Business and Leisure Show
- Continued engagement to complete Community Response Plan and provided a draft Community Guide for Murupara
- Held a Marae Emergency Preparedness Planning Workshop at Te Rūnanga o Ngāti Manawa in Murupara for affiliated Marae
- Development of Community Guide for Waimana – provided draft
- Development of Community Guide for Matatā – provided draft
- Held public meeting with Tāneatua Community to begin the Community Response Planning process.

- Presented at a public key community leaders meeting at Te Tapenakara Mo Te Iwi (Clinic)
- Attended a number of meetings with the Maungaronga (Ōhope) Marae Committee, for Marae Emergency Preparedness Planning.

Civil Defence training

The Council is a member of the Bay of Plenty Emergency Management Group. In a civil emergency, Council staff help to coordinate emergency services, welfare service agencies, utility companies and the community, and provide ongoing support in the recovery phase. To make sure we are well-equipped to help our community, Council staff undergo training to be as prepared as possible. In the 2017/18 year, Council staff participated in a number of National Integrated Training (ITF) courses:

- 16 people completing the 4-hour ITF Foundation Course Online
- 3 ITF Intermediate Courses were run in WDC during the financial year, 37 participants completed the 2-day course.
- 1 participant attend the ITF Logistics Pilot,
- 1 staff member has completed the ITF Civil Defence Centre Training Course
- 62 participants took part in 3-hour Tier 2 Practice Exercises - Ruapehu 1 and Ruapehu 2
- 44 participants attended Civil Defence Induction sessions
- 37 participated in Emergency Operation Centre familiarisation
- 1 person completed the Massey Controllers Development Programme.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,436	3,040	(1,604)	\$	Costs associated with the Edgecumbe Flood
Revenue	1,534	109	(1,425)	\$	Costs associated with the Edgecumbe Flood; reversal of revenue accrued in 2017
Net Cost Of Service Surplus/(Deficit)	98	(2,931)	(3,029)	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Council is ready to respond to a Civil Defence Emergency and is able to function for as long as required during an emergency	Roles have been identified and staffed for 24 hour operation of the Emergency Operation Centre / Emergency Communications Centre and staff are trained to the appropriate level agreed by the Civil Defence Emergency Management Group	85% of roles filled	✓ ACHIEVED 93% of roles filled (2016/17 result: 93%)
		85% of staff trained	✓ ACHIEVED 88% of staff trained (2016/17 result: 95%)
Council actively engages with the wider community to increase the level of awareness, preparedness and resilience	Initiatives delivered to promote community resilience and safety	8 initiatives delivered per annum	✓ ACHIEVED 9 initiatives delivered (2016/17 result: 11 initiatives delivered)

District Growth

Whakatipuranga o te rohe

STRATEGIC PROPERTY
RAUTAKI-A-RAWA

BUSINESS AND ECONOMIC DEVELOPMENT
*WHAKAWHANAKETANGA PĀKIHI ME TE
ŌHANGA*

EVENTS AND TOURISM
PĀPONO ME TE TĀPOI



WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18
	\$000		
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	934	984	808
Targeted Rates	442	454	663
Subsidies and grants for operating purposes	47	48	6
Fees and Charges	2,537	2,603	2,595
Internal charges and overheads recovered	204	210	147
Local authorities fuel tax, fines, infringement fees, and other receipts	28	39	132
Sources of operating funding (A)	4,192	4,338	4,351
Applications of operating funding			
Payments to staff and suppliers	1,347	1,371	1,995
Finance costs	6	6	6
Internal charges and overheads applied	770	793	829
Other operating funding applications	-	-	-
Applications of operating funding (B)	2,123	2,170	2,830
Surplus (deficit) of operating funding (A-B)	2,069	2,168	1,522
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(7)	(7)	(8)
Gross proceeds from sale of assets	-	-	536
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	(7)	(7)	528
Capital expenditure			
- to meet additional demand	-	-	24
- to improve level of service	-	-	452
- to replace existing assets	85	102	10
Increase (decrease) in reserves	1,975	2,058	1,564
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	2,060	2,160	2,050
Surplus (deficit) of capital funding (C-D)	(2,069)	(2,168)	(1,522)
Funding Balance ((A-B) + (C-D))	-	-	-

INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
District Growth	136,622	-	7,620	129,003	5,801

Strategic Property Rautaki-a-Rawa



A year in review

Sale of 77 Bunyan Road

In late 2017, the Council reached agreement to sell its land at 77 Bunyan Road to a partnership of very experienced Bay of Plenty developers. This partnership has been formed specifically to develop this strategically important, 27-hectare coastal property. The land will be used for residential and lifestyle village development. The anticipated total value of the development, once complete, is approximately \$250 million and it will feature approximately 280 residential lots, and six hectares of land developed for lifestyle and retirement use, retail, community facilities and open spaces. It also includes the formation of a protective Urupa buffer area which will be located between the land set aside for development and the Opihi Whanaungakore Urupa to the west. A management plan for the area is being developed in consultation with the Opihi Whanaungakore Trustees.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	669	1,159	(490)	\$	Divestment expenses (predominantly Opihi) 4 loss on disposal of asset \$90k, revaluation adjustments \$150k
Revenue	2,219	3,541	1,322	\$	Gain revaluation adjustment on Strategic Property (\$1.16 million)
Net Cost Of Service Surplus/(Deficit)	1,550	2,382	832	\$	
Capital Expenditure	86	448	(362)	\$	Unbudgeted purchase of 58 The Strand and 31 Quay Street

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
60 Bunyan Rd Woodwaste Remediation	-	100	5	Project plan is being developed and consultants will be engaged shortly. Iwi engagement has begun. Carry forward of 50k into 2019 anticipated.



A year in review

Supporting business development

During the year, Council has continued to support new and existing local businesses. Council representatives attended monthly meetings with the Chamber of Commerce, Early Sparks and Business after 5 and other Chamber events. The Business Development Advisor liaised with, and provided support for, over 60 new or growing businesses in the District, and attended some 80 industry or stakeholder events.

Visitor Economy Strategy complete

Led by the Bay of Connections, the Toi Moana Regional Growth Study – Visitor Economy Strategy for the Eastern Bay of Plenty, was completed in December 2017. This formed part of the Regional Visitor Economy Strategy, alongside Rotorua, Taupō, and the Western Bay of Plenty, which includes the Western Bay of Plenty District and Tauranga City.

The strategy highlights a need to provide a more coordinated and cohesive marketing model, and new

approaches to marketing the destination and promoting the diversity of experiences on offer will be required. There is also a need for significant improvement in the quality and quantity of key infrastructure, to support existing visitor demands and enable further growth. It is intended that this will be achieved by increased investment from both the public and private sector.

The strategy identifies key tourism projects at the sub-regional level which have the potential to act as catalysts for the further growth of the tourism economy.

Regional Growth Leadership Group formed

The Regional Growth Leadership Group is a collaboration between the Mayors of the three Eastern Bay of Plenty Councils, the Mayor of the Western Bay of Plenty District Council, the Chair of the Bay of Plenty Regional Council, the Chair of Toi Economic Development Agency and local iwi representatives. Hon Kiri Allan, Member of Parliament, and Sir Michael Cullen sponsor the project. The purpose of this group is to discuss and collectively support regional economic development and growth priorities, focus areas and initiatives, and to ensure that these create local jobs and improve underlying social issues in the Eastern Bay of Plenty.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	534	561	(27)	\$	Variance within 10% or \$20,000
Revenue	542	576	34	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	8	15	7	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Facilitate a thriving and vibrant local community with a prosperous economy	Satisfaction with Council's efforts to attract and expand business in your area	38-42% survey results	✓	ACHIEVED 51% satisfied (2016/17 result: 49%)
	Satisfaction with Council's efforts to attract and retain residents into the District	48-52% survey results		No result available this year. (2016/17 result: 54%)

Events and Tourism

Pāpono me te Tāpoi



A year in review

Showcasing our District

Major marketing campaigns were run between November 2017 and April 2018, targeting the family holiday market, along with an older, upwardly-mobile demographic, during the shoulder season when there is accommodation capacity and excellent weather.

The summer/autumn campaigns, 'Nothing and Everything', and 'Our Autumn Summer', were very successful, reaching a large audience through print, online and social media platforms, and an Auckland bus campaign.

More-targeted campaigns included highlighting what our District has to offer for the keen golfer or angler. A Fishing in Godzone magazine write-up featured fishing in Whakatāne, while the District's golfing opportunities were promoted at a number of Auckland clubs and appeared in the NZ Golf Lifestyle and Leisure magazine.

Harnessing the tourism potential of Whakaari/White Island

Our proximity to New Zealand's most active volcano, Whakaari/White Island has been harnessed in the promotion of Whakatāne as the 'gateway to White Island', as part of a wider project. Whakaari/White Island itself is a well-known tourist destination and this project seeks to make more of a connection between the township and the volcano, with the intention of encouraging people to stay in the District longer. Two billboards and 38 new transport signs have been installed to highlight the 'gateway to White Island' branding and imagery. Merchandise featuring the new branding has been created for sale at the i-SITE.

A busy year of events

Members of Emirates Team New Zealand brought the Americas Cup to Edgecumbe in October 2017. The event at the Edgecumbe Town Hall was attended by approximately 500 people of all ages, despite bad weather, with activities including a question and answer time with Team New Zealand, and an opportunity for people were able to take pictures with the Americas Cup.

The Whai Ora Spirited Women adventure race took place in March 2018. Traveling together, teams of four navigated around a secret course by foot, mountain bike and kayak, completing a few mystery activities along the way. Over 380 teams took part, including three from Australia, bringing more visitors to the district during a busy events season.

Annual favourites made a return in 2017/18, including the Local Wild Food Challenge Festival, Sunshine and a Plate Festival, Toi's Challenge, the Oxfam Trail Walker event, the Junior Rugby League Festival and Junior Rugby Tournament.

COST OF SERVICE



	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,370	1,372	(2)	\$	Variance within 10% or \$20,000
Revenue	1,277	1,250	(27)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	(93)	(122)	(29)	\$	
Capital Expenditure	21	37	(16)	\$	Variance within 20% or \$50,000

Key:  Favourable  Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
New Christmas Lights	21	20	37	No external funding received. Project completed.

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Promotions that encourage increased numbers of international and domestic visitors, while local events create a vibrant District	Satisfaction with the efforts Council makes to attract visitors or tourists to the area	69-73% survey results		ACHIEVED 71% satisfied (2016/17 result: 71% satisfied)
	Satisfaction with Council's efforts to enable and promote events	63-67% survey results		ACHIEVED 72% satisfied (2016/17 result: 72%)

Recreation and Community Services

Te Whare Tapere me ngā rātonga hāpori

LIBRARIES
NGĀ WHARE PUKAPUKA

MUSEUM AND ARTS
*WHARE TAONGA ME TE
TOI*

PENSIONER HOUSING
*PENIHANA MŌ NGĀ
WHARE*

HALLS
NGĀ HŌRO

PARKS, RESERVES,
RECREATION AND
SPORTSFIELDS
*PAPA RĒHIA, WHENUA
RAHUI ME NGĀ PAPA
TĀKARO*

CEMETERIES AND
CREMATORIUM
*URUPĀ ME NGĀ WHARE
TAHU TŪPĀPAKU*

PUBLIC CONVENIENCES
*WHARE PAKU ME TE
HĪRERE*

AQUATIC CENTRES
NGĀ WHARE KAUKAU

PORTS AND HARBOUR
*TUMU HERENGA WAKA
ME TE MOANA*

COMMUNITY
DEVELOPMENT
*WHAKAWHANAKETANGA
HĀPORI*



WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18
	\$000		
OPERATIONAL			
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	9,327	9,533	9,300
Targeted Rates	17	18	-
Subsidies and grants for operating purposes	363	373	311
Fees and Charges	1,425	1,471	1,941
Internal charges and overheads recovered	1,095	1,161	2,271
Local authorities fuel tax, fines, infringement fees, and other receipts	173	178	1,255
Sources of operating funding (A)	12,400	12,734	15,078
Applications of operating funding			
Payments to staff and suppliers	6,768	6,927	8,527
Finance costs	707	691	594
Internal charges and overheads applied	4,468	4,553	5,779
Other operating funding applications	-	-	-
Applications of operating funding (B)	11,943	12,171	14,900
Surplus (deficit) of operating funding (A-B)	457	563	178
CAPITAL			
Sources of capital funding			
Subsidies and grants for capital expenditure	-	70	1,110
Development and financial contributions	-	-	-
Increase (decrease) in debt	(208)	(227)	711
Gross proceeds from sale of assets	625	625	135
Lump Sum Contributions	-	-	-
Other dedicated capital funding	-	-	-
Sources of capital funding (C)	417	468	1,956
Capital expenditure			
- to meet additional demand	1,024	7	62
- to improve level of service	451	359	2,845
- to replace existing assets	1,917	6,790	3,260
Increase (decrease) in reserves	(2,518)	(6,125)	(4,034)
Increase (decrease) of investments	-	-	-
Applications of capital funding (D)	874	1,031	2,134
Surplus (deficit) of capital funding (C-D)	(457)	(563)	(178)
Funding Balance ((A-B) + (C-D))	-	-	-

INTERNAL BORROWING					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Recreation and Community Services	13,311,111	1,357,311	646,621	14,021,802	593,935

Libraries

Ngā Whare Pukapuka



A year in review

New digital programmes on offer

To respond to community needs, the library services activity has expanded the digital services programmes it has on offer for members of the community. Sessions are tailored to suit the needs of the individual, from assisting people with setting up and using their smart phones, to programmes for job seekers and use of a range of on-line services, from introductory to advanced levels. The flexible nature of these programmes means there is huge potential for growth in 2018/19 and beyond.

Te Reo Wainene o Tua kei Whakatāne

Te Reo Wainene o Tua: The Sweet Story of Yester-year took place in June 2018 at the Whakatāne Library. All sessions of this storytelling event were delivered entirely in te Reo Māori, were fully booked and were well-received by attendees.

Te Reo Wainene o Tua is a Māori language storytelling opportunity that seeks to revitalise Māori stories (pūrākau), revive oral traditions, and normalise the Māori language. The Māori storytelling event was presented by high-profile Māori role models and language advocates Joe Harawira, Tamati Waaka and Chey Milne, to 350 primary school-aged children and adults.

Review of library services

Between January and June 2018, a comprehensive review of the District's library services was undertaken to identify opportunities for improvement and ensure that District libraries will meet the current and future needs of the community. This review analysed the progress made since a similar report in 2013/14.

Key issues highlighted included a focus on reaching more of the rural District, reaching a broader diversity of communities, providing opening hours that fit peoples' needs, and boosting funding for collections renewal. Needs identified in relation to the Whakatāne Library were making better use of space and multi-use spaces, creating a larger space for children's use, making better use of existing technology and freeing library staff to undertake more proactive customer service.

An action plan has been developed to address the issues and needs identified. Implementation will begin in 2018/19 year, subject to confirmation of financial considerations.

Public programmes and events

The library services activity continued to offer varied and high quality public programmes and events throughout the 2017/18 year.

Escape Rooms have proven to be a very popular activity, with a number of teams from the community, and businesses participating to solve the puzzles. Escape Rooms are offered during school holidays, and each has a different theme, such as Matariki and escaping the jungle.

A Slam Poetry workshop was held on Saturday 17 March, to offer guidance and support for any budding spoken word artists or slam poets. The annual fun Slam Poetry event was held in March 2018, and had over 45 attendees.

Lit-Fit Book Club - a programme designed to encourage adults to come along and talk about their favourite books - began in March 2018. There is no requirement to read specific books, just to share and hear about good reading in a relaxed forum. Each month has a different theme, designed to encourage participants to broaden their love for stories and literature.

NZ Music Month, an event that encouraged local musicians to perform originals or classic kiwi covers in Te Kōputu, was celebrated in May. The musical and cultural diversity featured was astounding, with the event turning into a musical jam session for some very talented musicians. Based on the success of this event, staff are planning to make Sound Bites a regular event at Te Kōputu.

COST OF SERVICE



	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,189	2,356	(167)	\$	Variance within 10% or \$20,000
Revenue	2,124	2,116	(8)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	(65)	(240)	(175)	\$	
Capital Expenditure	100	106	(6)	\$	Variance within 20% or \$50,000

Key:  Favourable  Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Library Mixed Collection Renew	100	100	106	On track.

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
The Council ensures all members of the community have ready access to a wide range of resources for information, education, leisure and cultural enrichment	User satisfaction with public libraries	83-87% Survey Results		ACHIEVED 94% satisfaction (2016/17 result: 95%)
	Number of people utilising Te Koputu a te Whanga-a-Toi Whakatāne Library and Exhibition Centre (includes foot traffic only)	220,000 people		NOT ACHIEVED 204,621 people. Overall annual decrease in visitors of 7%, particularly December 2017 to March 2018 primarily due to the great summer weather and visitors enjoying the outdoors. However eBook usage increased by 42% for the year. (2016/17 result: 215,521)

Museum and Arts Whare Taonga me te Toi

Community Outcomes



Leadership

Roads and Footpaths

Water Supply

Sewage Treatment and Disposal

Stormwater Drainage

Solid Waste

Environmental Sustainability

Community Safety

District Growth

Recreation and Community Services

Corporate and District Activities

Council Controlled Organisations

A year in review

Whakatāne Museum Collections and Research Centre nears completion

A pivotal moment for local heritage is fast approaching, as the redevelopment of the Whakatāne Museum Collections and Research Centre nears completion. The main purpose of the new Collections and Research Centre will be to house many of the District’s archives, books, taonga and heritage items. This \$5 million project has created a space that is one-and-a-half times bigger than its predecessor, with controlled storage environments meeting national and international standards for collections care. The Collections and Research Centre will also feature a multi-functional space, providing improved access to the collections. The intention is to create a “living facility”, a space centred on local history where our communities can engage fully with their treasures and heirlooms in new and collaborative ways.

Commemorating Passchendaele, major gallery exhibition by Robyn Hughes

In September 2017, the doors opened for Commemorating Passchendaele – Home Front to Front Line, a major gallery exhibition from artist Robyn Hughes. Commemorating Passchendaele was one of the most significant exhibitions showcased by the Museum in the 2017/18 year. Containing 20 artworks in total, the exhibition focus ranged from excerpts from local bank clerk Monty Ingram’s frontline diary to newspaper entries recording the knitted contributions of New Zealand women, sent to brothers, fathers and husbands. The opening event included a special presentation by Glyn Harper, Professor of War Studies at Massey University, outlining what happened on the battlefields of 1917 and why the allies’ military plans went awry.

Record entries for 2018 Molly Morpeth Canaday Award 3D

The Molly Morpeth Canaday Award 3D is a national award which aims to support artists by presenting contemporary 3D work across a range of disciplines, while facilitating a national discussion about contemporary 3D arts.

This year, there were 233 works submitted, which is more than double the number of entries received in 2016. Entries came from all over New Zealand, including Auckland, Wellington and Dunedin. Local artists were also well-represented, with over 50 artists from the Bay of Plenty submitting work.

The 2018 Molly Morpeth Canaday Award 3D is presented by Arts Whakatāne and Whakatāne Museum and Arts, and is made possible by the generous support of the Molly Morpeth Canaday Trust, established by Frank Canaday in memory of his wife Molly Morpeth Canaday. The trust has been a major supporter of the arts in Whakatāne for over 25 years.

New Zealand’s first Volcanic Artists Residency

New Zealand’s first Volcanic Artist Residency pilot programme ran in April 2018, with Christchurch-based artists Edwards + Johann participating. The new programme is being developed by Whakatāne Museum and Arts as a way to connect New Zealand creative producers and cultural managers with the Eastern Bay of Plenty and the active offshore volcano, Whakaari/White Island. It intends to build a platform for creative people to experience the wonders of the earth and the raw power of the natural world, and use that experience to transform the creative process in mysterious new ways.


Supported by White Island Tours/Te Rūnanga o Ngāti Awa, Nicholson Auto, Heather Hourigan/The Bach West End, and Antipodes Water Company, the programme will provide accommodation in the historic Harbour Master’s house, workspace, field visits, and connections to unique Eastern Bay of Plenty environments. Set to commence formally in mid-2018, each residency will run for one to eight weeks. The initial Volcanic Artist Residencies are by invitation only. From early-2019, once the programme has been tested, the opportunity will be open to applicants from everywhere.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,492	1,547	(55)	\$	Variance within 10% or \$20,000
Revenue	1,388	1,381	(7)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	(104)	(167)	(62)	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key:  Favourable  Unfavourable

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
The Council provides dynamic facilities and services that help create a strong sense of community pride and identity, reflecting the heritage and culture of our region	User satisfaction with the Exhibition Centre	86-90% Survey Results		ACHIEVED 91% satisfaction (2016/17 result: 88%)
The Council provides for the safe storage, preservation and access to our community's treasures and archives	User satisfaction with the museum*	No target specified* for 2017/18	(2016/17 result: no target specified)	
*No targets were set for this performance measure for 2015/16, 2016/17, and 2017/18. This is due to the Museum undergoing redevelopment over this time, therefore limiting services. As such, no current or prior year result is available.				

Pensioner Housing

Penihana mō ngā whare



A year in review

Pensioner housing units sold in 2015

In October 2015, ownership of the Whakatāne District Council’s 79 pensioner housing units was transferred to Tawanui Community Housing, a Bay of Plenty-based, registered community housing provider. All existing tenancy arrangements continued under the same terms and conditions.

The intention to sell the units was confirmed through the Council’s 2015-25 Long Term Plan, following an earlier community consultation process and direct communication with tenants and other stakeholders.

Additional background information and detail on the sale of Council’s pensioner housing units can be found on our website at whakatane.govt.nz.

WHAT WE DELIVERED How we performed against our target

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Affordable, safe and secure pensioner housing is provided to people who meet the Whakatāne District Council eligibility criteria	Number of Council Pensioner Units provided	0 units*	✓	ACHIEVED 0 units – units sold (2016/17 result: 0 units)
* The Council transferred its Pensioner Housing to an approved Community Housing Provider in 2015/16				

Halls

Ngā Hōro

A year in review

Little Theatre upgrade works

In 2017, the Council commissioned a report on the Little Theatre's compliance with various codes and regulations that apply to such facilities. The most urgent safety recommendations regarding fire protection for theatre users have now been addressed. The current year's programme has focused on replacing all stage curtaining with fire retardant material. The main stage curtain has been cleaned and treated and a new fire-retardant backing added. New LED lighting was installed on stage to improve the lux levels for those working on set construction for productions. Other improvements in safety have seen a variety of fastenings checked and replaced or removed.

Further improvement in stage lighting and the benefits of LED systems will be scoped in the coming financial year. The Council has been appreciative of the efforts of members of the Little Theatre group, who assisted the completion of these works.

Asbestos Management Plan

In April 2018, Council finalised an Asbestos Management Plan for all Council-owned buildings, in accordance with the Health and Safety at Work (Asbestos) Amendment Regulations. The Amendment Act standardises the rules and processes that apply to identifying, managing and/or rectifying buildings that have asbestos-containing materials. Council was required to identify which of its buildings have asbestos-containing materials and put relevant management plans in place to eliminate or minimise any risks posed to staff, tenants and community members.

The plan includes information about the identification of asbestos or asbestos-containing materials in Council Buildings, decisions, and reasons for decisions about the management of the risk arising from asbestos at the workplace, and procedures for detailing incidents or emergencies involving asbestos or asbestos-containing materials.

Otakiri Hall renovation complete

A complete renovation of the Otakiri Hall was undertaken between April and June 2018. The old and failing roof of the original hall was replaced, the ceiling was lifted 150 mm, and the walls were relined. The kitchen area also received a makeover as part of the project.

Sports stadium roof plans

The Whakatāne War Memorial Hall sports stadium super six roofing was assessed this year, because of concerns about water penetration over the main stadium area. To begin this assessment, infrared imaging of the roof's internal structure was undertaken, to help identify the worst-affected areas. This was followed by an exercise of mapping water leaks. Both assessments have identified areas where the existing fastening system allows the super six roof plates to move, which allows water penetration. Some areas of damage to the roofing, and poor ridge capping, have also contributed to the water leakage. These areas will be addressed as a priority.

Options to reduce water penetration through the super six roofing covering the main stadium area are also being explored. The super six roofing over the main stadium area is programmed for repair in 2018/19. The works will include the repair of the existing fastening system, repairs to damaged roofing sections, and replacing poor ridge capping.

Galatea Community Hall renovation

The upgrade of toilets in the Galatea Hall was completed, providing disability toilets in the men's and women's facilities. As a result of damage to a glass panel in the hall, safety glass has also been installed in the partitioning between the main hall and dining room. The Council has confirmed the insurance cover for the hall and provided advice to the Hall committee on the allocation of assets. A new draft management agreement with the Galatea Hall and Reserves Committee Incorporated has been circulated for feedback.



COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,115	1,363	(249)	\$	\$243k loss on sale of Awakeri Hall
Revenue	838	804	(35)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	(277)	(560)	(283)	\$	
Capital Expenditure	169	318	(150)	\$	Variance calculated on revised budget; includes carry forwards and revisions including Otakiri Hall project \$176k

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Multisports Events Centre	100	50	-	Request carry forward of budget to 2019.
Rural Halls Renewals <i>Includes Otakiri / Galatea Hall renovation</i>	73	249	255	Otakiri Hall and other minor works completed.
Urban Halls Renewals <i>Includes Little Theatre upgrade</i>	38	51	53	Fire resistant curtains to be installed.

WHAT WE DELIVERED How we performed against our target

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
The community is provided with sufficient community halls and pavilions that are functional, affordable and available	User satisfaction with public halls	76-80% Survey Results	✓	ACHIEVED 81% satisfaction (2016/17 result: 84%)

Parks, Reserves, Recreation and Sportsfields

Papa rēhia, Whenua rahui me ngā Papa tākaro

A year in review

Wairaka Centennial Park opening

The Wairaka Centennial Park playground and waterpark was officially opened by His Worship the Mayor on 9 December 2017. A number of Councillors, Community Board members and sponsors attended this family event and a crowd of over 1000 adults and children enjoyed a day of fun and water play, with a barbecue and music provided. Alongside the new playground, the park also contains a zero-depth water play area, a tidal pool, and an area for swimming, diving and jumping.

Additional intermediary steps and handrails have been constructed along the terraced bleacher seats to further facilitate safe public access to the pool, following concerns expressed by the public. Collection of debris from the tidal pool is managed by way of daily servicing and the water is exchanged on the high tide. The pool is drained and flushed on a weekly basis to allow for maintenance.

The public response to the facility has been overwhelming, with large numbers of reserve users recorded.

Ngā Tapuwae o Toi upgrades continue

The repair and upgrade of a 1 km track section between Ōtarawairere Bay and Kōhī Point commenced in January and continued through until March 2018. Twelve updated wayfinding and information signs were installed on the trail between Canning Place and West End in late-December 2017. These signs were installed with sensitivity to archaeological sites and have been located to assist the large number of locals and visitors who use this trail. Stainless steel capping with a unique kiwi motif has been added to the signs, thanks to the input of the Kiwi Trust, to draw attention to the fact that the trail goes through kiwi habitat. Signage improvements also commenced in the White Horse Drive/Mokoroa Scenic Reserve and Ōtarawairere Village sections of the walkway.

Council is investigating the installation of track counters to gauge usage on various parts of the walkway at different times of the year. This will assist with maintenance programming and provide evidence of popularity to support possible inclusion as a Great New Zealand Day Walk.

New Minginui playground

The new Minginui playground was completed on 20 September 2017, following the reopening of the road to the village. Council had supported and part-funded this initiative, alongside the community. The playground features a three-bay refurbished swing set, two refurbished see-saws and a new slide, surrounding cushion fall and pony-proof fencing. The local community and children have been most appreciative of this initiative.

Redevelopment of old Murupara Hall site

A blessing ceremony for the newly-relocated Murupara playground was held on 17 April 2018. This marked the completion of a project to redevelop the old Murupara Hall site into a community space, a move supported by the Murupara Community Board. Existing playground equipment was relocated to the old hall site, and all playground equipment was completely refurbished. Safety surfacing was also installed.

Matatā Beach carpark surface upgrade

The surface of the carpark at Matatā Beach was upgraded in June 2018. The beach carpark was reshaped, which included re-metalling and forming of bunds to prevent vehicular access onto sensitive areas of the dunes. Timber fencing to formalise the area was also installed.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	4,492	4,760	(268)	\$	Variance within 10% or \$20,000
Revenue	4,010	4,214	204	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	(482)	(546)	(64)	\$	
Capital Expenditure	1,189	1,836	(647)	\$	Variance calculated on revised budget; \$681k budget carried forward from 2016/17

Key: \$ Favourable \$ Unfavourable



WHAKATĀNE HOLIDAY PARK

The Whakatāne Holiday Park was incorporated into the Parks, Reserves, Recreation and Sportsfields activity for the 2017/18 year. This activity will be reported separately under the Long Term Plan 2018-18.

Whakatāne Holiday Park upgrades

Upgrades of the Whakatāne Holiday Park continued during 2017/18, to meet the increasing expectations of a growing tourism and visitor market. Google ratings have improved from a 0.9-star rating when Whakatāne District Council first took over the Holiday Park in May 2017, to a 4.3-star rating in July 2018.

All common areas have been upgraded, including the kitchen and lounge, the swimming pool deck and fencing. Basic provisions are now able to be purchased from the office; and Wi-Fi hot spots have been installed around the campsite. Hire bikes have also been made available, courtesy of Bike Barn.

A business plan for the facility for the next 10 years is currently under development and is expected to be finalised in the 2018/19 year.

Cost of service – Whakatāne Holiday Park

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		
Expenditure	403	596	(194)	\$	Includes salaries, repairs and maintenance, and health and safety requirements
Revenue	446	1,362	916	\$	Receipt of MBIE subsidy for capital works
Net Cost Of Service Surplus/(Deficit)	43	766	723	\$	
Capital Expenditure	-	1,752	(1,752)	\$	Reflects revised budget. Project approved subsequent to the 2018 Annual Plan





Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Harbour Beautification	50	86	61	Complete, underspend applied to Wairaka Centennial Park project.
Coastal Land Aquisition	100	100	180	Purchase of land on Bunyan Road.
Walking and Cycling Projects	75	75	-	No external funding received, therefore no actual spend.
Community Reserves Edgecumbe	50	50	68	Complete.
Wairaka Centennial Park	-	377	514	\$24.8k underspend from Harbour Beautification applied to this overspend.
Overnight Camping Facilities Upgrades	-	30	70	\$45k subsidy received MBIE. Total project (2017 and 2018) over budget by \$40k.
Awatapu Lagoon	-	160	93	Design and resource consent required.

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne Sports Ground Renewals <i>Includes \$15,800 for Rex Morpeth Park Lighting</i>	54	54	59	Complete
Rugby Park Grandstand <i>Includes \$6,000 for Rex Morpeth Park Lighting</i>	41	41	40	Complete
Whakatāne local reserves Renewals <i>Includes \$2,200 for Rex Morpeth Park Lighting</i>	95	95	94	Complete

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Assets are well maintained throughout all parks and recreational facilities to provide a high standard of appearance and functionality	User satisfaction with parks and reserves in the Whakatāne District	87-91% Survey Results		ACHIEVED 92% satisfaction (2016/17 result: 92%)
Adequate playgrounds are provided to meet the needs of users and are kept to a high standard	User satisfaction with playgrounds in the Whakatāne District	85-89% Survey Results		ACHIEVED 87% satisfaction (2016/17 result: 90%)
Adequate sports fields/grounds are provided to meet the needs of users	User satisfaction with sportsfields in the Whakatāne District	88-92% Survey Results		ACHIEVED 92% satisfaction (2016/17 result: 90%)
	Amount of active recreation space available in the District per 1,000 people	1.5 hectares		ACHIEVED 1.64 hectares per 1,000 people (2016/17 result: 1.64 hectares per 1,000 people)

Cemeteries and Crematorium

Urupā me ngā Whare Tahu Tūpāpaku



A year in review

Cemeteries and Crematoria conference

In November 2017, Council hosted members of the New Zealand Cemetery and Crematoria Collective for a regional conference. Attending the conference were members from Auckland, Thames, Hamilton, Tauranga, Kawerau and Ōpōtiki. The group heard from Michelle Rivers, Chairperson of the Cemeteries and Crematoria Advisory Board, and discussed matters including best practise to manage health and safety risks and concerns. The group was then taken to Hillcrest Cemetery and had a tour of the facility.

Commencement of the cemetery expansion project

During the 2017/18 year, a project was undertaken to establish the remaining life of Hillcrest Cemetery. Burial data was compiled from the last 5 years, and then a projection was used to determine how many burials we can anticipate on

receiving over the next 5 years. The remaining vacant land was measured out and draft plans were drawn. Various scenarios were prepared, and these showed the life expectancy of Hillcrest cemetery is between 10 and 14 years. Work is now underway to explore options for expansion and/or a new cemetery location.

Cremation numbers continue to increase

The 2017/18 year saw a total of 142 burials and 282 cremations across the District. This is a significant increase from the previous 2016/17 year, in which there were 113 burials and 218 cremations. The choice for families to cremate their loved ones remains increasingly popular, both within our District and across the country.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	470	492	(22)	\$	Variance within 10% or \$20,000
Revenue	499	546	47	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	29	54	25	\$	
Capital Expenditure	58	35	23	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Whakatāne Cemetery - Expansion	30	30	-	Not progressed in 2018.
Whakatāne Cemetery - Berms	10	10	11	Complete

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Appropriate and sufficient cemetery and crematorium services are available to residents	User satisfaction with cemeteries including maintenance of cemeteries	86-90% Survey Results	✓	ACHIEVED 92% satisfaction (2016/17 result: 97%)
	User satisfaction with crematorium facility	83-88% Survey Results	✓	ACHIEVED 95% satisfaction (2016/17 result: 92%)

Public Conveniences

Whare Paku me te hīrere

A year in review

New gateway toilets completed

In 2017, Council received funding from the Ministry of Tourism Gateway fund for public conveniences in Murupara and Te Teko. The installation of new Permaloo toilets was completed in May 2018.

The location of the Murupara Gateway Toilet adjoins the Millennium Park. This location was identified with stakeholders and approved by the Murupara Community Board. The location of the facility complements the development plans Te Rūnanga o Ngāti Manawa has for the area as part of the Murupara Hikoi Project. The Te Teko facility is located adjacent to the Eivers Park carpark entrance and was supported by the Residents' Association.

West End toilets upgrade

The upgrades to the West End toilet block got underway in November 2017. A building consent was granted for the new shelter structure which adjoins the existing toilet block. The upgrade work was completed in December, in time for the busy summer season.

Wairaka toilets renewal

Wairaka toilet is located adjacent to the new Centennial Park development. As part of the renewal work, the building was repainted in bright colours to reflect the water park theme. Parts of the roof were replaced, a new floor surface and tiles were laid, new lights and benches were installed, and partitions and toilet bowls were replaced.

New permaloo toilets planned for Port Ōhope

Planning for the demolition and replacement of the existing toilet block at Port Ōhope commenced in October 2017. The replacement permaloo toilets will be plastic wrapped in artwork appropriate to the area. Plans were approved in June 2018, and work to complete the replacement will continue in 2018/19.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	697	783	(86)	\$	Demolition of Tāneatua Public Convenience, and costs associated with vandalism
Revenue	494	625	131	\$	Variance calculated on revised budget; subsidy to fund Gateway Public Conveniences (Murupara/Te Teko)
Net Cost Of Service Surplus/(Deficit)	(203)	(158)	45	\$	
Capital Expenditure	58	359	(301)	\$	Variance calculated on revised budget; includes carry forwards and revisions

Key: \$ Favourable \$ Unfavourable



UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Public Conveniences Renewals <i>Includes Wairaka Park conveniences</i>	15	15	21	Complete
Te Teko Gateway project	-	125	126	Toilets now installed and commissioned
Murupara Gateway project	-	125	131	Toilets now installed and commissioned

WHAT WE DELIVERED How we performed against our target

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Adequate public conveniences will be provided where required in the community	User satisfaction with public toilets in the Whakatāne District	69-73% Survey Results		ACHIEVED 72% satisfaction (2016/17 result: 66%)

Aquatic Centres Ngā Whare Kaukau

A year in review

Increasing participation at the Whakatāne Aquatic Centre

The Whakatāne Aquatic Centre has achieved its goal of 140,000 customers a year, recording 142,750 visitors during the 2017/18 year, almost 6,000 more visitors than 2016/17. Over the last year, there has been an increased focus on responding to customer demand and providing a wider variety of user options, including new yoga in the park, aqua Zumba, H₂O fitness and Green Prescription classes. Green Prescription is a programme offered in partnership with Sport Bay of Plenty, focusing on rehabilitation and customised aqua classes to suit the physical needs of participants. The Whakatāne Aquatics Centre also introduced a full facility membership programme, giving members access to both the pool and the gym at one price and providing better value for money.

Compressor replacement and HVAC upgrade

Issues with the heating and ventilation at the Whakatāne Aquatic Centre required work to be undertaken on the compressor and HVAC system - two major components for heating pool water and keeping the temperature outside of the pool at a comfortable level. The replacement of the compressor and upgrading of the HVAC system was completed in October 2017.

Net Promoter Score

The Net Promoter Score was introduced at the Whakatāne Aquatic Centre in July 2017. The Net Promoter Score is a customer satisfaction tool that sends out a single-question questionnaire to a random selection of 1% of the Aquatics Centre membership database every day. Members are asked to rank, on a scale of 1-10, how likely they would be to recommend the Whakatāne Aquatics Centre to someone else. Ratings between 1 and 5 give a score of -1, ratings between 6 and 8 are neutral, while ratings of 9-10 give a +1 score. Any negative scorers receive a personal call to discuss issues. Scores are tallied daily. The industry average is +30. Initially, the Whakatāne Aquatic Centre scored between -7 and +14, but is now consistently scoring between +30 and +48. Scores are broken into activity sets, so staff know where to best-focus their efforts.

Planning and design of new reception and outdoor area

Two renovation projects are underway for the Whakatāne Aquatic Centre will see the reception area renovated to increase efficiency and become more user-friendly, and an outdoor area constructed for hire by small visitor groups for birthdays and other events. Contractors have been engaged for the reception renovation and options for the design of the outdoor area are being investigated.

Support for the Edgecumbe College pool

In response to a request from the Edgecumbe College Principal, through the Rangitāiki Community Board, Aquatic Centre staff assisted with the operation and management of the school pool during the 2017/18 summer period. New disinfectant units and pipework for heating systems were installed to get the pool to an operational level. Ongoing lifeguard support, learn to swim lessons and water quality management was provided to ensure the pool ran safely over the summer.

Plant condition assessment complete

Condition assessment work was carried out at both the Whakatāne and Murupara aquatic centres in 2017/18 and findings provided to Council in January 2018. The findings identified and prioritised the works required at both facilities and will guide the management and renewal of aquatic assets over the next 10 years.



COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,252	2,462	(210)	\$	Variance within 10% or \$20,000
Revenue	2,502	2,542	39	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	250	80	(170)	\$	
Capital Expenditure	284	588	(304)	\$	Variance calculated on revised budget; includes carry forwards and revisions

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Redesign of Reception <i>Includes outdoor area</i>	-	202	20	Physical works to commence in June, with the majority of works anticipated to be complete in 2019, unspent budget will be requested to be carried forward.
Urban swimming plant <i>Includes Compressor replacement and HVAC upgrade</i>	38	434	482	Compressor replacement is completed. Over budget.

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
Quality, affordable and safe aquatic facilities will be provided in Whakatāne and Murupara	User satisfaction with swimming pools in the Whakatāne District	73-77% Survey Results	✓	ACHIEVED 89% satisfaction (2016/17 result: 92%)
	Number of admissions at the Aquatic Centres	104,000 per year	✓	ACHIEVED 152,561 admissions (2016/17 result: 106,174)

Ports and Harbour

Tumu Herenga Waka me te Moana

A year in review

Western Infill Timber Wharf repaired

Damage from Cyclones Debbie and Cook in April 2017 meant extensive repairs were required to the Western Infill Timber Wharf, as some of the support piles were undermined. This work was further complicated as pile settlement and misalignment of the deck occurred to the upstream section of the wharf, as a consequence of the river bed readjusting after the cyclones. This increased the scope of the repair. The completed works have provided a safe access and workable area for berth-holders. Throughout the repair process, contractors worked with berth users to ensure their needs were accommodated.

Commercial Wharf Development

The inaugural meeting of the Wharf Redevelopment Governance Group was held in June 2018. The Governance Group is a partnership between Te Rūnanga o Ngāti Awa, Ngāti Awa Group Holdings Limited and the Council. A draft strategic case for the wharf project has been completed and a Better Business Case assessment is under development, to bring together the components necessary to help the Governance Group make an informed decision on wharf options. The project is centred on the replacement of the current wharf structure, parts of which are over 100 years old. The location, design and replacement options involved have the potential to provide for the unmet demand for berthage, now and in the future, and create a vibrant waterfront area for the town, consistent with the aims of the Town Vision Plan. Monitoring of the condition of the Commercial Wharf is ongoing, with current use and vehicle access restrictions being reviewed.

Port Ōhope signage

New signage has been installed at the Port Ōhope Boat Ramp and the Port Ōhope Wharf, to improve the safety of swimmers and moving vessels. Signs have also been upgraded to improve vehicle/pedestrian safety on the Port Ōhope Wharf.



COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	1,222	1,570	(348)	\$	Emergency response to flood events and repairs, security cameras and new rubbish bins, dredging disposal investigations, removal of contaminated waste, water supply to Game wharf.
Revenue	219	610	391	\$	Berthage fees received less than anticipated.
Net Cost Of Service Surplus/(Deficit)	(1,003)	(960)	43	\$	
Capital Expenditure	5,234	1,146	4,088	\$	Works required for emergency repairs to the Whakatāne Wharf and Western timber infill wharf in response to the flood event, plus unbudgeted costs for improvements related to the Wairaka Centennial Park

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Port Ōhope Wharf Site Development	337	1650	325	Tender closed, successful tender within budget. Resource consent delays have meant that this project is unlikely to be completed by year end. Majority of funds to be carried forward for 2019 completion.
Port Ōhope Wharf Structural Renewal	550	550	-	As part of the overall Port Ōhope Wharf project. Funds carried forward for 2019 completion.
Renewals Whakatāne Main Wharf replacement	4295	200	173	Better business case underway and hydraulic modelling at advanced stage.
Whakatāne Harbour Eastern Wall Stren	-	30	-	Did not occur in the 2017/18 financial year.

WHAT WE DELIVERED How we performed against our target

GOAL	PERFORMANCE MEASURE	TARGET	RESULT
Provide safe access to rivers and coastal water within the general vicinity of	Satisfaction with harbour facilities including the port	73-77% Survey Results	<p>ACHIEVED 77% satisfaction (2016/17 result: 78%)</p>

Community Development

Whakawhanaketanga Hāpori

A year in review

Whakatāne Ki Mua

The Council continued to support the Whakatāne Ki Mua initiative, which sees us partnering with the community to progress the priorities identified. This has resulted in the formation of a number of collaboration groups, where members of the community have come together around a common cause or issue. Whakatāne Ki Mua has provided support in the development or re-establishment of a number of groups including: Bike Whakatāne; Inclusion Whakatāne; Green Print and Waste Zero Whakatāne; and the Whakatāne Homelessness Action Team. Whakatāne Ki Mua has also been involved in a vast number of initiatives with the community, including Neighbours Day, dog parties, free Whānau events, Te Puna Taiao – Community Oasis Project, Accessibility Beach Mat trial, waste reduction initiatives such as ‘Waste Not, Want Not’, cloth nappies, and Boomerang Bags.

Whakatāne Ki Mua is overseen by a Cross-Sector Forum representing a number of organisations, including local Iwi and relevant central Government agencies. In May 2018, the Cross-Sector Forum identified an overarching objective for the group, to build community well-being and resilience in line with the Whakatāne Ki Mua feedback. The five key focus areas identified include drugs and alcohol addiction, youth, housing and homelessness, healthy environments and kaitiakitanga, and education for employment pathways and development.

Healthy Homes

For the past two-and-a-half years, Council and the social arm of the Ngāti Manawa Charitable Trust have secured funds from BayTrust and Te Rūnanga o Ngāti Manawa to co-ordinate the healthy homes programme in Murupara. This programme delivered increased insulation, maintenance assessments and community events to improve health outcomes of the Murupara community. Throughout the year, 21 properties were insulated, 21 properties received a maintenance assessment and six Community Days were held to build home maintenance capacity within the community. Council’s involvement with this project concluded at the end of June 2018, however the project will continue to be delivered locally.

Encouraging safety on our roads

The Eastern Bay of Plenty Road Safety Programme is a combined effort of the Bay of Plenty Regional Council and the Kawerau, Ōpōtiki and Whakatāne District Councils, in partnership with NZTA. The programme aims to raise community awareness about road safety and work towards a safe road system that is increasingly free of death and serious injury accidents.

Delivery of the programme for repeat alcohol and drug offenders continued throughout 2017/18, in collaboration with Ngāti Awa Social and Health Services, Corrections, Police Road Safety, Police Māori Liaison, Willets Funeral Home and Tamati Paul. This is a 2-day marae-based programme for people in the Eastern Bay that have been through the courts at least twice for alcohol (and drugs) driving offences. Of the 70 offenders participated in the 2017/18 programmes, 94% have not reoffended in a drink driving offence. From July 2018, Ngāti Awa Social and Health Services will coordinate this programme, with on-going Council support.

Winter Pit Stops events were run throughout the Eastern Bay during the winter season allowing members of the public to get free, professional T.W.I.R.L (Tyres, Windows, Indicators, Rust and Lights) car checks.



COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	777	741	36	\$	Variance within 10% or \$20,000
Revenue	717	744	27	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	(60)	3	63	\$	
Capital Expenditure	-	29	(29)	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
CCTV Phase 2	-	11	6	Equipment purchased, installation to be completed early in the 2019 financial year.

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET	RESULT	
Social well-being is improved in the District through a range of strategies, policies and projects	Perception of safety in the District	91-95% Survey Results	✓	ACHIEVED 94% satisfaction (2016/17 result: 93%)
	Change in the number of fatalities and serious injury crashes on the local road network per annum*	<10	✓	ACHIEVED 23 crashes**, 5 less than the 2016/17 result of 28 crashes

* Mandatory measure set by the Department of Internal Affairs

**This result is based on interim data available from NZ Transport Agency Cash Analysis System (CAS) up to 30 June 2018. Data is not confirmed until late 2018, and will be confirmed in the Whakatāne District Council Annual Report 2018/19.





Corporate and District Activities

Ngā mahi rangapū ā rohe

CUSTOMER SERVICES
RĀTONGA TĀNGATA

PUBLIC AFFAIRS
TAKE TŪMATANUI

HUMAN RESOURCES
PŪMANAWA TĀNGATA

FINANCE
PŪTEA

CORPORATE INFORMATION
PĀRONGO RANGAPŪ

CORPORATE PROPERTY
TAPUTAPU RANGAPŪ

WHAT THESE ACTIVITIES COST AND HOW THEY WERE PAID FOR

	LTP 2016/17	LTP 2017/18	ACTUAL 2017/18		
	\$000				
OPERATIONAL					
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	223	372	1,708		
Targeted Rates	-	-	-		
Subsidies and grants for operating purposes	-	-	-		
Fees and Charges	362	371	368		
Internal charges and overheads recovered	11,873	12,143	12,075		
Local authorities fuel tax, fines, infringement fees, and other receipts	329	337	(838)		
Sources of operating funding (A)	12,787	13,223	13,313		
Applications of operating funding					
Payments to staff and suppliers	11,104	10,539	11,087		
Finance costs	734	691	838		
Internal charges and overheads applied	621	630	557		
Other operating funding applications	887	904	1,260		
Applications of operating funding (B)	13,346	12,764	13,741		
Surplus (deficit) of operating funding (A-B)	(559)	459	(428)		
CAPITAL					
Sources of capital funding					
Subsidies and grants for capital expenditure	2,795	-	1,469		
Development and financial contributions	-	-	-		
Increase (decrease) in debt	(96)	(76)	674		
Gross proceeds from sale of assets	-	-	-		
Lump Sum Contributions	-	-	-		
Other dedicated capital funding	-	-	-		
Sources of capital funding (C)	2,699	(76)	2,143		
Capital expenditure					
- to meet additional demand	1,651	10	2,263		
- to improve level of service	357	364	276		
- to replace existing assets	2,899	1,381	2,948		
Increase (decrease) in reserves	(2,767)	(1,374)	(3,772)		
Increase (decrease) of investments	-	-	-		
Applications of capital funding (D)	2,140	381	1,715		
Surplus (deficit) of capital funding (C-D)	559	(459)	428		
Funding Balance ((A-B) + (C-D))	-	-	-		
INTERNAL BORROWING BY GROUP					
GROUP	OPENING \$ (1 JULY 2017)	FUNDS BORROWED \$	FUNDS REPAID \$	CLOSING \$ (30 JUNE 2018)	INTEREST
Corporate and District	2,922,118	1,124,640	450,559	3,596,199	838,000

Customer Services

Rātonga Tāngata

A year in review

Serving our community

The Customer Services team received 71,966 phone calls in 2017/18, averaging more than 291 calls a day. Over the year, the team logged 13,817 service requests on behalf of the community. The most common service request types were for property files (2,535), animal control (2,303), water-related enquiries (2,076), and rates (1,519).

Responding to changing needs

The Council continues to deliver a 24-hour service to residents of the Whakatāne District through our website and after hours service, which handled 6,500 calls for the year. As the Customer Services team is often the only point of community contact with Council, a major focus for this activity is to understand and respond to evolving customer needs, especially around online services. Currently, land and water rates, dog registrations, parking, infringements and sundry invoices can be paid via the website, using a payment method which suits the customer. The removal of credit card surcharges has made it even more attractive to transact online, with transactions now in excess of \$1.6 million a year.

More options will be added to the online suite of services in the future, including the ability to view property file information, provide rates invoices electronically and book council facilities. The digitisation of Council's paper-based property files has been a major undertaking, due to the volume of documents involved (estimated at 5.5 million pieces of paper). The scanning process will be completed in late-2018 and files will be available online in early-2019, making access to property information faster, easier and cost-free.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	499	485	14	\$	Variance within 10% or \$20,000
Revenue	499	485	(14)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	-	-	-	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
The community has access to Council's activities through fully competent and efficient Service Centres	Proportion of customers' telephone calls are answered within 30 seconds	83%	X	NOT ACHIEVED 81% of calls answered within 30 seconds. 1.7% away from achieving raised target mainly around staffing impacts and some increased call volumes earlier in year due to flooding and recovery. (2016/17 result: 83%)
	User satisfaction with the overall service from Council's front desk	90-95% Survey Results	✓	ACHIEVED 94% satisfaction (2016/17 result: 95%)

Public Affairs Take Tūmatanui

A year in review

New Zealand's best local government website – again

The Whakatāne District Council's website (whakatane.govt.nz) was judged the supreme winner amongst the 78 local government websites evaluated by the Association of Local Government Information Management (ALGIM) in 2017, repeating the awards won in 2015 and 2016. Website rankings for 2018 will be released in September.

Use of the website has increased substantially in recent years, reflecting the ongoing efforts to enhance site design, content and services. More than 186,000 site visits were recorded in 2017/18 – close to 50% more than in 2015/16, but down slightly on 2016/17, when visits related to flood emergency and response activities boosted usage.





Social media an important communications tool

Use of Council social media platforms continues to grow, with Facebook page likes increasing from 5343 on 1 July 2017 to 6010 on 30 June 2018, an increase of more than 12%. Post reach ranged from around 1000 to almost 40,000 people. Messages seeking community feedback generated a significant amount of information to inform the Council's decision-making processes. Messaging related to potential severe weather impacts generally achieves very high reach (7,000 – 19,000), confirming the value of social media in getting information to the community quickly and effectively.

Keeping the community informed



The Public Affairs activity provides a proactive media release service, which shares news about Council activities via local and national media organisations; and directly via the Council website and Facebook page. During the 2017/18 year, the Council produced and distributed some 220 media releases, while the Ko Konei – Our Place newsletter was published monthly (except in January) as a two-page centrespread in the free-delivery Eastern Bay Life publication.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	477	491	(14)		Variance within 10% or \$20,000
Revenue	477	491	14		Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	-	-	-		
Capital Expenditure	-	-	-		Variance within 20% or \$50,000

Key:  Favourable  Unfavourable

WHAT WE DELIVERED How we performed against our targets

GOAL	PERFORMANCE MEASURE	TARGET		RESULT
The community has access to information and feels well informed	Satisfaction with Council's provision of information	71-75% Survey Results		NOT ACHIEVED 68% of survey respondents rate information provided as 'more than enough' or 'enough'. (2016/17 result: 70%)
	Website users receive a satisfactory experience and remain engaged*	75%		ACHIEVED 82% satisfied (2016/17 result: 77%)

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

Human Resources

Pūmanawa Tāngata

A year in review

Health and Safety

The rules for managing hazardous substances that affect human health and safety in the workplace came under the control of the Health and Safety at Work Act 2015, effective from 1 December 2017.

A new type of subordinate legislation, 'Safe Work Instruments' was also introduced. Developed by WorkSafe New Zealand, Safe Work Instruments define detailed or technical matters that may change frequently. These changes were assessed, and no significant changes to the way in which the Council manages hazardous substances were required. However, the legislation is more prescriptive and places greater emphasis on documentation, labelling and signage.

Personal and professional development

In March 2018, a group of staff participated in the annual Society of Local Government Managers Management Challenge. The Challenge is designed to enhance skills of managers and staff working in local government. In April 2018, two staff member attended a high energy, action-packed programme at Outward Bound.

Participants are put in real situations with real consequences to learn to inspire, empower, coach and collaborate through a series of experiential challenges in the outdoors.

The World Business Forum May 2018 provided an opportunity for three staff to be exposed to presentations by world class speakers on the humanification of business practices, to foster leadership, creativity, innovation and transformation. The forum highlighted that business always has, and always will be, about people.

Recognising staff achievement

Recognising and celebrating the achievements of staff is an important function of the Human Resources activity. The annual Hautipua and Kotahitanga awards recognised the efforts and achievements of staff throughout Council activities in 2017/18.

In April 2017, Renee Twomey won the Outstanding Newcomer award at the inaugural New Zealand Cemetery and Crematoria Awards. The Aquatic Centre lifeguard team, including John McKerras, Josh Walters and Gregoire Soucat, won the Bay of Plenty regional leg of the New Zealand Recreation Association National Lifeguard Competition in June 2018.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	972	1,118	(146)	\$	Direct costs in excess of budget; in particular Kiwisaver \$85k, consultants \$40k
Revenue	972	1,118	146	\$	Overhead recoveries owing to overexpenditure outlined above
Net Cost Of Service Surplus/(Deficit)	-	-	-	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

A year in review

Did you know?

Each financial year, the Rates Rebates Scheme provides a rebate for low-income earners who were paying rates for the home they were living in. In 2017/18, 1,143 applications were received from across the Whakatāne District. To find out if you are eligible, check out the rates rebate calculator on our website (whakatane.govt.nz).

Supporting Council activities

In 2017/18, the Finance activity continued to provide financial, rating and treasury support to all activities within the Council. This activity is responsible for the provision and development of effective monitoring and reporting on our financial performance. Other responsibilities include budgeting, managing the payroll, procurement and contract management, fleet management, insurance, charging and collecting rates and answering rates queries.

New Budgeting system provides improvements

The new planning and forecasting system (known as MIBI) was fully-implemented in 2017/18. The new system is used by managers for monthly financial reporting, as well as forecasting and budgeting. The 2018-28 Long Term Plan budgets were prepared using MIBI and the data then forms the basis of future Annual Plans and forecasting cycles. MIBI was enhanced in 2017/18 following a review of the existing projects module, and is now a complete planning and forecasting tool, used by Whakatāne District Council staff on a regular basis.

Revaluations completed

During the 2017/18 financial year, roading, water, wastewater and stormwater assets were revalued. These are valuations are done on a cyclical basis. Annual revaluations were also performed on Forestry, Investment Property and Property Intended For Sale. The total increase in value due to revaluations is \$35 million.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,499	3,566	(68)	\$	Variance within 10% or \$20,000
Revenue	3,499	3,566	68	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	-	-	-	\$	
Capital Expenditure	-	-	-	\$	Variance within 20% or \$50,000

Key: \$ Favourable \$ Unfavourable

Corporate Information

Pārongo Rangapū

A year in review

Keeping up with changing demands

The Council has continued to update systems and processes to keep up with the pace of technological change and advances in information technology. This is crucial for the day-to-day operations of all Council services, and the ability to provide the level of service our community requires. Our new asset management system allows for more effective management of Council's broad range of assets and services. The production phase of our project to digitise Council property files, is underway and we are now focusing on quality assurance, as well as online availability of this information. Digital processing of building consents has been successful in replacing our outdated paper system, seeing close to 900 applications received online for the 2017/18 period, with positive feedback received from users. The organisation has moved from Office 2010 to Office 2016, as well as completing our Windows 10 rollout successfully, providing enhanced efficiency and security.

Providing support via online mapping data

Council's GIS (Geographic Information System) team has continued to provide a high level of support for many Council activities, with a continued focus on supporting the flood recovery team. This requirement reduced during the course of this year.

The GIS Team continues to work collaboratively with other Bay of Plenty Local Government GIS teams. Recently, we completed a joint procurement of aerial imagery with BoPLASS (Bay of Plenty Local Authority Shared Services), which will provide users with a cost-effective solution for up-to-date imagery throughout the district, at a higher resolution than was previously captured.

CCTV coverage extended to include harbour facilities

In 2017, CCTV coverage was extended to some of Whakatāne's key harbour facilities, improving security and community safety at the main commercial wharf, game wharf and boat ramp. Further additions to the network were made at the Holiday Park, and Depot and Recycling centre facilities and the existing Airport equipment was upgraded.

Discussions with the Whakatāne Community Safety Group, the Police and local community groups confirmed a need for greater security and safety monitoring, which we are currently working on for both the Coastlands and Edgecumbe areas. Further improvements to the network will continue, mainly around the upgrading of the equipment to maintain the quality of the growing network.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	3,724	4,197	(473)	\$	Licensing Fee increased in alignment to staffing levels and increased technology consumption
Revenue	3,472	3,439	(33)	\$	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	(252)	(758)	(506)	\$	
Capital Expenditure	612	468	144	\$	Underspend in infrastructure due to delay in Civic Centre earthquake strengthening project

Key: \$ Favourable \$ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Asset Management system upgrade	20	174	147	Open Spaces Assets are next to move into the AMS
IBIS PRO Rates Modelling Upgrade	42	42	-	Spend accrued in previous financial year.

Corporate Property Taputapu Rangapū

A year in review

Did you know?

The Council is responsible for 23 properties which provide essential services to the community. These include the Civic Centre, District libraries, the Whakatāne Airport terminal building, various workshops and depots, and the dog pound.

Earthquake strengthening programme

Based on preliminary concept designs, the proposed seismic strengthening programme for the Civic Centre had a budget of \$3 million. More detailed design work and business continuity estimates resulted in a revised cost estimate for the project in excess of \$8 million. Due to this development, the planned earthquake strengthening project for the Civic Centre was placed on hold in May 2018.

A robust business case analysis is required to ensure that all options have been explored and the best way forward identified. A project steering group has been formed, comprising of elected members and staff, to assess further options and develop the business case to redefine the project scope, budget and timeframe. This work will continue into 2018/19.

While the Civic Centre is not classified as 'earthquake-prone', a detailed seismic assessment has indicated that it does not meet the earthquake resistance standard required for buildings which serve as an Emergency Operations Centre in a Civil Defence emergency. The seismic assessment, rated at 37% of a new building standard, is also lower than most government organisations would consider acceptable, from a public and employee safety perspective. In the last 10 months, Council has also been conducting Seismic Performance Assessments of all its building stock.

COST OF SERVICE

	ANNUAL PLAN 2017/18 \$000	ACTUAL 2017/18 \$000	VARIANCE \$000		MAJOR VARIANCE EXPLANATION
Expenditure	2,378	1,978	400	☒	Favourable depreciation expense
Revenue	3,784	3,516	(268)	☒	Variance within 10% or \$20,000
Net Cost Of Service Surplus/(Deficit)	1,406	1,538	132	☒	
Capital Expenditure	4,816	4,997	(181)	☒	Variance within 20% or \$50,000

Key: ☒ Favourable ☒ Unfavourable

UPDATE ON MAJOR CAPITAL PROJECTS

PROJECT	LTP 2017/18 BUDGET	REVISED BUDGET	ACTUAL SPEND	PROGRESS
	\$000			
Civic Centre Earthquake Strengthening	1400	2968	403	The Council is commencing the detailed design works for the project. As part of the deliverables from this work a confirmed forecast of the work activities and costs going forward will be produced.
Museum Redevelopment	3141	4565	4379	Carry forward of remaining budget to complete and fit out in 2019.

Council Controlled Organisations

Ngā roopu mahi a Te
Kaunihera o Whakatāne

WHAKATĀNE AIRPORT

BAY OF PLENTY LOCAL SHARED SERVICES
LIMITED (BOPLASS)

THE LOCAL GOVERNMENT FUNDING
AGENCY LIMITED (LGFA)

TOI-ECONOMIC DEVELOPMENT
AGENCY (TOI-EDA)



Whakatāne Airport

ABOUT THE WHAKATĀNE AIRPORT

The Whakatāne 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 percent share. Council manages the day-to-day operation and maintenance of the airport through a service contract with JNP Aviation.

The Whakatāne Airport became a Council Controlled Organisation in 2006. It contributes to residents' quality of life and, as a major enabler for local businesses, it is crucial to the economic well-being of the District and the wider Eastern Bay of Plenty. The Whakatāne Airport also plays an important role in fostering the tourism strategy and aspirations for the District.

A YEAR IN REVIEW

June 30, 2018 marked the end of the third full financial year of Air Chathams providing air services to the Whakatāne District. During the year, Air Chathams carried a total of 25,476 passengers, an increase of 10% on the 2016/17 financial year. As well as providing regular scheduled flights between Auckland and Whakatāne by Metroliner, in 2017/18 Air Chathams continued to offer scenic flights in its restored DC-3.



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

In November 2017, a multi-agency emergency exercise was held at the Airport. Fire and Emergency, Police, St Johns and JNP Aviation jointly held the exercise, to test the preparedness of all agencies in the case of an emergency. Several positive improvements were identified.

To comply with a recent Supreme Court ruling relating to the length requirements for Runway End Safety Areas, extensions have been scheduled. This will allow aircraft carrying more than 30 passengers to use the airport.

The existing runway edge, threshold and taxiway lighting and infrastructure, originally installed in the 1960s, has been upgraded to an LED lighting system. Following the introduction of new Civil Aviation Authority regulations, new Hold Point/MAG Lights have also been installed.

PERFORMANCE TARGETS

MEASURE	KEY PERFORMANCE INDICATOR	TARGET	2017/18 RESULT	2016/17 RESULT
The Airport is maintained to Civil Aviation Authority (CAA) requirements.	The Airport is maintained as a CAR Part 139 Certificated aerodrome in accordance with CAA aerodrome design for all aircraft undertaking Air Transport Operations and aircraft above 5,700 kg Maximum Combined Take-Off Weight (MCTOW).	Certification status is maintained.	 ACHIEVED The Airport was maintained as a CAR Part 139 certified aerodrome.	 ACHIEVED

More information is available in the Whakatāne Airport Annual Report

The full Whakatāne Airport Annual Report for 2017/18, along with further information about this CCO, can be found on our website: whakatane.govt.nz.

Bay of Plenty Local Authority Shared Services Limited (BoPLASS)

ABOUT BoPLASS

Bay of Plenty Local Authority Shared Services Limited (BoPLASS) was formed in 2007 to investigate, develop and deliver shared services, joint procurement and communications for the participating councils. Whakatāne District Council holds a one-ninth share in BoPLASS, alongside the other eight councils that constitute the Bay of Plenty and Gisborne regions. The services, projects and initiatives of BoPLASS are delivered through a small team of staff based in Tauranga, and through advisory groups made up of representatives of the different councils interested in a particular service. Advisory group membership is essentially a user-pays system based on involvement in the shared services developed under the BoPLASS umbrella. The Whakatāne District Council pays a membership levy to BoPLASS of \$1,000 per year per advisory group.

ABOUT THE YEAR

During 2017/18 BoPLASS has continued to successfully develop collaboration between councils in the delivery of services with a number of new categories being identified and progressed. BoPLASS has taken a lead in identifying opportunities for collaboration that collectively reduce pain points for councils while also delivering efficiencies, cost savings and improved community outcomes. BoPLASS continues to work very closely with neighbouring LASS and the ongoing sharing of knowledge and collaboration with projects is being constantly pursued. Over the last 12 months BoPLASS has further developed this engagement with a number of shared initiatives being undertaken that have benefitted a large pool of councils.

Some of the highlights for 2017/18 include undertaking the scoping of projects for a regional or cross-regional approach to licensing and data collection for waste operators, and diversion of organic waste from landfill. A project to develop a regional waste facilities strategy across the Waikato and BoPLASS regions has also been approved.

In 2017/18 all components of the high-speed fibre network between the councils (Inter-Council Network) were reviewed and new agreements signed with existing or new providers. The full review has reduced costs to the councils by almost \$100,000, with further savings to be made through the new arrangements.

BoPLASS represented a collective group of 41 councils in negotiations for placement of councils' infrastructure insurance under the Lloyds insurance international programme. Full cover was secured for all councils with very competitive pricing achieved at rates up to 30% cheaper than had councils insured individually.

BoPLASS has continued to support the councils in a number of joint procurement opportunities with new contracts established over the last year delivering further financial savings and reduced procurement costs for the councils.

PERFORMANCE TARGETS

The following performance targets for 2017/18 were set through the BoPLASS Statement of Intent for 2017/18.

TARGET	RESULT
Investigate new Joint Procurement initiatives for goods and services for BoPLASS councils. Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.	Achieved
Provide support to BoPLASS councils that are managing or investigating Shared Services projects. BoPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects. Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.	Achieved
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BoPLASS collaboration. Provide access to the Collaboration Portal for councils outside of BoPLASS and utilise technologies to provide secure access. Proactively market the benefits to councils. All NZ councils are made aware of the Collaboration Portal and its benefits. Portal is operational outside of the LASS groups with a minimum of ten additional councils or local government related organisations having utilised the portal.	Achieved
Ensure appointed vendors remain competitive and continued best value is returned to shareholders. Manage and/or renegotiate existing contracts. Contracts due for renewal are tested for competitiveness in the marketplace. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors.	Achieved
Complete independent review of governance performance and structure to ensure it supports BoPLASS' strategic direction. Engage external party to complete independent review of BoPLASS governance. Affirmative feedback received from shareholding councils following 2017/18 governance review.	Not achieved *
Communicate with each shareholding council at appropriate levels. Meeting with each Executive Leadership Team. At least one meeting per year.	Achieved
Ensure current funding model is appropriate. Review BoPLASS expenditure and income and review council contributions and other sources of funding. Performance against budgets reviewed quarterly. Company remains financially viable.	Achieved

* Governance review initiated. After a preliminary review of governance, the Board decided to complete a strategic review of BoPLASS and include the governance structure as an important aspect of this full review.

Further information about BoPLASS, including the full Annual Report for 2017/18, can be found at boplass.co.nz

Local Government Funding Agency Limited (LGFA)

ABOUT LGFA

The LGFA was formed in 2011 as a partnership between the participating local authorities and the New Zealand Government. It enables local authorities to diversify their sources of funding and borrow funds at lower interest margins than would otherwise be available. The Whakatāne District Council joined the LGFA in 2012 as a principle shareholder, borrower and guarantor. This is the highest level of Council participation in the LGFA, which provides access to the full benefits (all local authorities can borrow from the LGFA, but different benefits apply depending on the level of participation). The LGFA is governed by a Board of Directors which is responsible for the strategic direction and control of LGFA's activities. Operationally, the LGFA is run by a small team based in Wellington.

ABOUT THE YEAR

LGFA total interest income for the financial year of \$342.8 million was a 6.9% increase over the 2016-17 financial year result of \$320.7 million while net operating profit of \$11.80 million for the financial year was a 6.8% increase on the 2016-17 financial year result of \$11.05 million. Net interest income and operating profit exceeded both the previous year's result and the Statement of Intent forecast due to the early refinancing of loans by councils maturing in December 2017 and a higher level of liquid assets held than forecast.

The financial strength of LGFA was reaffirmed in late 2017 by credit rating agencies Standard and Poor's and Fitch who both maintained our credit rating at 'AA+', which very importantly is the same as the New Zealand Government.

LGFA issued \$1.279 billion of bonds over the financial year and outstandings now total \$8.119 billion (including \$400 million of treasury stock) across eight maturities from 2019 to 2033. LGFA is the largest issuer of NZD securities after the New Zealand Government and its bonds are amongst the largest and most liquid New Zealand dollar debt instruments available for investors.

LGFA continues to issue short-dated LGFA Bills ranging in maturities from three months to 12 months through a combination of monthly tenders and private placements. Outstandings under the programme have reached \$475 million. These instruments provide a source of funding for shortdated lending to council borrowers and assist LGFA with liquidity management.

Long-dated lending over the 2017-18 year totalled \$1.088 billion with much of the lending activity being the refinancing of council loans maturing on 15 December 2017. The tenor of borrowing by councils shortened slightly to an average term of borrowing of 6.9 years over the 12-month period. Short-dated lending for terms less than 12 months has been well received by councils and as at 30 June 2018, LGFA had \$236 million of short-term loans outstanding to 19 councils.

Following the change in central government in October 2017, there has been several policy announcements regarding the need to hasten delivery of housing infrastructure, the establishment of an inquiry by the Productivity Commission into local government funding and financing and the review of the management of drinking water, stormwater and waste water (the Three Waters review). The outcome of these initiatives may have a significant impact on the wider local government sector, so LGFA is assisting where possible both central and local government to work through the issues.

PERFORMANCE TARGETS

The following performance targets for 2017/18 were set through the LGFA Statement of Intent 2017/18

TARGET	RESULT
The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to 30 June 2018 will be no more than 0.10%.	Not achieved ¹
LGFA's annual issuance and operating expenses (excluding AIL) for the period to 30 June 2018 will be less than \$5.45 million.	Achieved
Total lending to Participating Local Authorities at 30 June 2018 will be at least \$8,128 billion.	Not achieved ²
Demonstrate savings on borrowing costs to council borrowers relative to other sources of financing and compared to previous years.	Not achieved ³

Further information about the LGFA, including the Annual Report for 2017/18, can be found at lgfa.co.nz

¹The outcome is dependent upon the term of borrowing by councils as LGFA on-lending margin reflects a term structure premium for longer borrowing.

²Auckland Council did not borrow through LGFA during the 2017/18 year and councils looked to delay pre-funding of the March 2019 council loans until the new 2018/19 financial year.

³Due to lack of single name issuance by councils. This reduced supply has tightened comparable spreads for Auckland Council and Dunedin City Treasury bonds.

Toi Economic Development Agency (Toi-EDA)

ABOUT TOI-EDA

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

ABOUT THE YEAR

Throughout 2017/18, Toi-EDA continued to systematically verify and collate various economic opportunities across the Eastern Bay of Plenty. This information has been utilised in the development of applications to Ministry of Business, Innovation, and Employment (MBIE) Provincial Growth Fund. Toi-EDA is a member and part funder of the Eastern Bay Regional Leadership Group working closely with Kawerau, Ōpōtiki and Whakatāne District Council's and the Bay of Plenty Regional Council. Toi-EDA had a particular focus on the horticulture sector, specifically where Māori land is involved, and key region-wide constraints such as skills shortages or workforce supply, housing, and transport and logistics.

Toi-EDA has assisted with applications to the MBIE Provincial Growth Fund for horticulture irrigation initiatives, which would have the benefit of creating a large number of jobs across the Ōpōtiki and Whakatāne Districts. To cater for the emerging freight volumes from various industries in the Eastern Bay, Toi-EDA has been supportive of a modal shift from road to rail. Ease of access through the Whakatāne District to the Port of Tauranga, and the Rotorua and Taupō Districts, and the regional benefits this access may provide, is being explored. This includes a roading resilience application to the Provincial Growth Fund. The emergence of central government initiatives such as the Regional Growth Study, MBIE Provincial Growth Fund and the Billion Trees Programme, highlighted a need to review the 'Bay of Connections' strategy. As a member of several Bay of Connections Action Groups, Toi-EDA has contributed to this process.

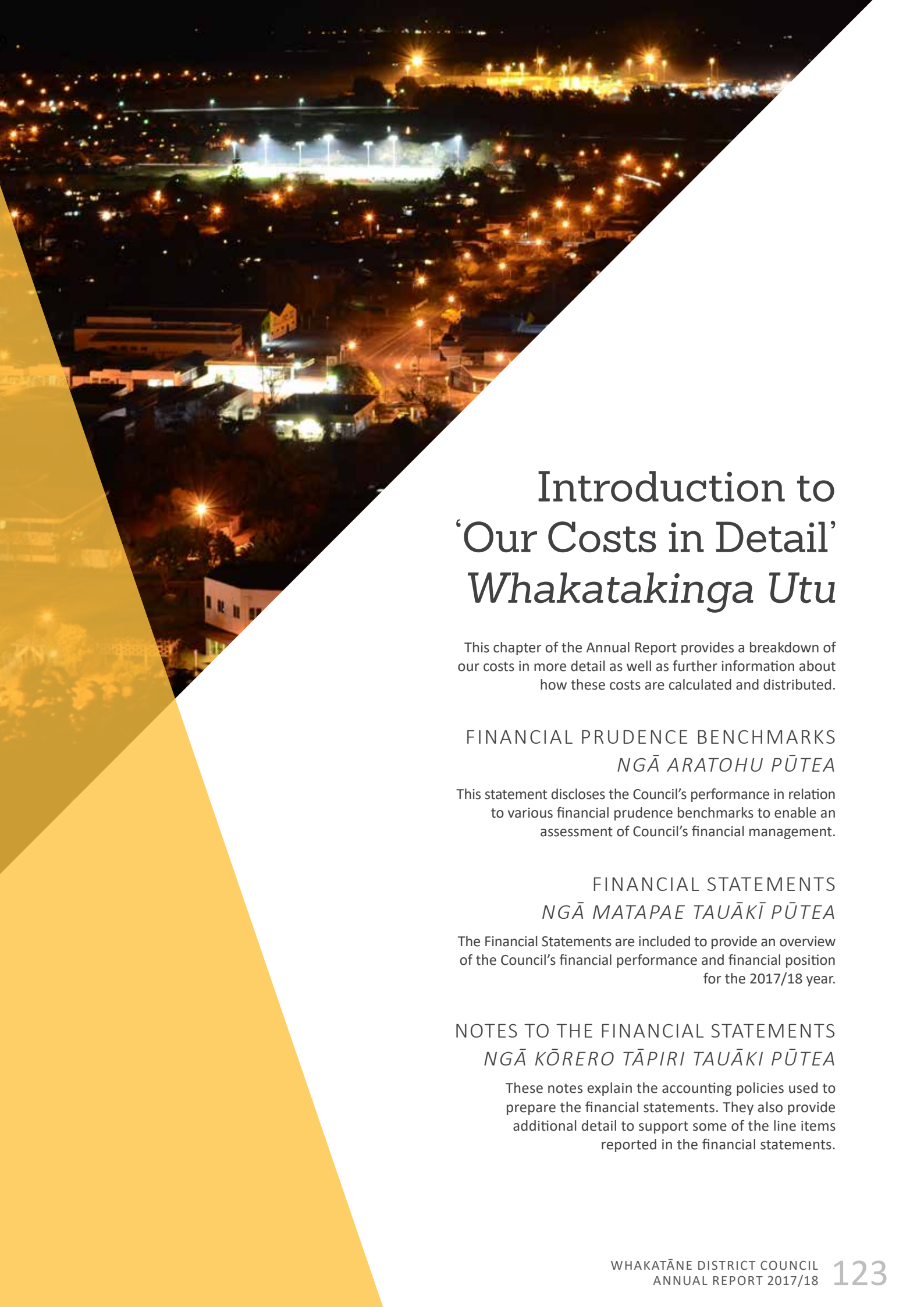
Toi-EDA continued to invest in workforce development in 2017/18. New and growing industries will require a competent workforce, and Toi-EDA has worked with local organisations to continue to create pathways for locals into emerging jobs, and remove barriers to participation in education, training and work. The recently established Link-Up Eastern Bay of Plenty initiative connects rangatahi (youth) with education, skill building and work experience to help inform future decisions.





OUR COSTS IN DETAIL

Ngā taipitopito utu



Introduction to 'Our Costs in Detail' *Whakatakinga Utu*

This chapter of the Annual Report provides a breakdown of our costs in more detail as well as further information about how these costs are calculated and distributed.

FINANCIAL PRUDENCE BENCHMARKS *NGĀ ARATOHU PŪTEA*

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

FINANCIAL STATEMENTS *NGĀ MATAPAE TAUĀKĪ PŪTEA*

The Financial Statements are included to provide an overview of the Council's financial performance and financial position for the 2017/18 year.

NOTES TO THE FINANCIAL STATEMENTS *NGĀ KŌRERO TĀPIRI TAUĀKI PŪTEA*

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



Financial Prudence Benchmarks

Ngā aratohu pūtea

Annual Report Disclosure Statement for the Year Ending 30 June 2018

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

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

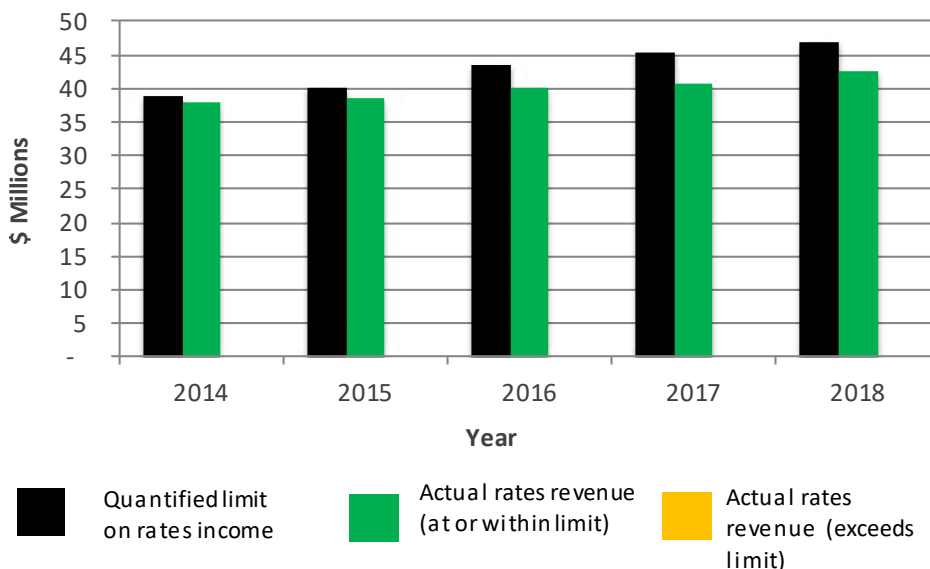
Rates include volumetric water charges.

RATES REVENUE AFFORDABILITY

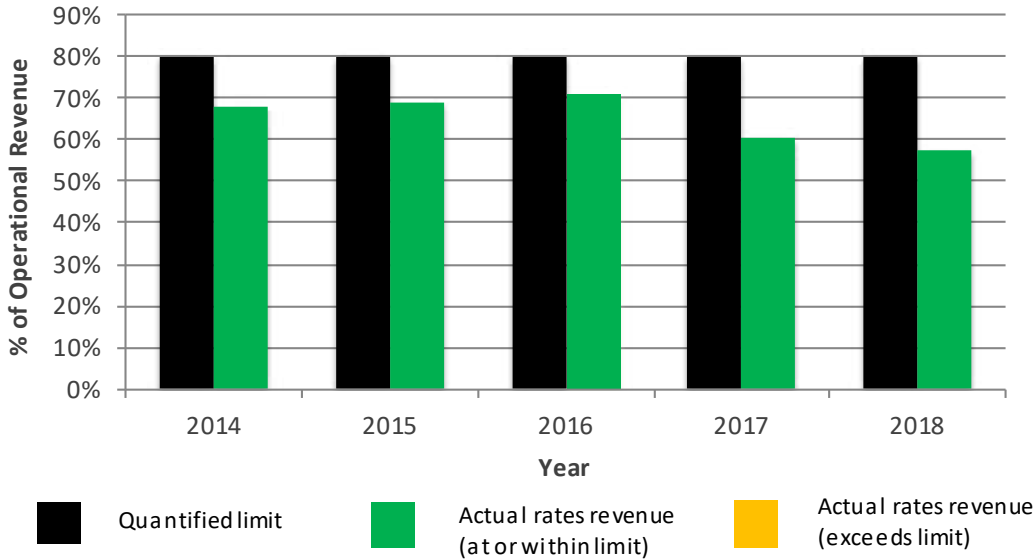
The following two graphs compare the Council's actual rates revenue with quantified limits on rates contained in the financial strategy included in the Council's Long Term Plan.

QUANTIFIED LIMITS ON RATES

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



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



Rates Increases Affordability

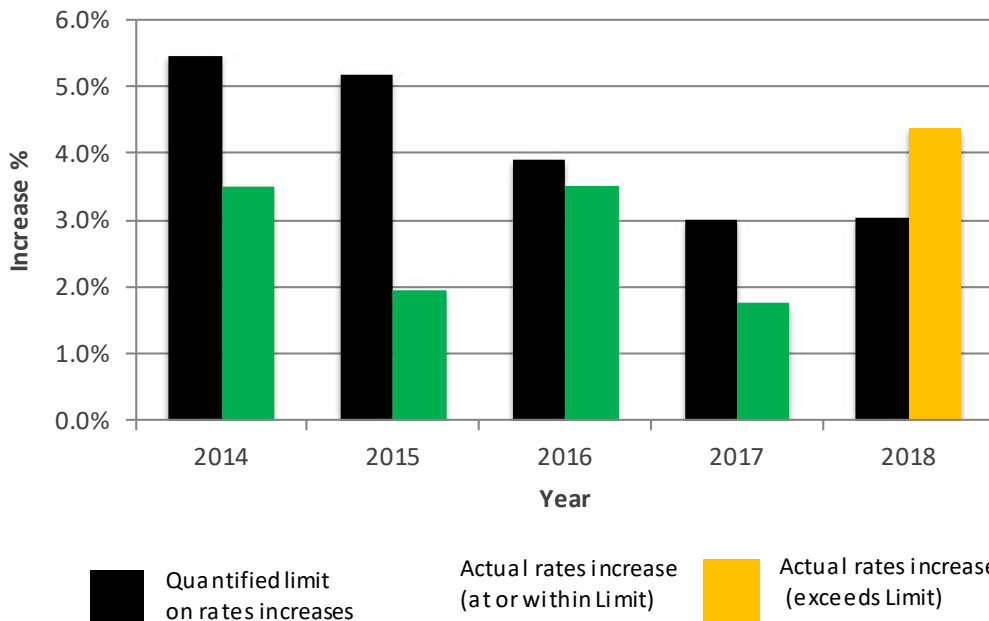
The following graph compares the Council’s actual rates increases with a quantified limit on rates increases contained in the financial strategy included in the Council’s Long Term Plan

QUANTIFIED LIMIT ON RATES INCREASES

Prior to 2013 there was no fiscal policy on rates increase limits.

For all subsequent years, the annual increase in total rates requirement will be limited to the total of:

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



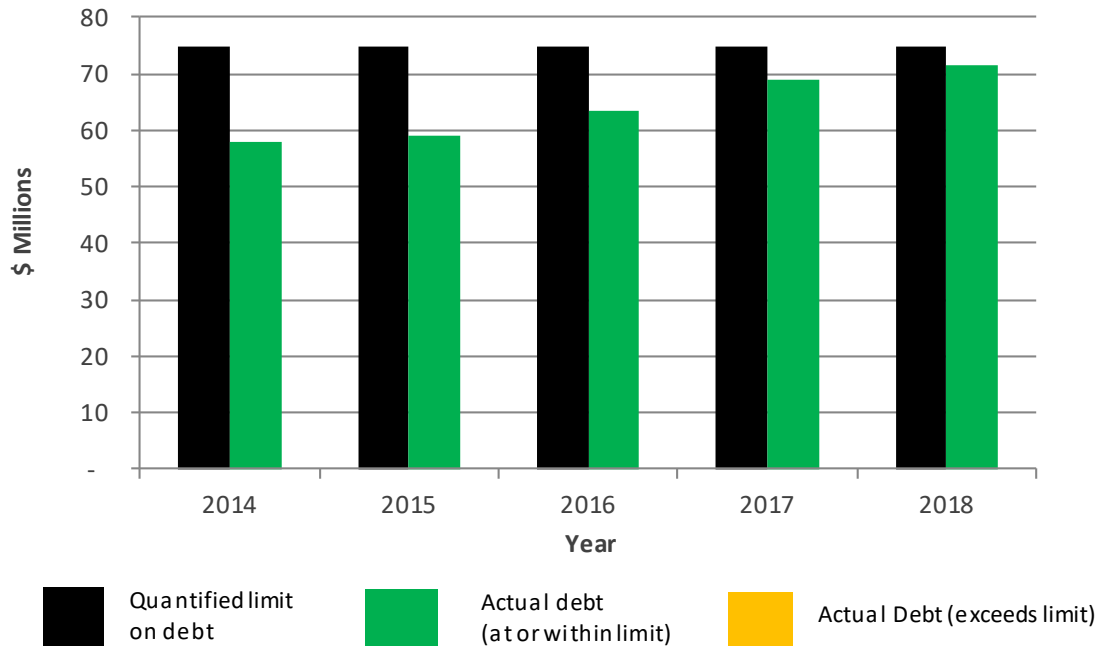
*Using the most recent Local Government Cost Index, published by Berl, available at the time the draft and then final Annual Plan or Ten Year Plan is prepared.

Debt Affordability Benchmark

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

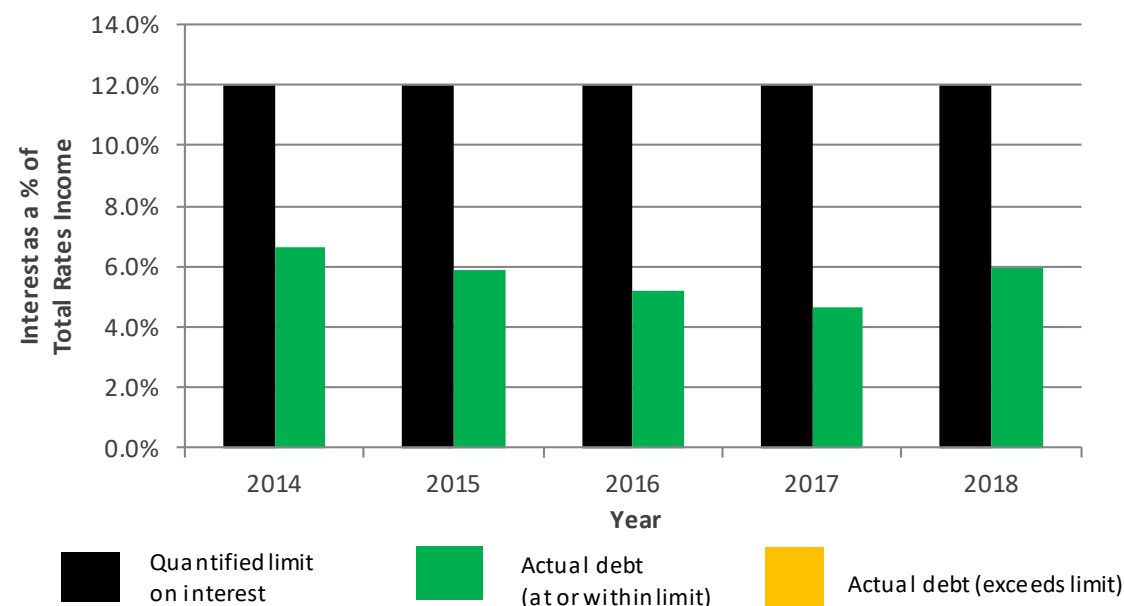
OUR LIMITS FOR DEBT

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



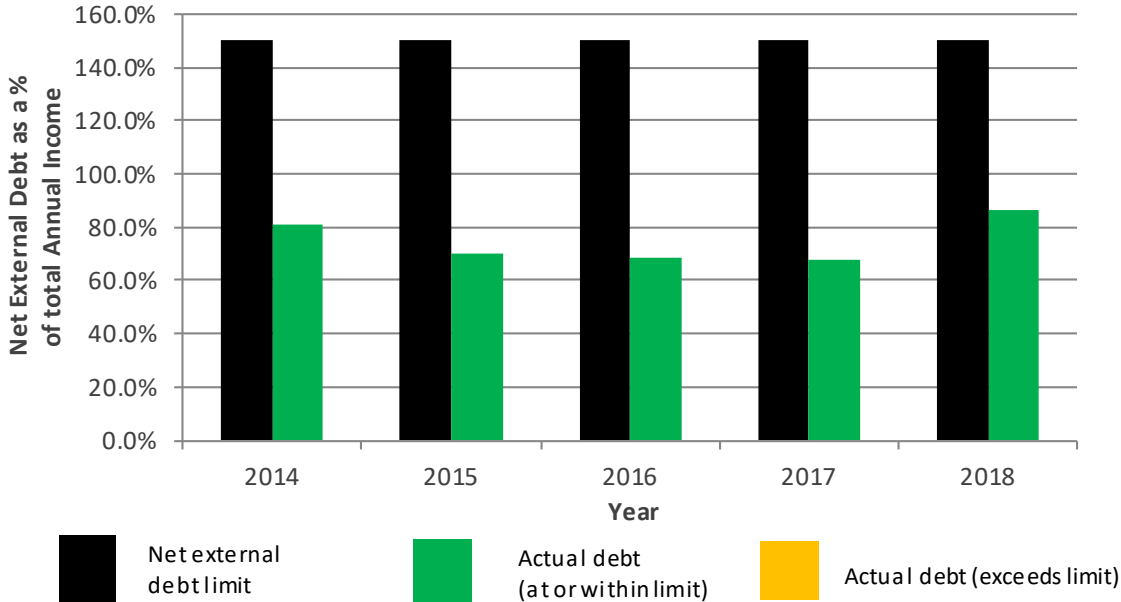
OUR LIMIT ON INTEREST AS A PERCENTAGE OF TOTAL RATES REVENUE

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



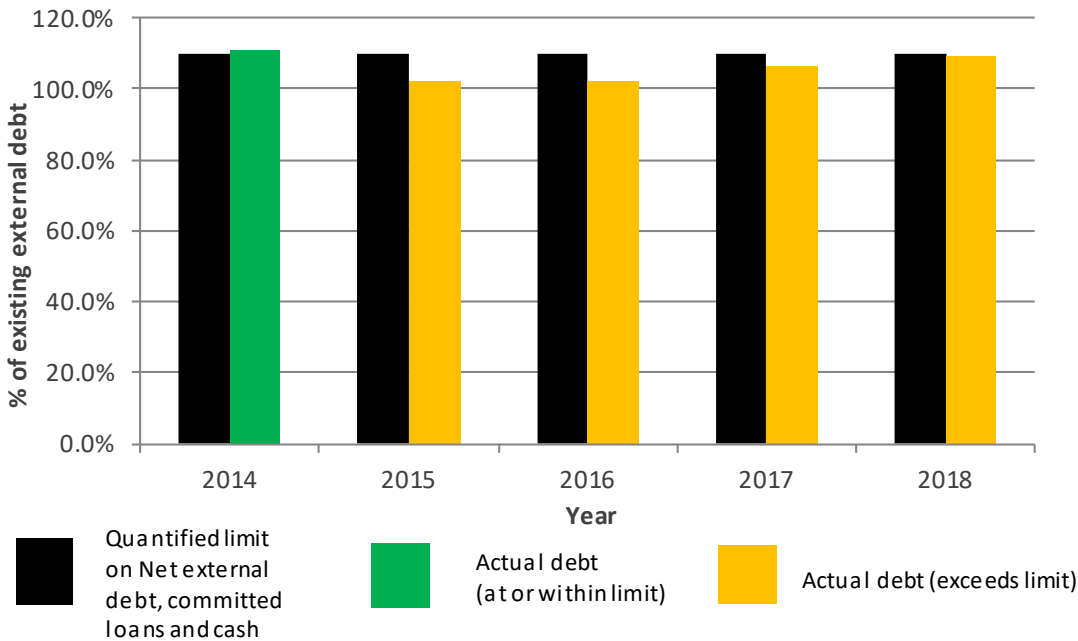
OUR LIMIT ON NET EXTERNAL DEBT AS A PERCENTAGE OF TOTAL ANNUAL INCOME

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



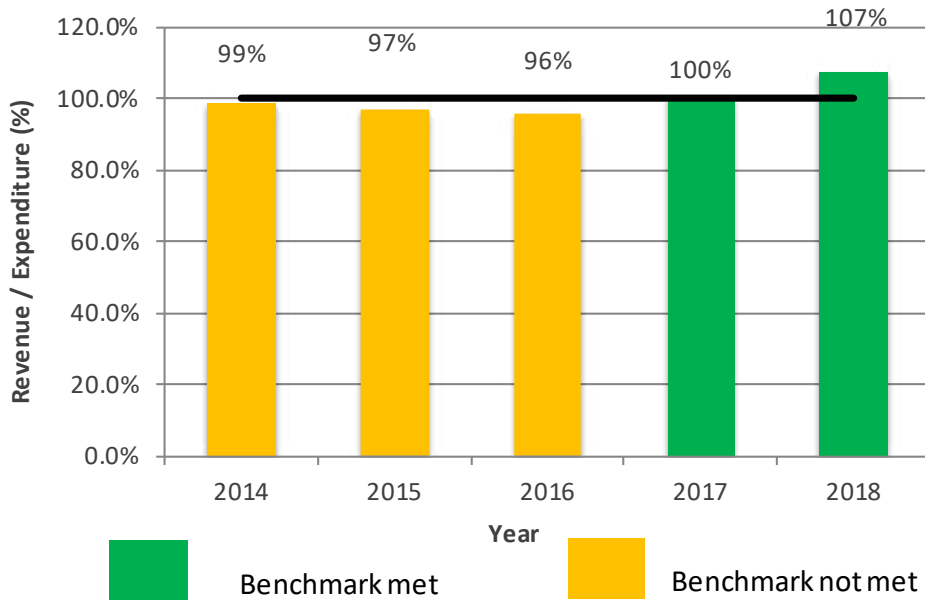
OUR LIMIT ON NET EXTERNAL DEBT, COMMITTED LOAN FACILITIES AND AVAILABLE CASH EQUIVALENTS IS MAINTAINED AT 110% OF EXISTING EXTERNAL DEBT

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



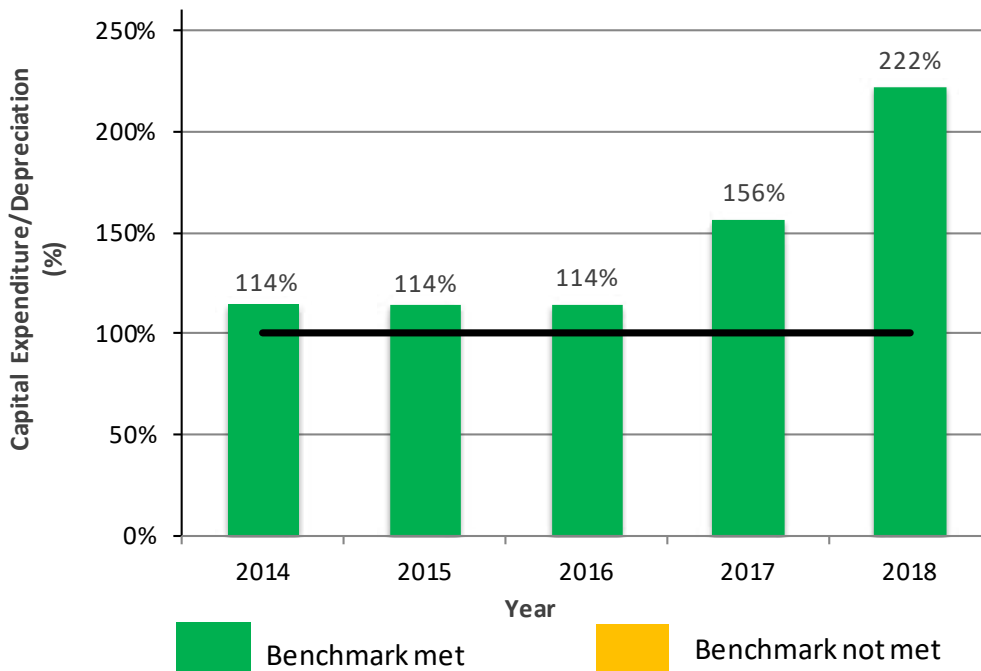
Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets this benchmark if its revenue equals or is greater than operating expenses.



Essential Services Benchmark

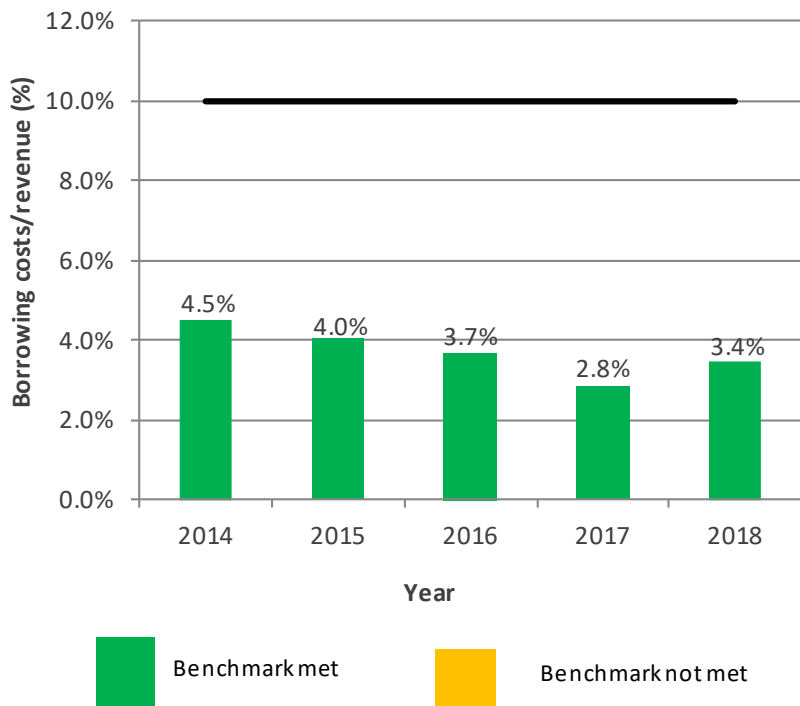
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment).

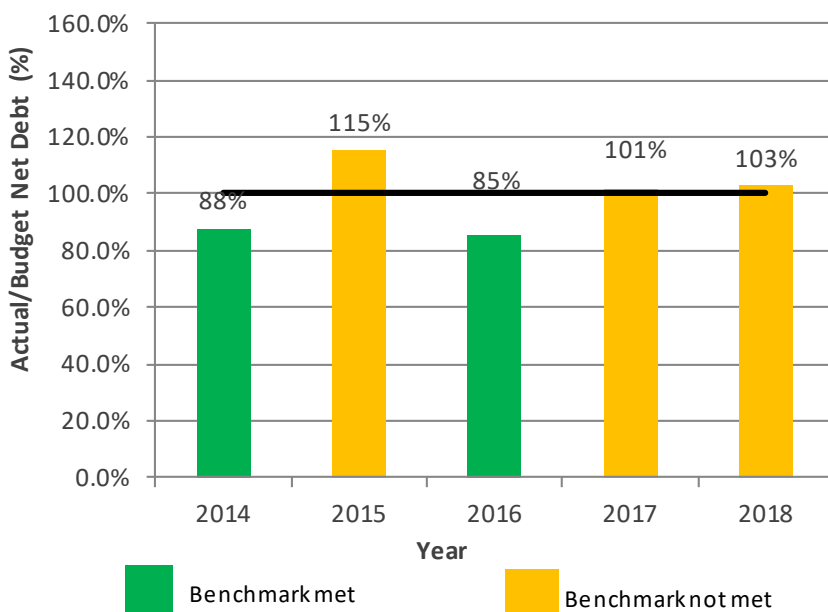
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt Control Benchmark

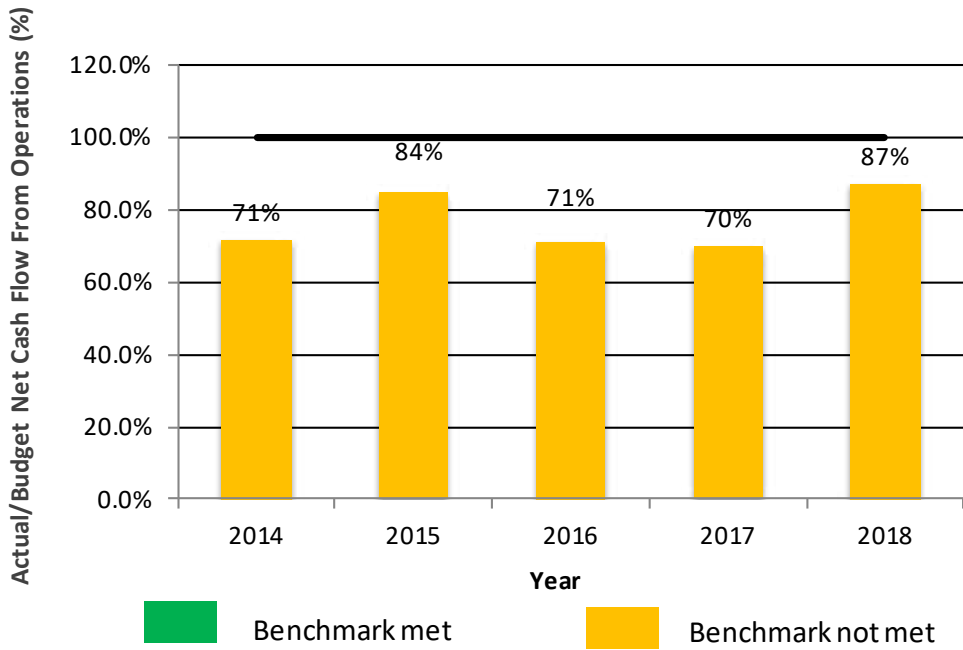
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

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



Operations Control Benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Financial Statements

Ngā matapae tauāki pūtea

Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2018

ACTUAL 2017 \$000			ACTUAL 2018 \$000	BUDGET 2018 \$000
	REVENUE			
40,760	Rates	Note 2	42,533	42,653
13,227	Subsidies and Grants	Note 3	23,043	10,092
(2)	Development and Financial Contributions		50	94
5,437	Fees and Charges		6,958	5,572
35	Interest Revenue	Note 6	33	46
7,849	Other Revenue	Note 3	1,539	5,808
3,722	Gains	Note 7	1,235	500
71,028	Total Revenue		75,391	64,765
	EXPENSES			
15,181	Personnel Costs	Note 4	17,114	14,961
14,090	Depreciation and Amortisation Expense	Note 5 and Note 14	12,548	15,979
1,903	Finance Costs	Note 6	2,537	2,520
35,838	Other Expenses	Note 5	36,775	27,376
-	Revaluation Losses	Note 5	299	-
67,012	Total Expenses		69,273	60,836
4,016	Surplus (Deficit) Before Tax		6,118	3,929
(25)	Income Tax Expense (Benefit)	Note 8	(25)	-
4,041	Surplus (Deficit) After Tax		6,143	3,929
	OTHER COMPREHENSIVE REVENUE AND EXPENSE			
14,410	Gains (Loss) on Property, Plant and Equipment Revaluations	Note 14	36,451	(1,000)
-	Tax on Revaluation Surplus		-	-
18,451	Total Comprehensive Revenue and Expense		42,594	2,929

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

The Notes and the Statement of Accounting Policies on pages 135 to 187 form part of the Financial Statements.

Statement of Financial Position As at 30 June 2018

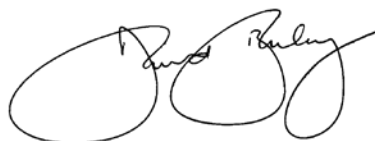
ACTUAL 2017 \$000			ACTUAL 2018	BUDGET 2018
			\$000	
	EQUITY			
411,791	Accumulated Funds	Note 23	420,808	428,347
20,277	Restricted Equity	Note 23	18,336	17,779
169,403	Asset Revaluation Reserves	Note 23	205,533	153,300
601,471	TOTAL EQUITY		644,677	599,426
	ASSETS			
	Current Assets			
2,557	Cash and Cash Equivalents	Note 9	5,645	846
13,485	Receivables	Note 11	10,884	3,574
-	Derivatives Financial Instruments	Note 12	-	-
600	Goods and Services Tax	Note 11	700	837
211	Inventory	Note 10	167	
9,696	Non-current Assets Held for Sale	Note 17	2,656	2,653
26,549	Total Current Assets		20,052	7,910
	Non-Current Assets			
	Non-current Assets Held for Sale	Note 17	6,700	
-	Derivative Financial Instruments	Note 12	-	-
703	Investment in CCOs and other similar entities	Note 13	927	784
75,822	Operational Assets	Note 14	77,656	79,518
478,839	Infrastructural Assets	Note 14	534,317	500,000
145	Intangible Assets	Note 14	391	784
50	Forestry Assets	Note 16	90	60
34,655	Investment Property	Note 17	35,788	33,467
39,246	Restricted Assets	Note 18	39,254	40,000
16,693	Work in Progress	Note 14	14,553	5,317
646,153	Total Non-Current Assets		709,676	659,930
672,702	TOTAL ASSETS		729,728	667,840
	LIABILITIES			
	Current Liabilities			
17,635	Payables and Deferred Revenue	Note 19	13,428	13,896
-	Derivatives Financial Instruments	Note 12	49	-
6,000	Borrowings and Other Financial Liabilities	Note 22	21,000	6,000
2,040	Employee Entitlements	Note 21	2,258	1,800
64	Provisions	Note 20	32	-
-	Goods and Services Tax	Note 19	-	-
25,739	Total Current Liabilities		36,767	21,696
	Non-Current Liabilities			
2,994	Derivative Financial Instruments	Note 12	3,244	513
41,500	Borrowings and Other Financial Liabilities LT	Note 22	44,000	45,300
469	Employee Entitlements LT	Note 21	487	500
431	Provisions LT	Note 20	479	406
98	Deferred Tax Liability	Note 8	72	-
45,492	Total Non-Current Liabilities		48,282	46,719
71,231	TOTAL LIABILITIES		85,049	68,415
601,471	NET ASSETS (Assets minus Liabilities)		644,679	599,425

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

The Notes and the Statement of Accounting Policies on pages 135 to 187 form part of the Financial Statements.



Tony Bonne
MAYOR TUMUAKI
31 October 2018



David Bewley
INTERIM CHIEF EXECUTIVE TOIHAUTŪ TAUIPUA
31 October 2018

Statement of Changes in Net Assets and Equity

For the Year Ended 30 June 2018

ACTUAL 2017 \$000		ACTUAL 2018	BUDGET 2018
		\$000	
586,085	Balance at 1 July	601,472	443,197
18,451	Total Comprehensive Revenue and Expense for the Year	42,594	2,929
(3,064)	Other Adjustment	611	153,300
601,472	Balance at 30 June	644,677	599,426

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

The Notes and the Statement of Accounting Policies on pages 135 to 187 form part of the Financial Statements.

Statement of Cashflows

For the Year Ended 30 June 2018

ACTUAL 2017 \$000		ACTUAL 2018	BUDGET 2018
		\$000	
	CASH FLOWS FROM OPERATING ACTIVITIES		
49,103	Receipts from Rates Revenue	50,200	51,184
11,262	Subsidies and Grants Received	24,047	13,454
10,140	Fees and Charges and Other Revenue received	8,972	7,869
83	Interest Received	33	46
6	Dividends Received	6	6
(45,769)	Payments to Suppliers and Employees	(55,701)	(42,337)
(6,107)	Payments to Agencies	(8,263)	(8,531)
(1,903)	Interest paid	(2,537)	(2,520)
(981)	GST (Net)	(100)	-
15,834	Net Cash Flow from Operating Activities	16,657	19,171
	CASH FLOWS FROM INVESTING ACTIVITIES		
858	Receipts from Sale of Property, Plant and Equipment	2,235	7,100
(23,890)	Purchase of Property, Plant and Equipment	(33,080)	(27,071)
(96)	Acquisition of Investments	(224)	-
(23,128)	Net Cash Flows from Investing Activities	(31,069)	(19,971)
	CASH FLOWS FROM FINANCING ACTIVITIES		
19,200	Proceeds from Borrowings	57,000	-
(11,000)	Repayment of Borrowings	(39,500)	
8,200	Net Cash Flow from Financing Activities	17,500	-
906	Net Increase (Decrease) in Cash, Cash Equivalents and Bank Overdrafts	3,088	(800)
1,651	Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year	2,557	1,646
2,557	Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	5,645	846
	Represented by:		
2,557	Cash at Bank	5,645	846

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

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

The Notes and the Statement of Accounting Policies on pages 135 to 187 form part of the Financial Statements.



Notes to the Financial Statements

Ngā Kōrero tāpiri tauāki pūtea

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 2018. The financial statements were authorised for issue by Council on 31 October 2018.

BASIS OF PREPARATION

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

Statement of compliance

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

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

These financial statements comply with PBE standards.

Presentation currency and rounding

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

Statements issued and not yet effective and not early adopted

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

Impairment of Revalued Assets

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

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

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

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

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

Interests in other entities

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

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

Financial instruments

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

Joint venture

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

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

Revenue

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below:

Rates revenue

The following policies have been applied:

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

Development and financial contributions

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

New Zealand Transport Agency roading subsidies

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

Other grants received

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

Building and resource consent revenue

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

Entrance fees

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

Landfill fees

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

Provision of commercially based services

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

Rendering of services

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

Sales of goods

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

Infringement fees and fines

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

Vested or donated physical assets

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

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

Donated and bequeathed financial assets

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

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate. Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Borrowing costs

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

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

Foreign currency transactions

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

Income tax

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not the title is eventually transferred. At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

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

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The associated gains or losses of these derivatives are recognised in the surplus or deficit.

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in

any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

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

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit. If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventory

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

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

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

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

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

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

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

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

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

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets

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

Restricted assets

Restricted assets are mainly parks and reserves owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructural assets

Infrastructural assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

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

Revaluation

Land, buildings (operational and restricted), museum, library books, and infrastructural assets (except land under roads) are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The Council assesses the carrying values of its revalued 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.

Roading is valued on a regular basis and each asset is assigned a base life (estimate of total useful life), which is converted to a preliminary estimate of physical life by adjusting for age. An initial assessment of remaining life is then calculated as the difference between expected life and age of asset. Where information is available further adjustments are then made to the useful life estimate to take into account condition and use of the asset.

The three water assets are regularly valued with the economic life of an asset being the period of time it is economically worthwhile to replace rather than to continue to repair or maintain. The economic life varies for each asset. Assets lives are modified if local knowledge and experience suggests this is appropriate.

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

INFRASTRUCTURAL ASSETS (APPROXIMATE AVERAGE OVER ALL ASSETS IN THAT CATEGORY)	YEARS
Roading	
Land – road reserve	Not depreciated
Road formation	Not depreciated
Basecourse	78
Sealed Pavement surface	15
Unsealed Wearing Course	5
Bridge Railings	10
Signs	16
Drainage	49
Large Culverts	51
Retaining Walls	74
Surface water Channel	54
Railings	22
Traffic Islands	50
Street lighting	26
Footpaths	47
Bridges	93
Car-parks	48
Water	
Treatment plant /Headworks	13
Pump stations	11
Reservoirs	38
Trunk Main	41
Main	49
Service Line	33
Harbour Assets	
Harbour Assets	14-15
Stormwater	
Gravity Main	45
Rising Main	46
Pump station	20
Sewer	
Service Line	25
Gravity Main	40
Rising Main	57
Pump Station	12
Treatment Plant	47
Outfall	28
OPERATIONAL ASSETS	
Museum assets	Not depreciated
Land	Not depreciated
Buildings	8-55
Vehicles	5-8
Plant and equipment	4-33
Furniture and fittings	5-10
Library books	3-4
Office equipment	5-10

The assets' residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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

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

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

Easements

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

Amortisation

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

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

Computer software 4 - 5 years 20% - 25%

Impairment of property, plant, and equipment and intangible assets

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

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

Forestry assets

Standing forestry assets are generally independently revalued annually at fair value less estimated costs to sell for one growth cycle. A valuation was carried out in 2017/18 year. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

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

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

Investment property

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

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

After initial recognition, the Council measures all investment property at fair value at each reporting date.

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

Payables

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

Borrowings

Borrowings are initially recognised at their fair value plus costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent it will be used by staff to cover those future absences.

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

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

Projected cashflows are discounted back to the valuation date at the valuation discount rates. The discount rates have been chosen in accordance with PBE IPSAS 25 and have been obtained from Treasury's published Risk-Free Discount Rates as at 30 June 2017. A long term annual rate of salary growth of 3.0% per year has been used.

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

The balance of the valuation is classified as long term.

Superannuation scheme

Defined contribution schemes

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

Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds;
- Restricted reserves;
- Asset revaluation reserve.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserve

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

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

Goods and services tax (GST)

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

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its Annual Plan 2017/18. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost allocation

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

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

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

Critical accounting estimates and assumptions

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

Asset valuations and fair value assumption

Note 14 provides information about the valuation dates of assets. During the 2018 year, independent valuations were carried out on roading, three waters infrastructure, forestry, investment property and property held for sale.

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

Landfill aftercare provision

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

Flood Recoveries

Within the Other Revenue category of the Statement of Comprehensive Revenue and Expense are reversals of insurance proceeds accruals of \$2.9 million. While \$3.4 million was accrued in the previous year, to date only \$0.5 million has been received. As there is no virtual certainty of receiving the remaining \$2.9 million, this accrual has been removed. As at 30 June 2018, negotiations were still ongoing and there is an expectation that these costs will be recovered.

Critical judgements in applying accounting policies

Management has exercised no critical judgements in applying accounting policies for the year ended 30 June 2018.

Note 2 – Rates

ACTUAL 2017 \$000			ACTUAL 2018	BUDGET 2018
			\$000	
		GENERAL RATES		
18,733		General Rates	20,374	21,038
		TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:		
(1)		Recreation and Community Services	-	-
472		District Growth	663	664
3,395		Solid Waste	2,477	2,481
3,067		Stormwater Drainage	3,253	3,328
2,772		Sewage Treatment and Disposal	3,329	3,366
5,092		Water Supply	5,213	5,230
6,935		Roads and Footpaths	6,825	6,833
341		Leadership	328	334
623		Rate Penalties	826	-
(669)		Rates Remissions	(755)	(620)
-		VOLUMETRIC CHARGES FOR WATER		
40,760		Net Rate Revenue	42,533	42,654

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			
The following rating base information is disclosed based on the rating base information at the end of the preceding financial year:			
		30-Jun-18	30-Jun-17
The number of rating units within the District		16,627	16,586
The total capital value of rating units within the District		8,522,839,300	8,690,591,900
The total land value of rating units within the District		4,753,298,350	4,515,152,450

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 2018 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	ACTUAL 2018	BUDGET 2018
	\$000	
Rates	42,533	40,760
Lump Sum Contributions	-	-
Total Annual Rates Revenue	42,533	40,760

Note 3 - Other Revenue and Subsidies and Grants

ACTUAL 2017 \$000			ACTUAL 2018	BUDGET 2018
			\$000	
		SUBSIDIES AND GRANTS		
2,399		Government Grants	5,117	2,200
10,828		NZTA Subsidies	17,925	7,892
13,227		Total Subsidies and Grants	23,042	10,092
		OTHER REVENUE		
-		Vested Assets	310	236
228		Infringements and Fines	247	319
291		Petrol Tax	325	275
2,325		Rental Revenue from Investment Properties	2,545	2,223
306		Rental Revenue Other	533	500
6		Dividend Revenue	6	6
3,407	*	Flood Recoveries	(2,974)	
431		Other Services	547	2,338
6,994		Total Other Revenue	1,539	5,897
20,221		Total Subsidies and Grants and Other Revenue	24,581	15,989

* Flood recoveries of \$3.4 million were accrued in the 2016-17 year. However, as at 30 June 2018, only \$0.5 million has been recovered. At this point in time, there is no virtual certainty that the remainder will be paid, so no accruals have been reset for the current year. This is why the flood recoveries income shows a negative figure.

Note 4 - Personnel Costs

ACTUAL 2017 \$000			ACTUAL 2018	BUDGET 2018
			\$000	
14,505		Salaries and Wages	16,435	14,561
361		Defined Contribution Plan for Employer Contributions	444	400
315		Increase (Decrease) in Employee Entitlements	235	-
15,181		Total Personnel Costs	17,114	14,961

For further detail on increases and variances to budget, please see Note 34.

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

Note 5 - Depreciation and Other Expenses

ACTUAL 2017 \$000				ACTUAL 2018		BUDGET 2018	
				\$000			
		DIRECTLY ATTRIBUTABLE DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY					
48	Community Safety			51		6	
42	District Growth			141		244	
1,796	Recreation and Community Services			2,400		2,650	
7	Solid Waste			72		10	
6,649	Roads and Footpaths			4,328		6,867	
1,821	Water Supply			1,838		1,881	
1,058	Stormwater Drainage			1,152		1,090	
1,349	Sewage Treatment and Disposal			1,447		1,536	
26	Reportable Council-controlled Organisations			28		44	
1,294	Corporate and District Activities Funds Applied			1,092		1,651	
14,090	Total Depreciation and Amortisation Expense			12,549		15,979	
-	For further information on change of estimate, please refer to Note 34						
		OTHER EXPENSES					
129	Audit NZ - Council Financial Statements			135		225	
-	Audit NZ - Annual Plan / Long Term Plan			89		80	
4	Audit NZ - Whakatāne Airport Joint Venture			5		5	
-	Audit fees -other	*		23			
21	IANZ - BCA accreditation			2			
430	Grants and Subsidies			505		502	
416	Insurance Premiums			484		540	
-	Investment Property Expenses			65			
940	Loss on Disposal of Assets			404			
422	Movement in Doubtful Debt Impairment			(339)		-	
29	Operating Leases			31		30	
28,938	Other Operating Expenses			33,533		26,083	
4,509	Flood costs incurred			1,672		-	
-	Impairment			150		-	
(855)	Movement in Provision	**		16		(89)	
34,983	Total Other Expenses			36,775		27,376	
	* Movement in Landfill and Weathertight Provisions						
		REVALUATION LOSSES					
-	NON FINANCIAL INSTRUMENTS			-			
		FINANCIAL INSTRUMENTS					
	Derivative Financial Instruments	Note 12		299		-	
	Total Revaluation Losses			299		-	

*Audit Fees incurred that were not from Audit NZ

**Movement in Landfill and Weathertight Provisions

Note 6 - Interest Revenue and Finance Costs

ACTUAL 2017 \$000				ACTUAL 2018		BUDGET 2018
				\$000		
35	Interest Revenue			33		46
(1,903)	Finance Costs - interest on borrowings			(2,537)		(2,520)
(1,868)	Net Finance Costs			(2,504)		(2,474)

Note 7 – Gains

ACTUAL 2017 \$000				ACTUAL 2018		BUDGET 2018
				\$000		
		NON FINANCIAL INSTRUMENTS				
1,894	Revaluation - Investment Property		Note 17	1,162		500
-	Revaluation - Forestry		Note 16	55		-
249	Gain on Disposal of Assets			17		-
2,143	Total Non-Financial Instruments			1,234		500
		FINANCIAL INSTRUMENTS				
1,579	Revaluation - Derivative Financial Instruments		Note 12	-		-
1,579	Total Financial Instruments			-		-
3,722	Total Gains			1,234		500

Note 8 - Income Tax

ACTUAL 2017 \$000		ACTUAL 2018 \$000
	COMPONENTS OF TAX EXPENSE	
-	Current Tax	-
-	Adjustments to Current Tax in Prior Years	-
(25)	Deferred Tax	(25)
(25)	Total Tax	(25)
	RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING SURPLUS	
4,016	Surplus (Deficit) Before Tax	6,118
1,124	Tax @ 28% (2017: 28%)	1,713
	Plus (Less) tax effect of:	
(1,124)	Non-deductible Expenditure	(1,713)
-	Non-taxable Revenue	-
(25)	Deferred Tax Adjustment	(25)
-	Prior Year Adjustment	-
(25)	Tax Expense (Benefit)	(25)

DEFERRED TAX ASSET (LIABILITY)	PROPERTY, PLANT AND EQUIPMENT \$000	EMPLOYEE ENTITLEMENTS \$000	TAX LOSSES \$000	TOTAL \$000
Balance at 30 June 2016	(679)	-	556	(123)
Charged to Surplus or Deficit	(76)		101	25
Charged to Other Comprehensive Revenue and Expense	-	-	-	-
Balance at 30 June 2017	(756)	-	657	(99)
Charged to Surplus or Deficit	34		(9)	25
Charged to Other Comprehensive Revenue and Expense	-	-	-	-
Balance at 30 June 2018	(722)	-	648	(74)

A deferred tax asset has not been recognised in relation to unused tax losses of \$5,391,772 (2017: \$4,715,230).
A deferred tax asset has not been recognised in relation to unused tax losses of \$0 (2017: \$0) in relation to the Whakatāne Airport joint venture (50% share).

Note 9 - Cash and Cash Equivalents

ACTUAL 2017 \$000		ACTUAL 2018 \$000
2,557	Cash at Bank and on Hand	5,645
2,557	Total Cash and Cash Equivalents	5,645
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:		
2017		2018
1.16%	Cash and Cash Equivalents	0.95%

Note 10 – Inventories

ACTUAL 2017 \$000		ACTUAL 2018 \$000
	HELD FOR DISTRIBUTION:	
211	Water and Sewerage Spare Parts	158
	Road Safety Vouchers	9
211	Total Inventories	167

No inventories are pledged as security for liabilities (2017: \$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 2018 amounted to \$Nil (2017: \$Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

Note 11 – Receivables

ACTUAL 2017 \$000		ACTUAL 2018 \$000
4,495	Rates Receivables	4,968
3,038	Metered Water Receivables	3,219
2,465	Sundry Debtor Receivables	2,194
189	Regulatory Receivables	160
2,836	NZTA Receivable	1,832
3,557	Income Accrued	797
(59)	Airport Debtors	382
600	GST Receivable	700
17,122		14,252
(3,341)	Less Provision for Impairment of Receivables	(3,002)
13,781		11,250
304	Prepayments	333
14,085	Total Receivables including GST Receivable	11,583
	TOTAL RECEIVABLES COMPRISE:	
10,829	Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	7,315
3,256	Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	4,268

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 if discounting is material.

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

MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES:

2017 \$000		2018 \$000
2,919	At 1 July	3,341
889	Provision Adjustment Made During the Year	166
(467)	Receivables Written Off During the Year	(505)
3,341	Balance at 30 June	3,002

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

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

ACTUAL 2017 \$000		ACTUAL 2018 \$000
50	Shares - Civic Financial Services Ltd (formerly NZ Local Govt Insurance Corp Ltd): 38,788 shares@ \$1.29	50
9	Shares - Bay of Plenty Local Authority Shared Services Limited	9
100	Shares - NZ Local Government Funding Agency	100
544	Borrower Notes - NZ Local Government Funding Agency	768
703	Total Investment in Council Controlled Organisations and Other Similar Entities	927

Unlisted Shares

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

The Whakatāne District Council is a shareholder in BoPLASS Ltd, a CCO owned by councils in the Bay of Plenty Region. It is a Joint Venture with each of the nine councils in the region holding shares. Whakatāne District Council holds 9.7% of the shares. BoPLASS 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 and Equipment

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

2018	CURRENT YEAR										30 JUNE 2018			
	COST / VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	ADDITIONS	VESTED	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON DISPOSAL / REVALUATION	DEPRECIATION	REVALUATION	COST / REVALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE
OPERATIONAL ASSETS														
Land*	23,674	-	23,674	-	-	-	3	-	-	-	-	23,677	-	23,677
Buildings**	37,737	-	37,737	2,075	-	444	-	-	1,130	-	-	39,368	1,130	38,238
Plant and Equipment	3,924	2,315	1,609	1,783	-	-	-	-	281	-	-	5,707	2,596	3,111
Furniture and Fittings	2,280	1,578	702	74	145	-	-	-	148	-	-	2,499	1,726	773
Office Equipment	4,822	3,553	1,269	206	-	-	-	-	384	-	-	5,028	3,937	1,091
Motor Vehicles	2,569	1,437	1,132	382	-	32	-	-	235	-	-	2,919	1,672	1,247
Harbour Vessels	32	32	-	-	-	-	-	-	-	-	-	32	32	-
Museum Collection	8,750	-	8,750	-	-	-	-	-	-	-	-	8,750	-	8,750
Library Books	944	-	944	106	-	-	-	-	281	-	-	1,050	281	769
Total Operational Assets	84,732	8,915	75,817	4,626	145	476	3	-	2,459	-	-	89,030	11,374	77,656
INFRASTRUCTURAL ASSETS														
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	-	91,363	-	91,363
Stormwater	45,363	3,106	42,257	5,003	163	-	-	3,106	1,152	4,457	-	51,880	1,152	50,727
Harbour	3,112	569	2,543	649	-	-	-	568	180	-	-	3,193	181	3,012
Parks	16,294	-	16,294	2,268	-	-	-	-	972	-	-	18,562	972	17,590
Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Core Council Infrastructure Assets</i>														
Roading Network	252,449	19,673	232,776	12,614	-	-	-	13,098	4,360	15,229	-	267,194	10,935	256,259
Water - Treatment Plants & Facilities	3,254	639	2,615	-	-	-	-	639	213	(392)	-	2,615	213	2,402
Water - Other	54,499	4,739	49,760	6,073	-	-	-	4,739	1,625	11,575	-	67,016	1,625	65,391
Sewerage - Treatment Plants and Facilities	5,516	377	5,139	-	-	-	-	377	123	711	-	5,139	123	5,016
Sewerage - Other	39,354	3,261	36,093	2,205	-	-	-	3,262	1,324	4,872	-	43,880	1,323	42,557
Total Infrastructural Assets	511,204	32,364	478,840	28,812	163	-	-	25,789	9,949	36,452	-	550,842	16,524	534,317
INTANGIBLE ASSETS														
Computer Software	3,746	3,601	145	387	-	-	-	-	141	-	-	4,133	3,742	391
Total	599,682	44,881	554,802	33,785	308	476	3	25,789	12,549	36,452	-	644,005	31,641	612,364

* Includes Airport land \$2,290,000 (2017: \$2,290,000) ** Includes 50% Airport assets including runway \$1,546,534 (2017: \$1,565,116 including runway and land)

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

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

Note 14 – Property Plant and Equipment

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

	CURRENT YEAR										30 JUNE 2017				
	2017	COST / VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE	ADDITIONS	VESTED	DISPOSALS	TRANSFERS	IMPAIRMENT	DEPRECIATION REVERSED ON DISPOSAL	DEPRECIATION	REVALUATION	COST / RE-VALUATION	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET BOOK VALUE
OPERATIONAL ASSETS															
				1 JULY 2016				CURRENT YEAR							30 JUNE 2017
Land*	19,539	-	19,539	-	-	-	1,259	-	-	-	2,876	23,674	-	23,674	-
Buildings**	40,898	2,797	38,101	1,693	907	-	-	-	3,780	983	-3,947	37,737	-	37,737	-
Plant and Equipment	3,417	2,163	1,254	507	-	-	-	-	-	152	-	3,924	2,315	1,609	-
Furniture and Fittings	2,152	1,402	750	130	2	-	-	-	-	176	-	2,280	1,578	702	-
Office Equipment	4,484	3,086	1,398	338	-	-	-	-	-	467	-	4,822	3,553	1,269	-
Motor Vehicles	1,962	1,329	633	772	165	-	-	-	121	229	-	2,569	1,437	1,132	-
Harbour Vessels	269	255	14	-	236	-	-	-	231	8	-	33	32	1	-
Museum Collection	8,812	62	8,750	-	-	-	-	-	-	-	-	8,812	62	8,750	-
Library Books	1,906	422	1,484	107	-	-	-	-	651	230	-1,069	944	1	943	-
Total Operational Assets	83,439	11,516	71,923	3,547	-	1,310	1,259	-	4,783	2,245	-2,140	84,795	8,978	75,817	-
INFRASTRUCTURAL ASSETS															
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	-	91,363	-	91,363	-
Stormwater	43,691	2,048	41,643	1,672	-	-	-	-	1,058	1,058	-	45,363	3,106	42,257	-
Harbour	4,936	363	4,573	81	-	-	-	-	568	206	-2,474	3,112	569	2,543	-
Parks	10,370	1,314	9,056	400	-	-	-	-	2,025	711	5,524	16,294	-	16,294	-
Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Core Council Infrastructure Assets</i>															
Roading Network	245,413	13,025	232,388	7,036	-	-	-	-	6,648	6,648	-	252,449	19,673	232,776	-
Water - Treatment Plants and Facilities	3,254	426	2,828	-	-	-	-	-	213	213	-	3,254	639	2,615	-
Water - Other	52,958	3,131	49,827	1,541	-	-	-	-	1,608	1,608	-	54,499	4,739	49,760	-
Sewerage - Treatment Plants and Facilities	5,516	251	5,265	-	-	-	-	-	126	126	-	5,516	377	5,139	-
Sewerage - Other	38,617	2,038	36,579	737	-	-	-	-	1,223	1,223	-	39,354	3,261	36,093	-
Total Infrastructural Assets	496,118	22,596	473,522	11,467	-	-	-	-	2,593	11,793	3,050	511,204	32,364	478,840	-
INTANGIBLE ASSETS															
Computer Software	3,654	3,548	106	92	-	-	-	-	-	53	-	3,746	3,601	145	-
Total	583,211	37,660	545,551	15,106	-	-	1,310	1,259	-	14,091	910	599,745	44,943	554,802	-

Note 14 - Property Plant and Equipment continued

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

WORK IN PROGRESS	ACTUAL 2018	ACTUAL 2017
	\$000	
Water, Stormwater and Wastewater Systems	5,585	12,411
Roading Network	237	59
Buildings	5,985	915
Parks and Reserves	439	992
Ports and Harbour	898	399
Intangible Assets	822	982
Airport	318	2
Plant and Equipment	270	933
Total Work in Progress	14,554	16,693

Replacement Cost - Core Council Infrastructure Assets

	MOST RECENT ESTIMATE OF REPLACEMENT COST \$000	DATE OF ESTIMATE
Roading Networks	384,045	1 July 2017
Water - treatment plants and facilities	118,947	1 July 2017
Sewerage - treatment plants and facilities	98,463	1 July 2017
Stormwater	85,922	1 July 2017

Valuations on Operational and Restricted Assets

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

Insurance of Assets The following information relates to the insurance of Council assets at 30 June 2018

	2018	2017	2016
	\$000		
The total net book value of all Council assets covered by insurance contracts	365,456	206,844	202,157
The maximum amount to which insured assets are insured	373,988	259,780	257,483
The total net book value of all council assets covered by financial risk sharing arrangements*	-	-	-
Maximum amount available to the Council under financial risk sharing arrangements*	-	-	-
The value of assets that are self-insured	347,622	324,139	323,751
The value of funds maintained for self-insurance **	-	731	1,181

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

** covered under insurance contracts in 2017/18*

*** Funds withdrawn to support costs incurred following 2017 floods. Payments to reserve will recommence in 2019 financial year.*



Note 15 – Valuation

Land (Operational, Restricted and Infrastructural)

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

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

Buildings (Operational and Restricted)

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

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

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

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

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

Infrastructural Asset classes: Sewerage, Water, Drainage and Roads

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

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

The most recent valuation of Water, Wastewater and Stormwater assets was performed by William Wallace and Jamie Cable, Asset Management Consultants of Opus International Consultants Limited, and the valuation was effective as at 1 July 2017.

The most recent valuation for Road assets was performed by Evan Ou Yang, Asset Information Analyst of Opus International Consultants Limited, and the valuation is effective as at 1 July 2017.

Land under roads

The road reserve land for formed roads only has been valued as at 1 July 2006. Road reserves have been valued on the average land valued by urban rating areas and rural ward, reduced by a factor of 30% to account for the restricted use of the land. On transition to New Zealand equivalents to International Financial Reporting Standards on 1 July 2006, the Council elected to use the fair value of land under roads as at 1 July 2006. Land under roads is no longer revalued.

Vested infrastructural assets

Vested infrastructural assets are valued based on the actual quantities of infrastructural components vested and the current in-ground cost of providing identical services. Assets vested to Whakatāne District Council are recognised in the Statement of Comprehensive Revenue and Expense as revenue and in the Statement of Financial Position as property, plant and equipment.

Library collections

Library collections are valued at depreciated replacement cost in accordance with the guidelines released in 2002 by the New Zealand Library Association and the National Library. The most recent valuation of the library collection was performed by J Munroe, Certified Practising Valuer of RHAS, and the valuation was effective as at 30 June 2017.

Museum

Museum collections are valued at fair value determined on a variety of valuation methods including market values, book value, replacement value, comparative value and values used by other institutions. The most recent valuation was performed by James Parkinson of Art + Object and the valuation is effective as at 30 June 2016.

Harbour Assets

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

Note 16 - Forestry Assets

ACTUAL 2017 \$000		ACTUAL 2018 \$000
50	Balance at 1 July	50
-	Gains (Losses) Arising from Changes in Fair Value on Valuation	43
-	Decreases due to Sales	(4)
50	Balance at 30 June	89

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 PF Olsen and Co, independent valuers, on the basis of arm's length market transaction of current market evidence as at 30 June 2018. A valuation was not carried out as at 30 June 2017.

\$3,500 worth of trees have been harvested during the year (2017: nil).

Note 17 - Investment Property and Non-current Assets Held for Sale

ACTUAL 2017 \$000		ACTUAL 2018 \$000
	INVESTMENT PROPERTY	
34,506	Balance at 1 July	34,655
-	Sales and Disposals	(29)
1,408	Fair Value Gains (Losses) on Valuation	1,162
-	Transfer (to) from Restricted Assets	-
	Transfer to Non-Current Assets Held for Sale	
-	Transfer from Operational Land	-
(1,259)	Transfer to Operational Land	
-	Transfer from Restricted Land	-
-	Transfer to Restricted Land	-
34,655	Balance at 30 June	35,788
Information about the revenue and expenses in relation to investment property is detailed below:		
2,325	Rental Revenue	2,545
-	Direct Operating Expenses from Investment Property Generating Revenue	65
	NON-CURRENT ASSETS HELD FOR SALE	
9,653	Balance at 1 July	9,697
(442)	Sales	(187)
	Impairment losses	(150)
486	Other Adjustments	
	Transfer to Operational Assets	(4)
-	Transfer from Investment Property	
9,697	Balance at 30 June	9,356
	NON CURRENT ASSETS HELD FOR SALE SPLIT BETWEEN :	
9,697	Assets where proceeds are expected within one year	2,656
	Assets where proceeds are expected after one year	6,700
9,697		9,356

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

All investment properties held by Council were valued at 30 June 2018 by Grant Utteridge an independent Valuer of Telfer Young (Rotorua) Ltd registered valuers. Telfer Young 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 (2017: \$nil).

Note 18 - Restricted Assets

2018	COST/ REVALUATION 1 JULY 2017	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) FROM INVESTMENT PROPERTY	REVALUATION CHANGE CURRENT YEAR	COST/ REVALUATION 30 JUNE 2018
										\$000
Harbour Land (Not Leased)	4,425	-	-	-	-	-	-	-	-	4,425
Recreational Reserves	34,821	8	-	-	-	-	-	-	-	34,829
Total	39,246	8	-	-	-	-	-	-	-	39,254

2017	COST/ REVALUATION 1 JULY 2017	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) FROM INVESTMENT PROPERTY	REVALUATION CHANGE CURRENT YEAR	COST/ REVALUATION 30 JUNE 2018
										\$000
Harbour Land (Not Leased)	3,619	-	-	-	-	-	-	-	806	4,425
Recreational Reserves	31,238	207	-	-	-	-	-	-	3,376	34,821
Total	34,857	207	-	-	-	-	-	-	4,182	39,246

Refer to Note 15 for revaluation details. Land in the Restricted Asset category is subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land under a bequest or donation that restricts the purpose for which the assets can be used). Included in the \$8,000 worth of additions, are vested assets of \$3,000.

Note 19 - Payables and Deferred Revenue

ACTUAL 2017 \$000		ACTUAL 2018 \$000
Payables and deferred revenue under exchange transactions		
9,803	Trade Payables	7,542
1,769	Accrued Expenses	1,618
2,863	Income Received in Advance	1,461
2,324	Deposits	1,696
582	Amounts due to Customers for Contract Work	788
Payables and deferred revenue under non-exchange transactions		
-	Other Taxes Payable (GST)	
294	Income Received in Advance	323
17,635	Total Payables and Deferred Revenue	13,427

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 2017 \$000		ACTUAL 2018 \$000
	Current Portion	
25	Landfill Aftercare Provision	21
39	Weathertightness Provision	11
64	Total Current Portion	32
	Non-current Portion	
292	Landfill Aftercare Provision	281
138	Weathertightness Provision	198
430	Total Non-current Portion	479
494	Total Provisions	511
Movements for each class of provision are as follows:		
	LANDFILL AFTERCARE PROVISION	
311	Balance at 1 July	317
6	Increase (Decrease) in Net Present Value	(15)
317	Balance at 30 June	302
	WEATHERTIGHTNESS PROVISION	
1,038	Balance at 1 July	177
(861)	Increase (Decrease) in Provision	32
177	Balance at 30 June	209

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. Three outstanding claims were registered at 30 June 2018 and are being dealt with on a case by case basis (2017: Four). Currently Council's liability in relation to two of 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 2018 financial statements of \$209,000 based on the expected outcome of negotiations on known claims with the affected parties - an increase of \$32,000 to the provision at 30 June 2018. The provision also includes future claims relating to weathertightness issues not yet identified and reported.

OTHER CLAIMS

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

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

Note 21 - Employee Entitlements

ACTUAL 2017 \$000			ACTUAL 2018 \$000
	Current Portion		
418	Accrued pay		594
1,595	Annual and Long Service Leave		1,613
28	Sick Leave		51
2,041	Total Current Portion		2,258
	Non-current Portion		
457	Long Service Leave		465
12	Sick Leave		22
469	Total Non-current Portion		487
2,510	Total Employee Entitlements		2,745

Key Assumptions in Measuring Retirement and Long Service Leave Obligations

Retirement and long service leave and sick leave were valued on an actuarial basis by Aon Retirement and Investment as at 30 June 2018.

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.

For sick leave an assumed discount rate of 4% p.a. has been used with an allowance of 3% average future salary growth. The valuation method is a refinement of that set out by Treasury in its paper entitled "Guidance on accounting for sick leave under NZ IAS 19 employee benefits."

The Long Service Leave valuation also assumes annual salary growth of 3% p.a. but uses a rising discount rate of 1.78% to 4.5% over a 10 year period.

The valuation has been carried out in accordance with PBE IPSAS 25.

Note 22 – Borrowings

ACTUAL 2017 \$000		ACTUAL 2018 \$000
	Current Portion	
6,000	Secured Loans	21,000
	Non-Current Portion	
41,500	Secured Loans	44,000
47,500	Total Borrowings	65,000
	The fair values of borrowings including current portion equate to their carrying values	
	Maturity Profile	
6,000	Maturing in under one year	21,000
11,500	Maturing in 1-2 years	
	Maturing in 2-3 years	13,000
13,000	Maturing in 3-4 years	5,000
	Maturing in 4-5 years	9,000
17,000	Maturing in 5 years+	17,000
47,500		65,000

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 2018 range from 2.02% to 3.165% (2017: 2.175% to 3.095%) with a weighted average rate of 2.56% (2017: 2.72%). Interest expense for 2018 was \$2.54 million (2017: \$1.9 million).

Security

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

Internal Borrowings

Information about internal borrowings is provided in the 'Our work in detail' chapter (pages 29-122) 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 2017 \$000		ACTUAL 2018 \$000
	Equity	
411,791	Accumulated Funds	420,808
20,278	Restricted Reserves	18,336
169,403	Asset Revaluation Reserves	205,533
601,472	Total Public Equity	644,677
	Accumulated Funds	
394,202	Balance at 1 July	395,884
	Revaluation Reversals on Disposals	323
(3,064)	Other Reserve Movements	611
4,041	Surplus/(Deficit) for the Year	6,143
(14,717)	Transfers to Council Created Reserves	(14,910)
(3,742)	Transfers to Restricted Reserves	(3,869)
16,662	Transfers from Council Created Reserves	23,089
2,502	Transfers from Restricted Reserves	5,811
395,884	Balance at 30 June	413,082
	Add Council Created Reserves (Incl. Depreciation Reserves)	
17,852	Balance at 1 July	15,907
	Adjusting Categories of Equity	
14,717	Transfer from Accumulated Funds	14,910
(16,662)	Transfer to Accumulated Funds	(23,089)
15,907	Balance at 30 June	7,728
411,791	Total Accumulated Funds	420,808
	Restricted Reserves	
19,038	Balance at 1 July	20,278
-	Adjusting Categories of Equity	
3,742	Transfers from Accumulated Funds	3,869
(2,502)	Transfer to Accumulated Funds	(5,811)
20,278	Balance at 30 June	18,336
	Asset Revaluation Reserve	
154,993	Balance 1 July	169,404
	Revaluation Reversals on Disposal	(323)
4,585	Revaluation of Operational Assets	
4,182	Revaluation of Restricted Assets	
-	Revaluation of Roding	15,228
-	Revaluation of Water	11,183
-	Revaluation of Sewerage	5,583
-	Revaluation of Land Drainage	4,457
5,643	Revaluation of Other Infrastructural Assets	-
169,404	Balance at 30 June	205,533

Note 23 – Equity continued

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

RESERVES SCHEDULE AS AT 30 JUNE 2018 ()=FUNDS IN HAND	ACTIVITY	PURPOSE	2017 - \$'000			2018 - \$'000			
			CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2017	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2018
Council Operating Reserves									
Separate Operating Reserves									
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits	555	1,935	(2,454)	37	2,095	(2,326)	(194)
Roading Rate - Asstd/Non asst'd/Special and Safety	Roads and Footpaths	For Roading Rate funded Surpluses or Deficits	531	275	(53)	753	883	(370)	1,266
Refuse Collection rate	Solid Waste	For Refuse Collection Rate Surpluses or Deficits	451	699	(697)	453	129	(271)	311
District Growth Rate	District Growth	For District Growth Rate funded Surpluses or Deficits	(93)	70	(20)	(43)	28	(36)	(51)
Whakatāne Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	(14)	541	(693)	(167)	590	(823)	(400)
Ōhope Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	(9)	-	-	(10)	-	(6)	(16)
Edgecumbe Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	2	-	-	2	-	(2)	(0)
Mataitā Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	(2,800)	175	(220)	(2,846)	175	(190)	(2,861)
Tāneatua Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	(2)	-	-	(2)	-	-	(2)
Te Teko Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	1	-	-	1	-	-	1
Murupara Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	(18)	-	(5)	(23)	3	(1)	(21)
Te Mahoe Wastewater	Sewage Treatment and Disposal	For Sewage Treatment and Disposal Rate funded Surpluses or Deficits	-	-	-	-	-	-	-
Equalised Water	Water Supply	For Water Supply Rate funded Surpluses or Deficits	(600)	744	(535)	(392)	517	(577)	(452)
Murupara Water	Water Supply	For Water Supply Rate funded Surpluses or Deficits	(96)	33	(4)	(67)	35	(27)	(59)
Plains Water	Water Supply	For Water Supply Rate funded Surpluses or Deficits	1,105	108	(762)	450	434	(923)	(39)
Dog Control	Animal Control	For Animal Control Surpluses or Deficits	165	6	(74)	97	5	(8)	94
Parking Enforcement	Parking	For Parking Enforcement Surpluses or Deficits	345	13	(118)	239	9	(60)	188
Pensioner Housing	Pensioner Housing		2,848	116	(513)	2,452	62	(1,965)	549
Airport Whakatāne 50%	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits	(995)	-	(175)	(1,170)	555	(299)	(914)
SOP - Fixed Assets			198	1,227	(229)	1,197	368	(57)	1,508
DM - Mataitā Grant Funded	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	178	8	-	186	8	-	194

RESERVES SCHEDULE AS AT 30 JUNE 2018 ()=FUNDSINHAND	ACTIVITY	PURPOSE	2017 - \$000			2018 - \$000			
			CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2017	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2018
DM - Matatā Non-Grant Funded	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	42	7	-	49	4	(1)	52
DM - Edgecumbe	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	12	11	-	23	1	(3)	21
DM - Awatapu	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(1)	9	-	9	7	-	16
DM - West End	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	25	16	-	41	11	-	52
Whakatāne Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	134	28	-	163	186	(29)	320
Ōhope Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(24)	114	1	92	46	-	138
Edgecumbe Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	54	5	-	59	1	(74)	(14)
Matatā Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(14)	29	-	15	-	(36)	(21)
Murupara Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	-	-	-	-	-	-	-
Tāneatua Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	1	2	-	2	5	-	7
Te Teko Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	(1)	1	-	-	1	-	1
Te Mahoe Stormwater	Stormwater Drainage	For Stormwater Drainage Rate funded Surpluses or Deficits	-	-	-	-	-	-	-
Total Separate Operating reserves			\$1,979	\$6,172	(\$6,551)	\$1,600	\$6,158	(\$8,084)	(\$326)
Other Reserves									
Car parks Development	Parking	For the Development of Car Parks in the District	40	2	-	42	2	-	44
Museum Collections	Exhibition, Research, Storage and Archives	For the purchase of Assets for the Museum Collection	1	-	-	1	-	-	1
Galatea Reserve Development	General Council	For amenities within Galatea and Murupara areas	2	-	-	2	-	-	2
Disabled Facilities		For the improvement of Disabled Facilities throughout the District	(9)	-	-	(9)	-	-	(9)
Roading Emergency	Roads and Footpaths	To fund costs associated with storm damage to the Councils Roading network	1,242	43	(554)	731	15	(762)	(16)
Te Mahoe Water - special	Water Supply	For the purchase of Capital Expenditure for the Te Mahoe Water Scheme	30	1	(11)	20	1	-	21

OUR COSTS IN DETAIL

RESERVES SCHEDULE AS AT 30 JUNE 2018 (I)=FUNDSINHAND	ACTIVITY	PURPOSE	2017 - \$000			2018 - \$000			
			CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2017	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2018
Disaster/LAPP Reserve	Corporate and District	To fund contributions to the LAPP scheme over and above annual insurance	313	14	-	327	-	(327)	-
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets	(571)	150	(255)	(676)	673	(364)	(367)
Sale of Bennett Block		Surplus funds from the Divestment of Council Assets	(91)	-	(4)	(95)	-	-	(95)
Leaky Homes Reserve	Building	To fund weathertight claims	205	-	(446)	(241)	200	(108)	(149)
Whakatāne Community Board	Leadership	Separately collected rates for community projects	96	29	(12)	113	3	(77)	39
Rangitāiki Community Board	Leadership	Separately collected rates for community projects	(17)	9	(1)	(8)	2	-	(6)
Ōhope Beach Community Board	Leadership	Separately collected rates for community projects	24	49	(24)	49	2	-	51
Tāneatua Community Board	Leadership	Separately collected rates for community projects	9	5	-	14	1	(4)	11
Murupara Community Board	Leadership	Separately collected rates for community projects	10	14	-	24	9	-	33
Iwi Liaison Committee	Leadership	Separately collected rates for community projects	7	-	-	7	-	-	7
Digitisation	Corporate and District	Separately collected rates for corporate digitisation project	807	912	(348)	1,370	41	(790)	621
Waste Minimisation	Solid Waste	Funding for Waste Minimisation Projects	-	110	-	110	99	-	209
Whakatāne Holiday Park	Recreation and Community Facilities	Funding for the Whakatāne Holiday Park	-	-	-	-	-	(107)	(107)
Edgecumbe Flood 2017	Community Safety	Deficit relating to the April 2017 Flood	-	-	-	-	420	(3,185)	(2,765)
Part Council Created (Other)			2,098	1,338	(1,655)	1,781	1,468	(5,724)	(2,475)
Council Created Reserve									
Depreciation Reserves									
Whakatāne Water	Whakatāne Water	To fund the renewal of Water Supply Assets	(463)	613	(905)	(756)	547	(161)	(370)
Ōhope Water	Ōhope Water	To fund the renewal of Water Supply Assets	183	87	(54)	215	76	(709)	(418)
Edgecumbe Water	Edgecumbe Water	To fund the renewal of Water Supply Assets	207	81	(153)	135	141	(29)	247
Matatā Water	Matatā Water	To fund the renewal of Water Supply Assets	314	18	(36)	296	17	(35)	278
Tāneatua Water	Tāneatua Water	To fund the renewal of Water Supply Assets	348	32	(2)	378	32	-	410
Murupara Water	Murupara Water	To fund the renewal of Water Supply Assets	589	50	(25)	614	49	(42)	621
Ruātōki Water	Ruātōki Water	To fund the renewal of Water Supply Assets	156	17	-	172	17	-	189
Waimana Water	Waimana Water	To fund the renewal of Water Supply Assets	18	5	-	23	5	-	28
Plains Water	Plains Water	To fund the renewal of Water Supply Assets	1,345	106	(83)	1,368	85	(947)	506
Te Mahoe Water	Te Mahoe Water	To fund the renewal of Water Supply Assets	42	2	-	44	2	(2)	44

RESERVES SCHEDULE AS AT 30 JUNE 2018 (I)=FUNDSINHAND	ACTIVITY	PURPOSE	2017 - \$'000			2018 - \$'000			
			CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2017	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2018
Whakatāne Wastewater	Whakatāne Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	1,445	366	(229)	1,582	403	(380)	1,605
Ōhope Wastewater	Ōhope Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	360	280	(4,215)	(575)	280	(670)	(965)
Edgecumbe Wastewater	Edgecumbe Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	(109)	273	1	165	218	(21)	362
Tāneatua Wastewater	Tāneatua Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	348	29	-	377	29	-	406
Te Mahoe Wastewater	Te Mahoe Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	(30)	3	(13)	(40)	-	(2)	(42)
Murupara Wastewater	Murupara Wastewater	To fund the renewal of Sewage Treatment and Disposal Assets	27	85	3	115	89	-	204
Whakatāne Land Drainage	Whakatāne Land Drainage	To fund the renewal of Stormwater Drainage Assets	(529)	448	(631)	(712)	221	(73)	(564)
Ōhope Land Drainage	Ōhope Land Drainage	To fund the renewal of Stormwater Drainage Assets	240	15	(337)	(81)	21	(64)	(124)
Edgecumbe Land Drainage	Edgecumbe Land Drainage	To fund the renewal of Stormwater Drainage Assets	(44)	4	(2)	(42)	4	(2)	(40)
Matatā Land Drainage	Matatā Land Drainage	To fund the renewal of Stormwater Drainage Assets	8	-	-	9	-	-	9
Tāneatua Land Drainage	Tāneatua Land Drainage	To fund the renewal of Stormwater Drainage Assets	15	1	-	16	1	-	17
Te Mahoe Land Drainage	Te Mahoe Land Drainage	To fund the renewal of Stormwater Drainage Assets	18	1	-	19	1	-	20
Murupara Land Drainage	Murupara Land Drainage	To fund the renewal of Stormwater Drainage Assets	88	4	-	92	4	-	96
Te Teko Land Drainage	Te Teko Land Drainage	To fund the renewal of Stormwater Drainage Assets	5	-	-	5	-	-	5
Refuse Disposal	Refuse Disposal	To fund the renewal of Solid Waste Assets	133	10	(4)	139	16	-	155
Libraries - Deprn	Libraries - Deprn	To fund the renewal of Library Assets	52	124	(107)	69	128	(109)	88
Museum	Museum	To fund the renewal of Museum Assets	131	6	-	137	108	(103)	142
Parks and Gardens and Sportfields	Parks and Gardens and Sportfields	To fund the renewal of Parks, Gardens and Sportfields Assets	1,220	490	(487)	1,223	223	(937)	509
Cemeteries and Crematoria	Cemeteries and Crematoria	To fund the renewal of Cemeteries and Crematorium Assets	61	25	(5)	82	26	(24)	84
Recreation	Recreation	To fund the renewal of Recreation Assets	136	6	-	142	246	(240)	148
Swimming Pools	Swimming Pools	To fund the renewal of Aquatic Assets	363	157	(200)	319	176	(341)	154
Halls	Halls	To fund the renewal of Hall Assets	599	206	(252)	553	89	(318)	324
Dog Control	Dog Control		1	-	-	1	-	-	1
Public Conveniences	Public Conveniences	To fund the renewal of Public Convenience Assets	354	15	(59)	310	13	(91)	232
Pensioner Housing	Pensioner Housing		342	15	-	358	15	-	373
Strategic and Investment Property	Strategic and Investment Property	To fund the renewal of Strategic and Investment Property Assets	2	-	-	2	-	-	2

RESERVES SCHEDULE AS AT 30 JUNE 2018 (I=FUND)SINHAND	ACTIVITY	PURPOSE	2017 - \$000			2018 - \$000			
			CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2017	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2018
Vehicle and Plant Reserve	Vehicle and Plant Reserve	To fund the renewal of Vehicle and Plant Assets	314	433	(325)	422	418	(236)	604
Corporate Property	Corporate Property	To fund the renewal of Corporate Property Assets	734	333	(175)	892	322	(474)	740
Information Management	Information Management	To fund the renewal of Information Management Assets	2,411	413	(722)	2,103	417	(574)	1,946
Port	Port	To fund the renewal of Port Assets	1,711	436	(337)	1,811	492	(167)	2,136
Roading-assisted/non assisted/special and safety	Roading-assisted/non assisted/special and safety	To fund the renewal of Roading Assets	934	1,941	(2,021)	854	2,076	(2,501)	429
Airport - Whakatāne 50%	Airport - Whakatāne 50%	To fund the renewal of Whakatāne Airport Assets	(303)	81	(89)	(311)	82	(20)	(249)
Whakatāne Holiday Park			-	-	-	-	58	(3)	55
Part Council Created (Depreciation Reserves)			13,775	7,211	(8,464)	12,525	7,147	(9,275)	10,397
TOTAL COUNCIL CREATED RESERVES			17,852	14,721	(16,670)	15,905	14,773	(23,083)	7,595
Restricted Reserves									
Develop Contrib.-Whakatāne Water	Water Supply	To fund growth related capital expenditure	74	15	(26)	63	4	(409)	(342)
Develop Contrib.-Ōhope Water	Water Supply	To fund growth related capital expenditure	150	8	-	158	7	(42)	123
Develop Contrib.-Edgcombe Water	Water Supply	To fund growth related capital expenditure	7	-	-	7	-	-	7
Develop Contrib.- Matatā Water	Water Supply	To fund growth related capital expenditure	65	3	-	68	3	-	71
Develop Contrib.- Plains Water	Water Supply	To fund growth related capital expenditure	(59)	-	(3)	(62)	2	(3)	(63)
Develop Contrib.-Whakatāne Wastewater	Sewage Treatment and Supply	To fund growth related capital expenditure	(1,001)	21	(61)	(1,041)	215	(454)	(1,280)
Develop Contrib.- Coastlands Wastewater	Sewage Treatment and Supply	To fund growth related capital expenditure	(86)	-	(4)	(90)	-	(4)	(94)
Develop Contrib.-Ōhope Wastewater	Sewage Treatment and Supply	To fund growth related capital expenditure	248	11	(13)	245	10	-	255
Develop Contrib.-Edgcombe Wastewater	Sewage Treatment and Supply	To fund growth related capital expenditure	(3)	-	-	(3)	-	-	(3)
Develop Contrib.-Community Infrastructure	Arts and Culture, Recreation and Community Facilities	To fund growth related capital expenditure	373	17	(9)	381	16	(1)	396
Develop Contrib.-Parks and Gardens	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	621	26	(103)	544	507	(358)	693
Develop Contrib.-Rural Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	260	12	-	271	5	(307)	(31)
Develop Contrib.-Whakatāne Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	(7)	-	-	(7)	7	-	-
Develop Contrib.-Ōhope Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	144	6	-	150	-	(150)	-
Develop Contrib.-Edgcombe Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	52	2	-	54	-	(54)	-
Develop Contrib.-Murupara Reserves	Parks, Reserves and Sportsfields	To fund growth related capital expenditure	12	1	-	12	-	(12)	-

RESERVES SCHEDULE AS AT 30 JUNE 2018 (I)=FUNDSINHAND	ACTIVITY	PURPOSE	2017 - \$'000			2018 - \$'000			
			CLOSING BALANCE 2016	TOTAL IN	TOTAL OUT	CLOSING BALANCE 2017	TOTAL IN	TOTAL OUT	
Develop Contrib.-Solid Waste	Solid Waste	To fund growth related capital expenditure	194	111	(42)	263	13	-	276
Develop Contrib.-Roading	Roads and Footpaths	To fund growth related capital expenditure	1,041	44	(110)	974	35	(333)	676
Develop Contrib.- Non Fin Asst Roading	Roads and Footpaths	To fund growth related capital expenditure	4	-	-	4	-	-	4
Develop Contrib.- Whakatāne Land Drain	Stormwater Drainage	To fund growth related capital expenditure	148	7	(102)	54	35	(2)	87
Develop Contrib.-Ōhope Land Drain	Stormwater Drainage	To fund growth related capital expenditure	112	5	-	117	5	-	122
Develop Contrib.-Matatā Land Drain	Stormwater Drainage	To fund growth related capital expenditure	-	-	-	0	-	-	-
Develop Contrib.- Whakatāne Car parks		To fund growth related capital expenditure at Ōtarawairere	(8)	-	-	(8)	-	-	(8)
Ōtarawairere Disaster Mitigation	Stormwater Drainage	To fund growth related capital expenditure	(42)	-	(2)	(44)	-	(2)	(46)
Capital Contributions Roading	Roads and Footpaths	Financial Contributions for Roading Capital Projects	55	2	-	58	2	-	60
Subdivision Contributions-Whakatāne	General Council	To fund growth related capital expenditure in the Whakatāne Ward	102	5	-	106	5	-	111
Subdivision Contributions-Ōhope	General Council	To fund growth related capital expenditure in the Ōhope Ward	41	2	-	43	2	-	45
Subdivision Contributions-Edgecumbe	General Council	To fund growth related capital expenditure in the Edgecumbe Ward	23	1	-	24	1	-	25
Subdivision Contributions-Matatā	General Council	To fund growth related capital expenditure in the Matatā Ward	20	1	-	21	1	-	22
Subdivision Contributions-Murupara	General Council	To fund growth related capital expenditure in the Murupara Ward	6	-	-	6	-	(7)	(1)
Subdivision Contributions-Rural	General Council	To fund growth related capital expenditure in the Rural Ward	23	1	(12)	12	-	(7)	5
Harbour Capital Fund	Ports and Harbour	For Ports and Harbour Operating Surpluses or Deficits	6,111	2,407	(2,015)	6,503	2,510	(3,664)	5,349
Harbour Land Sales	Ports and Harbour	Funds set aside from the sale of Harbour Assets	10,359	1,034	-	11,392	484	-	11,876
Total Restricted Reserves			19,038	3,742	(2,502)	20,277	3,869	(5,809)	18,337
Total Reserves			36,890	18,463	(19,172)	36,183	18,642	(28,892)	25,933

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:

(50% of the figures below are included in the council financial statements)

ACTUAL 2017 \$000	WHAKATĀNE AIRPORT JOINT VENTURE	ACTUAL 2018 \$000
582	Current Assets	134
1,724	Non-Current Assets	2,153
952	Current Liabilities	828
-	Non-current Liabilities	-
183	Revenue	196
384	Expenses	443
-	The Council's capital commitments in relation to the joint venture	-
-	Share of joint venture's commitments	269
-	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 2017 \$000		ACTUAL 2018 \$000
4,041	Surplus/ (Deficit)	6,143
	Add / (Less) Non-cash Items	
	Flood Recoveries	2,974
	Bad Debts expenses	505
14,090	Depreciation and Amortisation Expense	12,512
	Movement in doubtful debt provision	(339)
	Movement in provision	16
	(Gains)/Losses on Revaluation - Property Intended for Sale	150
(1,894)	(Gains)/Losses on Revaluation - Investment Property	(1,162)
	(Gains)/Losses Forestry	(55)
(1,579)	(Gains)/Losses on Revaluation - Derivative Financial Instruments	299
	Vested Assets	(310)
10,617	Total Non-cash Items	14,590
	Add / (Less) Items Classified as Investing or Financing Activities	
691	(Gains)/Losses on Disposal of Property, Plant and Equipment	387
691	Total Items Classified as Investing or Financing Activities	387
	Add/(Less) Movements in other Working Capital Items	
(5,054)	(Increase)/Decrease in Receivables	(610)
(30)	(Increase)/Decrease in Prepayments	(29)
(102)	(Increase)/Decrease in Inventory	44
7,178	Increase/(Decrease) in Payables	(4,078)
(855)	Increase/(Decrease) in Provisions	
355	Increase/(Decrease) in Employment Entitlements	235
(25)	Increase/(Decrease) in Deferred Tax	(24)
(981)	(Increase)/Decrease in Receivables	
486	Net Movement in Working Capital Items	(4,462)
15,835	Net Cash Inflow/(Outflow) from Operating Activities	16,658

Note 26 – Capital Commitments and Operating Leases

ACTUAL 2017 \$000		ACTUAL 2018 \$000
	Capital Commitments	
1,738	Roading Network	1,276
881	Stormwater	309
	Intangible Assets (Location Services)	
631	Wastewater	793
300	Water System	451
-	Building - Museum Redevelopment Project	318
3,550	Total Capital Commitments	3,147
Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.		
	Operating Leases as Lessee	
126	Not later than one year	136
425	Later than one year and not later than five years	323
551	Total Non Cancellable Operating Leases as Lessee	459
The Council leases equipment in the normal course of business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases at 30 June are represented above. There are no restrictions placed on the Council by any of the leasing arrangements.		
	Operating Leases as Lessor	
1,907	Not later than one year	2,143
5,821	Later than one year and not later than five years	6,812
4,028	Later than five years	2,405
11,756	Total Non Cancellable Operating Leases as Lessor	11,360

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

Note 27 – Contingencies

ACTUAL 2017 \$000		ACTUAL 2018 \$000
-	Other Claims	-
-	Total Contingencies	-

ACTUAL 2017 \$000		ACTUAL 2018 \$000
-	Legal disputes	-
-	Total Contingencies	-

CONTINGENT LIABILITIES

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

With regard to the quantified contingent liabilities, there are four potential liabilities faced by the Council.

Weather-tightness Claims

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

The Council is also exposed to potential future claims, until the statutory limitation period expires. Most of the potential claims have been settled during the year 2017-18 and outstanding amount of claims have been decreasing each year. The amount of potential future claims cannot be reliably estimated and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services (WHRS) Act 2006, but other statutory limitation periods could also affect claims.

Carter Holt Harvey Claim

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow-clad plywood cladding sheets manufactured and distributed by CHH. The MOE's original claim against CHH was for 833 school buildings, 35 of which are located within the Whakatāne District.

In 2016, CHH commenced proceedings against 48 Councils, including Whakatāne District Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates.

During the current year the Councils sought to strike out CHH's claims against them. The High Court declined the strike out of the claim, but struck out proceedings in relation to 28 school buildings (1 in Whakatāne District) built outside the 10 year long stop contained within the Building Act 2004. Further, CHH applied for trial staging, with proceedings to commence in relation to 20 buildings. MoE opposed the application, seeking a trial on the determination of whether shadow-clad is inherently defective. The High Court accepted the MoE proposal. CHH has appealed this decision.

At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

Unquantified Liability

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

Unquantified Claims

RiskPool, until June 2017, provided public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for that Fund year. The Council received a notice during 2012 for a call for additional contributions in respect of the 2003 and 2004 Fund years as those funds were exhibiting deficits due to the “leaky building” issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

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

The Council has become aware that a call will probably be made in the 2019 year for approximately \$60,000 and possibly a future call in the 2023 year of approximately \$30,000.

Employment Dispute

There are no employment disputes at 30 June 2018 (2017: nil).

Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA and it has a domestic currency rating from Standard and Poor and Fitch Ratings of AA+. According to the press release on 12 July 2018, Standard and Poor completed the ratings of LGFA based on the new methodology for rating non-US public-sector funding agencies and they have affirmed the ‘AA+’ long term local currency, ‘AA’ long term foreign currency and “A-1+” short term issuer credit rating on LGFA and removed the ratings from under criteria observation.

The Council is one of 30 local authority shareholders and nine local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million unpaid ordinary shares are available to be called where the NZLGFA Board has determined that there is an imminent risk of default. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA’s borrowings. At 30 June 2018, NZLGFA had borrowings totalling \$8.272 billion (2017: \$7.945 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

The Council has estimated a total expense of \$5.96 million for the damages attributed to the widespread flooding that occurred in Edgecumbe and the failure of the floodwall at College Road on 6 April 2017. Out of this amount, the Council has recovered claims amounting to \$2.1 million during the year 2017-2018 from the Third Party Residents Insurance, Ministry of Civil Defence and Emergency Management (MCDEM), BOPRC, Emergency Operations Centre (EOC) and Earthquake Commission (EQC).

Claims amounting to \$0.5 million has been approved to release by 2019 by Aon NZ for the two wharves, Whakatāne and Thornton that got damaged during the floods.

The Council is still following up the balance estimated insurance payment of \$3.85 million to be released by the Aon NZ and MCDEM and it is unable to estimate when the final amount will be awarded.

Note 28 – Related Party Transactions

RELATED PARTY TRANSACTIONS REQUIRED TO BE DISCLOSED

The Council paid \$238.50 to the Ōhope Heights bed and breakfast of which Mayor Bonne is the owner.

Russell Orr, the Commissioner of District Licensing Committee, was paid \$21,236.10 by the Council for the services provided by him.

The Council has a 1/9th share in BOPLASS Limited. BoPLASS 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, was a director of BoPLASS Limited till 31 August 2018. During the year the Council contracted BOPLASS Limited for services costing \$151,302.53 (2017: \$148,392.84).

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

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 the related parties. Administrative and maintenance transactions totalling \$126,098 (2017: \$140,099) were carried out with the Joint Venture. Funds held by Council on behalf of the Airport total \$763,275 deficit (2017: \$898,570 deficit).

KEY MANAGEMENT PERSONNEL COMPENSATION

	2017 \$000	2018 \$000
Councillors and Mayor		
Remuneration	466	514
Number of Elected Officials	11	11
Executive Team, including the Chief Executive		
Remuneration	1,237	1,442
Full-time Equivalent Member	6	7
Total Key Management Personnel Remuneration	1,703	1,956
Total Full-time Equivalent Personnel	17	18

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

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

Note 29 – Remuneration

CHIEF EXECUTIVE

The Chief Executive of the Whakatāne District Council, appointed under section 42(1) of the Local Government Act 2002 received a remuneration package of \$325,141 (2017: \$297,800) including KiwiSaver. And in addition a benefit of \$12,500 (2017 \$12,500) for a vehicle.

ELECTED REPRESENTATIVES

Elected representatives received the following remuneration:

2017 \$			MAYOR AND COUNCILLORS		2018 \$		
SALARIES	EARINGS	ALLOW AND EXP REIMB			SALARIES	HEARINGS	ALLOW AND EXP REIMB
104,443		4,478	Bonne, Tony (Mayor)	BONNE, Tony (Mayor)	109,456		4,335
42,492		3,151	Iles, Andrew	ILES Andrew	44,095		8,568
28,905		1,007	Jarrett, Scott	JARRETT Scott	29,396		900
28,905		1,030	Johnston, George	JOHNSTON George	29,396		1,455
28,905		900	Jukes, Julie	JUKES Julie	29,396		900
42,492	15,283	1,062	Orr, Russell	ORR Russell	44,095	21,312	2,623
28,905		7,095	Silcock, Alison	SILCOCK Alison	29,396		11,938
20,280		631	Tánczos, Nándor	TANCZOS Nándor	29,396		900
51,594	880	900	Turner, Judy (Deputy Mayor)	TURNER Judy (Deputy Mayor)	52,913		900
28,905	880	900	Van Beek, Gerard	VAN BEEK Gerard	29,396	160	900
20,280		1,601	van der Boom, Michael	VAN DER BOOM Mike	29,396		2,919
COMMUNITY BOARD MEMBERS							
Edgecumbe - Tarawera							
4,920		300	Bourk, Graeme	BOURK Graeme	5,004		300
4,920		300	Byrne, Kris	BYRNE Kris	5,004		300
3,452		210	Clark, Alison	CLARK Alison	5,004		300
4,920		300	Dennis, Gavin	DENNIS Gavin	5,004		300
4,920		300	Harvey, Evan	HARVEY Evan	5,004		300
6,535		210	Stevenson, Charelle	STEVENSON Charelle (C)	10,007		300
Tāneatua							
3,793		300	Chater, Geoffrey	CHATER Geoffrey	3,857		300
3,793		300	Knowles, Les	KNOWLES Les	3,857		300
1,332		100	Ratu, Te Whata	RATU Te Whata (HOHEPA- McLEAN)	3,857		300
2,661		796	Robert, Michael	ROBERT Michael	3,857		300
3,793		300	Ruiterman, Luke	RUITERMAN Luke	3,857		300
7,452		300	Yalden, Diane	YALDEN Diane (C)	7,714		300
Whakatāne / Ōhope							
5,771		210	Boreham, Kay	BOREHAM Kay	8,365		300

2017 \$			MAYOR AND COUNCILLORS		2018 \$		
SALARIES	EARINGS	ALLOW AND EXP REIMB			SALARIES	HEARINGS	ALLOW AND EXP REIMB
7,973		581	Casey, Gerard	CASEY Gerard	8,365		300
11,048		210	Chambers, Christine	CHAMBERS Christine (C)	16,730		300
7,392		300	Delahunty, Neville	DELAHUNTY Neville	8,365		300
5,085		185	Hamill, Carolyn	HAMILL Carolyn	8,365		300
6,186		636	Hanna Moira	HANNA Moira	8,365		300
5,085		185	Inman, Mark	INMAN Mark	8,365		300
923		90	Jenkins, Bruce				
5,771		358	Manning, Jennifer	MANNING Jennifer	8,365		300
Murupara							
2,661		368	Hynes, Ormond	HYNES Ormond	3,857		300
2,840		210	Jenkins, Bruce	JENKINS Bruce	3,857		300
3,793		457	Jenner, Memorie	JENNER Memorie	3,857		300
			O'Brien April	O'BRIEN April	3,359		261
3,793		300	Rangiwai, Byron	RANGIWAI Byron	316		25
			Rangiwai, Te Waiti	RANGIWAI Te Waiti	4,242		873
3,793		300	Te Amo, Jackie	TE AMO Jackie	3,857		300
550,711	17,043	30,865	Total Elected Representatives' Remuneration		616,987	21,472	44,697

COUNCIL EMPLOYEES

	2017	2018
Total annual remuneration by band for employees as at 30 June:		
< \$60,000	174	165
\$60,000 - \$79,999	41	47
\$80,000 - \$99,999	26	28
\$100,000 - \$119,999	10	14
\$120,000 - \$299,999	14	11
\$300,000 - \$319,999	1	1
Total Employees	266	266

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

At balance date, the Council employed 165 (2017: 176) full time employees, with the balance of staff representing 55.66 (2017: 50.44) 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 2018 Whakatāne District Council made three severance payments to three employees of \$2,734.77, \$4,660.77 and \$8,811.54 (2017:One payment of \$24,383.34)

Note 31 – Events After Balance Date

There were no significant events after balance date (2017: Nil)

Note 32a – Financial Instrument Categories

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

ACTUAL 2017 \$000		ACTUAL 2018 \$000
	FINANCIAL ASSETS	
	Fair Value Through Surplus or deficit	
	Financial Instruments	
-	Derivative Financial Instrument Assets	-
	Loans and Receivables	
2,557	Cash and Cash Equivalents	5,623
9,624	Receivables	9,753
12,181	Total Loans and Receivables	15,376
	Fair Value Through Other Comprehensive Revenue and Expense	
	Other Financial Assets:	
50	Civic Financial Services Ltd (formerly NZ Local Govt Insurance Corp Ltd)	50
9	BoP LASS Ltd	9
644	NZ Local Government Funding Agency	868
703	Total Fair Value Through Comprehensive Revenue and Expense	927
	FINANCIAL LIABILITIES	
	Fair Value Through Surplus or deficit	
	Financial Instruments	
2,994	Derivative Financial Instrument Liabilities	3,293
	Financial Liabilities at Amortised Cost	
14,480	Payables	11,622
47,500	Borrowings - Secured Loans	65,000
61,980	Total Financial Liabilities at Amortised Cost	76,622

Note 32b - Fair Value Hierarchy Disclosures

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			
2017				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
Local Authority Stock	9	-	9	-
Shares	150	-	150	-
Borrower Notes	544	-	544	-
FINANCIAL LIABILITIES				
Derivatives	2994	-	2,994	-
2018				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
Local Authority Stock	9	-	9	-
Shares	150	-	150	-
Borrower Notes	768	-	768	-
FINANCIAL LIABILITIES				
Derivatives	3293	-	3,293	-

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:

2017 \$000		2018 \$000
2,557	Cash at Bank and Term Deposits	5,623
9,624	Receivables	9,753
-	Derivative Financial Instrument Assets	-
544	Local Authority and Government Stock	768
(2,994)	Derivative Financial Instrument Liabilities	(3,293)
9,731	Total Credit Risk	12,851

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:

2017 \$000			2018 \$000
	COUNTERPARTIES WITH CREDIT RATINGS		
2,557	Cash at Bank and Term Deposits	AA-	5,623
2,557	Total Cash at Bank and Term Deposits		5,623
	Local Authority Stock and Government Bonds		
50	NZ Local Government Insurance Corporation Limited	unrated	
644	NZ Local Government Funding Agency	AA+	868
694	Total Local Authority Stock and Government Bonds		868
-	Derivative Financial Instrument Assets	AA-	-
-	Total Derivative Financial Instrument Assets		-
	COUNTERPARTIES WITHOUT CREDIT RATINGS		
	NZ Local Government Insurance Corporation Limited		50
9	Bay of Plenty Local Authority Shared Services Limited		9
9			59

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.

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$000					
Council 2018						
Payables	11,622	11,622	11,622	-	-	-
Secured Loans	65,000	65,000	21,000	-	27,000	17,000
Financial Derivatives	3,293	3,293	49	219	959	2,066
Total	79,915	79,915	32,671	219	27,959	19,066
Council 2017						
Payables	14,480	14,480	14,480	-	-	-
Secured Loans	47,500	47,500	6,000	11,500	13,000	17,000
Financial Derivatives	2,994	2,994	-	124	1,060	1,810
Total	64,974	64,974	20,480	11,624	14,060	18,810

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.

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	\$000					
Council 2018						
Cash and Cash Equivalents	5,623	5,623	5,623	-	-	-
Receivables	9,753	9,753	9,753	-	-	-
Net Settled Derivative Assets	-	-	-	-	-	-
Other Financial Assets:						
Local Authority and Government Stock	768	768	144	-	352	272
Total	16,144	16,144	15,520	-	352	272
Council 2017						
Cash and Cash Equivalents	2,557	2,557	2,557	-	-	-
Receivables	9,624	9,624	9,624	-	-	-
Net Settled Financial Instruments	-	-	-	-	-	-
Other Financial Assets:						
Local Authority and Government Stock	544	544	-	144	128	272
Total	12,725	12,725	12,181	144	128	272

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.

	2018 \$000				2017 \$000			
	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY	SURPLUS	-100BPS OTHER EQUITY	SURPLUS	+100BPS OTHER EQUITY
Financial Assets								
Cash and Cash Equivalents	(56)	-	56	-	26	-	(26)	-
Derivatives - Interest Rate Swaps	-	-	-	-	-	-	-	-
Other Financial Assets:								
Local Authority and Government Stock	(9)	-	9	-	7	-	(7)	-
Financial Liabilities								
Derivatives - Interest Rate Swaps	(2,027)	-	1,921	-	(2,037)	-	1889	-
Borrowings:								
- Bank Overdraft	-	-	-	-	-	-	-	-
- Debt	650	-	(650)	-	415	-	(415)	-
Total Sensitivity to Interest Rate Risk	(1,442)	-	1,336	-	(1,589)	-	(1,441)	-

EXPLANATION OF INTEREST RATE RISK SENSITIVITY

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

Derivatives

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps (2016: -100bps/+100bps). Derivative financial liabilities not hedge accounted include interest rate swaps with a fair value totalling minus \$3,293,000 (2017: minus \$2,994,000). A movement in interest rates of plus or minus 1.0% has an effect on the swap value of minus \$2,027,000 (2017: minus \$2,037,000) and \$1,921,000 (2017: \$1,899,000).

Local Authority Stock

A total of \$58,000 (2017: \$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 (2017: \$580) on the fair value through equity reserve.

Secured Loans (Floating)

The Council has floating rate debt with a principal amount totalling \$26 million (2017: \$41.5 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$260,000 (2017: \$415,000). 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 interest of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, 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 utilizing 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 cost of deferred renewals and maintenance.

The Act required 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 2017-18 Annual Plan are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The surplus before tax of \$6.118 million is \$2.19 million higher than the budgeted surplus of \$3.9 million in the 2017-18 Annual Plan. The variance is attributable to the following factors:

Revenue (\$10.6 million 16.4% more than budget)

- Subsidies and Grants were \$12.9 million more than budget. This was due to unbudgeted grants received for works relating to the April 2017 flood, \$9.8 million of it being in the Transport Networks activity.
- Other revenue was \$4 million lower than budget. This was mainly due to an unfavourable variance of \$3 million due to some of the accrued flood recoveries not being received.
- Fees and charges were \$1.4 million more than budgeted as a result of:
 - » aquatic centre takings (\$38,000)
 - » fees and charges in the solid waste activity (\$196,000)
 - » parking fees (\$24,000)
 - » flood related recoveries (\$481,000)
 - » unbudgeted fees associated with the amenity lighting contract (\$544,000)
 - » and other miscellaneous charges
- Gains are \$0.74 million above the anticipated budget. This is due predominantly to investment property valuations exceeding forecast by \$662,000.

Expenditure (\$8.4 million 13.9% higher than budget)

- Depreciation was \$3.4 million under budget predominantly due to a decrease in the recommended depreciation for roading following the 2017/18 valuation.
- Personnel costs were \$2 million higher than budget; this variance was a combination of a number of factors including restructures in the Building and three water activities, costs of the Edgecumbe Recovery Team, additional staff required following the purchase of the Whakatāne Holiday Park and movement of staff salaries to align with Market Value assessment. A new member to the Executive Team has also been added.
- Other Expenses were above budget by \$9.2 million. This was predominantly due to flood costs, the most significant variance was in roading contracts with a variance of \$5.6 million, followed by civil defence related expenditure with a variance of \$1.3 million. Expenditure across the three water activities was \$1.2 million more than budget, with desludging at the Ōhope Wastewater Ponds contribution \$633,000 to this variance.

STATEMENT OF CHANGES IN NET ASSETS AND EQUITY

The Council's equity has been adjusted by the current year total comprehensive revenue and expense, a surplus of \$42.2 million, which is the net of the surplus after tax of \$6.1 million and a net gain on revaluation of \$36 million. The remaining movement of \$900,000 is a result of increases in restricted reserves and council created reserves.

STATEMENT OF FINANCIAL POSITION

The Net Assets variance to budget was 7.55% (\$45 million) more than budgeted. Within that variance was \$24.3 million higher than budgeted liabilities and \$61.9 million higher in assets:

Total Assets (\$61.9 million 9.26 % more than budget)

- Receivables exceeded budget by \$7.3 million. Rating Debtors were up from last year by \$483,000 but most other receivables were in a downward trend from last year with the largest being income accrued due to no accrual being recognised for outstanding insurance proceeds.
- Non-current assets held for sale had a variance of \$6.7 million over budget because at the time of setting the budget, it was expected that the Piripai Subdivision would be taken out of this category (\$8.6 million)
- Infrastructural Assets were \$34 million more than the budget. This was due to a combination of more capital expenditure being achieved and valuations in both 3 waters (\$17 million) and roading (\$14 million) increasing
- WIP was over budget by \$9.2 million reflecting the large number of capital expenditure projects still in progress

Total Liabilities (\$16.6 million 24.3% more than budget)

- Borrowing exceeding budget was the predominant variance in liabilities. The council was \$13.7 million above budget at year end but \$6 million of this was short term borrowing that was repaid within the first month of the new year. Approximately \$3-4 million of this borrowing can be attributed to flood related costs that have not been reimbursed by insurance.

STATEMENT OF CASHFLOWS

- There was a positive variance of cash held compared to budget of \$4.8 million. Most of this was funding being held for a payment run due in July. The bank account subsequently reverted close to that budgeted.
- Net Cashflows from operating activities were \$2.5 million less than budget, spending more (\$13.6 million) and receiving more income (\$11 million). This mainly reflects the higher expenditure and income due to flood related costs and grants
 - » Subsidies and Grants were \$10.6 million above budget. \$9.8 million of this was from the Transport Networks activity for roading relating to flood damage
 - » Payments to suppliers and employers were over budget by \$13.8 million (see above for further detail)
- Net cashflows from investing activities were \$11 million more than budget with capital purchase cashflows over by \$6.5 million. Although within budget, the actual cashflow of the capital expenditure was sooner than predicted. Sales of property plant and equipment were below budget by \$4.4 million mainly due to the Piripai subdivision being paid off in instalments
- Financing activities were over by \$17.5 million reflecting the higher than anticipated cashflow on capital projects and the extra loans raised to cover the increased costs from the flooding not yet received from insurance.





APPENDICES

Ngā Tāpiritanga

Governance structure

Te Kāhui Kāngatira

As at 30 June 2018



Membership of Standing Committees

Ngā mema i Ngā Kōmiti Whakahāere

As at 30 June 2018

The following committee structure was established in October 2016, for all except the Audit and Risk Committee, where the structure was amended by Council Resolution on 7 June 2018. This committee structure will remain in place until the end of the triennium (October 2019). Dates, agendas and minutes for Committee meetings can be found on our website, whakatane.govt.nz.

PROJECTS AND SERVICES COMMITTEE

Councillor Andrew Iles
(Chairperson)

Councillor Gerard van Beek
(Deputy Chairperson)

Mayor Tony Bonne

Deputy Mayor Judy Turner

Councillor Scott Jarrett

Councillor George Johnston

Councillor Julie Jukes

Councillor Russell Orr

Councillor Alison Silcock

Councillor Nándor Tánczos

Councillor Mike van der Boom

POLICY COMMITTEE

Deputy Mayor Judy Turner
(Chairperson)

Mayor Tony Bonne
(Deputy Chairperson)

Councillor Andrew Iles

Councillor Scott Jarrett

Councillor George Johnston

Councillor Julie Jukes

Councillor Russell Orr

Councillor Alison Silcock

Councillor Nándor Tánczos

Councillor Gerard van Beek

Councillor Mike van der Boom

AUDIT AND RISK COMMITTEE

Mr J Anderson
(Chairperson)

Councillor Julie Jukes
(Deputy Chairperson)

Mayor Tony Bonne

Councillor Russell Orr

Mr C Leonard

HEARINGS COMMITTEE

Councillor Russell Orr
(Chairperson)

Deputy Mayor Judy Turner
(Deputy Chairperson)

Councillor Gerard van Beek

Membership on the Youth Council

Ngā mema o Te Huinga Rangatahi

The Whakatāne District Youth Council consists of young people, aged 12 – 24. The members have 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 and experience, who are drawn from different geographic locations.

The Youth Council of 2017/18 has 18 members from Awakeri, Awatapu, Ōhope, Otakiri, Rūātoki, Te Teko, Waimana and Whakatāne. The group also represents a diverse range of communities, including rural and urban youth, sports players, academics, artists, LGBT, environmentalists, speakers of Te Reo Māori, cadets, and kapahaka groups. The Youth Council's diversity has ensured a wide range of voices are heard and reflected in idea generation, events, projects, and strategising.

The Youth Council has identified that its focus is on bridging the inequality gap, protecting and supporting the environment, and youth mental health.

The Youth Council set three goals for the 2017/18:

1. To create and implement a fun and inclusive event based on the needs and wants of youth
2. To create a youth space in Whakatāne
3. To develop a Youth Strategy to strengthen the Youth Council's impact.

Youth Council activities over 2017/18 have included:

- Making a submission to the Whakatāne District Council Long Term Plan 2018-28, advocating for creation of a youth space, and speaking to this at the hearing on 15 May 2018;
- Rallying youth support to make a collective submission to the Bay of Plenty Regional Council (BOPRC) on the Cresswell Water Bottling Plant Resource Consent. The Youth Council has presented youth views at the "Otakiri Save our Water Community Rally", pushing for all water bottling consent applications to be publicly notified, and supported the need for a national moratorium on allocations for water bottling. Youth Council members handed out submissions to youth to complete, and handed the completed forms into BOPRC;
- Making an application to the Suffrage 125 Community Fund to end period poverty;
- Making a mental health application for an Edgecumbe event, breaking down barriers relating to mental health awareness;
- Hosting arts and sport activities, and helping with set-up and pack-down of the Neighbours Day Event on 24 March 2018;
- Collaboration with Bluelight Whakatāne to host roller discos, bike parties, amazing race and sports days;
- Attending the Festival for the Future 2018.

Members of the Youth Council for the 2017/18 year were:

CJ Poole (Chairperson)
Nicholas Jones (Deputy
Chairperson)
Samantha Burr (Secretary)
Kailia Lee
Danee Layne

Blake Fortune
Bryant McIntyre
Tauru Tihi
Sophie Butler
Liam Murfitt
Ariana Zygadlo

Terenia Waitere
Anna Manning
Madison Bluett-Davis
Hayley Mackey
Arielle McMillan
Timoti Tiakiwai

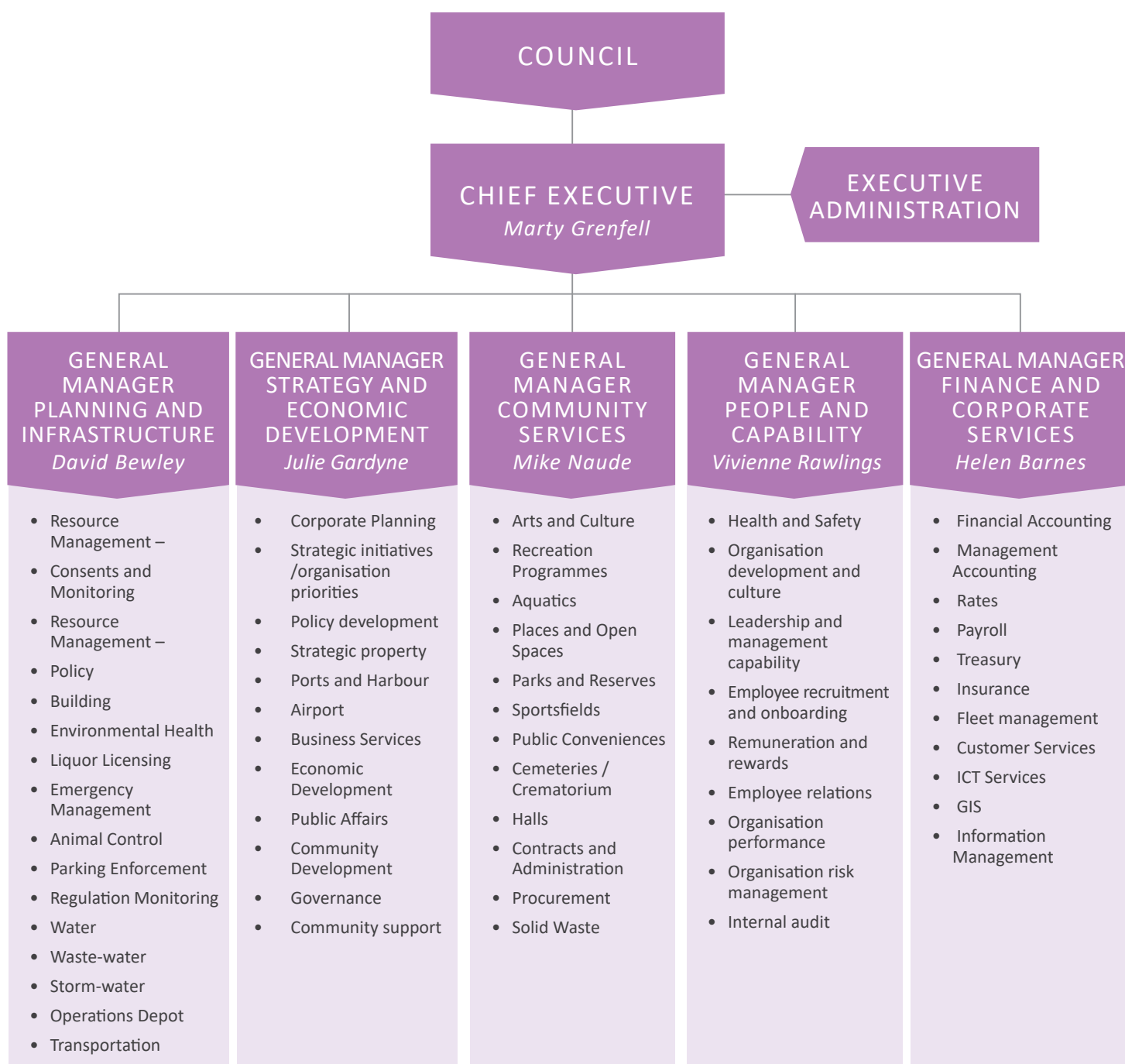


Council Organisational Structure

Te Whakapapa Whānui o Te Kaunihera

As at 30 June 2018

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



Employment policies and information

Ngā tūranga mahi me ōna ritenga

Running the District is an enormously varied task.

The Whakatāne District Council is one of the largest employers in the District. To deliver our many activities, we employ planners, engineers, library assistants, arborists, accountants, plant operators, parking wardens, service personnel and many more. FTE staff numbers over the last five years are compared below:

YEAR	FTE STAFF NUMBERS AS AT 30 JUNE
2014	175.4
2015	176.9
2016	194.6
2017	217.8
2018	219

**These figures do not include casuals and therefore do not align with Note 29.*

The figures do include fixed term employees. As at 30 June 2018, our organisation included 219 full-time equivalent (FTE) staff. There were also 10.5 FTE vacancies at the time. The increase in FTE numbers relates to a number of new positions filled throughout the 2017/18 year, including those required at the newly-purchased Whakatāne Holiday Park; reducing contractor costs by bringing more transport and ICT services in-house, Museum redevelopment needs, and positions relating to flood emergency recovery activities.

WE ARE RESPONSIBLE TO THE COMMUNITY AND MUST MAINTAIN OUR INTEGRITY AND IMPARTIALITY

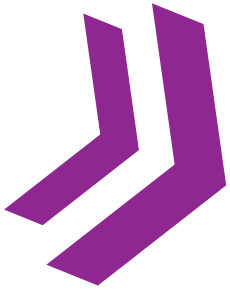
Our organisation has a Code of Conduct that outlines the policies applying to staff and their employment at the Council. The policies outline the behaviour expected of employees and also ensure that employees are treated fairly and equitably. A key policy requires staff to observe the principal of political neutrality and avoid conflicts of interest in their work.

WE SUPPORT AN EQUAL OPPORTUNITIES WORKPLACE

Our organisation is committed to the principles of Equal Employment Opportunities and has continued to maintain relevant 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 nationally-audited safety framework. In the 2017/18 year, we had no notifiable incidents involving employees. There was one contractor notifiable incident, which was reportable to WorkSafe New Zealand by the contractor.



Statement of Compliance

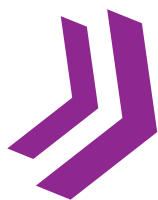
Te Whakataunga Pūtea

The Council and the 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 *TUMUAKI*
31 October 2018

David Bewley
INTERIM CHIEF EXECUTIVE *TOIHAUTŪ TAUIPUA*
31 October 2018





Audit Report *Arotake Pūtea*

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report To the readers of Whakatāne District Council's annual report for the year ended 30 June 2018

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

We are also required to report on:

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

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

We completed our work on 31 October 2018. This is the date on which we give our report.

Opinion

Unmodified opinion on the audited information, excluding the statement of service provision

In our opinion:

- the financial statements on pages 131 to 187 and pages:
 - » present fairly, in all material respects:
 - » the District Council's financial position as at 30 June 2018;
 - » the results of its operations and cash flows for the year ended on that date; and
 - » comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 34, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long term plan;
- the statement about capital expenditure for each group of activities on pages 44 to 114, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long term plan; and
- the funding impact statement for each group of activities on pages 36 to 108, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long term plan.

Qualified opinion on the statement of service provision – The District Council is unable to report its performance for certain performance measures

In our opinion, except for the matter explained in the Basis for our qualified opinion section of our report, the District Council's statement of service provision on pages 35 to 114:

- presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2018, including:
 - » the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - » the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 124 to 130, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long term plan and annual plans.

Basis for our qualified opinion

Important performance measures in the District Council's service provision information are the response times to attend and resolve water supply and sewerage call outs, and the processing times of building consent applications. These are important because information about response times and processing times are indicative of the levels of service received by ratepayers. In addition, the response times to attend and resolve water supply and sewerage call outs are mandatory measures under the Non-Financial Performance Measures Rules 2013.

As explained, in the statement of service provision on pages 51, 56 and 75, the District Council has been unable to report against these performance measures because the data in the reporting systems was not reliable. Because the District Council has not reported its performance against these material performance measures, we consider the statement of service performance does not present fairly the Council's performance for these activities.

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

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

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

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 33, 115 to 123, 188 to 194 and 197 to 198, but does not include the audited information and the disclosure requirements.

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

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

Independence

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

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the District Council's 2018-28 long term plan, and performed a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council.

B H Halford
Audit New Zealand
On behalf of the Auditor General
Tauranga, New Zealand

YOUR COUNCIL

Tōu Kaunihera -ā-Rohe

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