

Whakatane District Council **ANNUAL REPORT**

For the year ended 30 June 2009



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Cover Photo: Glimpse - Taken by Wouter Vullings

Thanks to all the local photographers who have supplied photographs used within this document.

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

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

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

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

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

- Winning a merit award for the technically challenging Otarawairere drainage project aimed at ensuring stability of the Ohope escarpment.
- Building the new Whakatane Crematorium (completed in August 2009) with services commencing early in the 2009/10 financial year.
- Completing a further portion of the Ohope Road project (from the Hillcrest intersection to Burma Road) to provide safety improvements and widen the berm to accommodate pedestrians.
- Completing a 50 year Airport Master Plan providing a development framework for any potential improvements such as additional hangars, runway extensions, terminal upgrades and a hotel/business park.
- Installing a floating intake for the Whakatane water supply as a temporary solution to high water salinity until a long term solution can be found. This proved to be very effective at minimising the water salinity levels during low river levels in April 2009.
- Completing the Hinemoa storm water drain to ensure the Hinemoa Road area has improved safety and enhanced maintenance.
- Substantially reducing the age of the library collections, replacing old and un-borrowed collections with new materials.
- Implementing a new contact centre system to improve how customer requests are received and responded to.
- Substantially improving the service provided for the control of grass and weed growth on Council owned land, through new contracts for vegetation control tendered in October 2008.

The Council has continued to deliver quality services to the community. This report shows that the Council has achieved the majority of the non financial performance targets. In a number of cases the Council has performed above and beyond these targets including completing 5.6km of seal extensions to Ruatahuna, Manawahe, Mclvor and Mottram Roads, against a target of 3km. In the area of solid waste management the Council has diverted 99% of green waste out of the waste stream against a target of 60%.

Internally we have seen our performance in contract and project management improving significantly which reflects favourably in the timeliness, quality and cost of much of our work.

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

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

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

Despite this good performance in many areas, the cost of operating the Council for the year varied by \$19.76 million from what was budgeted in the Annual Plan 2008/09. There were a few key influences on the operating income and expenditure that caused the majority of the \$19.76 million variation. The revaluation downward of some of the Council's land assets, after budgets were set, resulted in a book loss of \$2.34 million. Conversely there was also an increase in depreciation expenditure of \$5.22 million as a result of the revaluation of infrastructure and the writing off of the Council's Burma Road landfill to recognise closure in December 2009. Both of these expenses represent a book cost, not a direct cash cost to the Council. Statutory adjustments also increased with provision for landfill aftercare, leaky homes and forestry rating appeal provisions, impacting on the operating budget by \$150,000.

The Council incurred \$7.2 million of operating expenditure above that budgeted in areas including legal fees, Aquatic Centre consultancy, refuse collection contracts, roading maintenance, audit costs and ACC levies. Some expenditure that had been budgeted as capital was subsequently classified as operational causing a further \$591,000 increase to expense. This is simply a reclassification of expenditure as opposed to an increase in expenditure above budget. This operating expenditure was off-set in part by a \$1.28 million reduction in interest costs compared to the budget.

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

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

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



C G H Holmes
MAYOR

2 November 2009



Diane Turner
CHIEF EXECUTIVE

2 November 2009

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

The Council and management of the Whakatane District Council confirm that all the statutory requirements of section 98 of the Local Government Act 2002 have been complied with.

RESPONSIBILITY

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

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

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



C G H Holmes
MAYOR
2 November 2009



G I Hanlen
DEPUTY MAYOR
2 November 2009



Diane Turner
CHIEF EXECUTIVE
2 November 2009

OUR COUNCIL



Our Council

PURPOSE AND VISION

Great services; excellent delivery

- We provide governance, leadership and advocacy for the people of the District;
- We provide quality infrastructure including community facilities, roads, sewerage, water and stormwater systems;
- We deliver regulatory services focused on public health, safety and wellbeing;
- We develop long-term plans and strategies to provide a framework for change and sustainable development in our community.

VISION

To be respected by our community for the provision and delivery of excellent services which ensure that both present and future generations have:

- A quality environment in which to enjoy our great climate;
- A respect for and pride in our history;
- A community that is friendly and caring;
- A place that is known to be the best to live, work and play in and where people want to come.



ELECTED MEMBERS

Local elections were conducted successfully in October 2007. This saw the re-election of Mayor Holmes and five Councillors as well as the welcoming of five new Councillors to the table. The Council holds monthly meetings with extraordinary meetings as required.

CURRENT ELECTED MEMBERS - AS AT 30 JUNE 2009



Standing: (L-R) Cr. G V Johnston, Cr. I J Shearer, Cr. S Jarrett, Cr. R N Orr, Cr. A A Bonne, Cr. W B Clark, Cr. J Te Kurapa

Seated: (L-R) Cr. E R Byrne, Deputy Mayor G I Hanlen, Mayor C G H Holmes, Cr. C Chambers, Chief Executive D A Turner

MEMBERSHIP OF STANDING COMMITTEES AS AT 30 JUNE 2009

The following committee structure was established in October 2007 following Council elections. The Hearings Committee meet every 2 weeks, Audit Committee meet three to four times per year and the Iwi Liaison Committee meet six weekly. The Mayor is “ex officio” a member of all Committees and specifically appointed to the Hearings Committee.

HEARINGS COMMITTEE

Councillor C Chambers (Chairperson)
 Councillor R N Orr (Deputy Chairperson)
 Councillor A A Bonne
 Councillor W B Clark
 Mayor C G H Holmes

AUDIT COMMITTEE

Mayor C G H Holmes (Chairperson)
 Deputy Mayor G I Hanlen
 Councillor A A Bonne
 Councillor R N Orr
 Mr M Jenkins
 Mr K Iles

IWI LIAISON COMMITTEE

Mayor CGH Holmes
 Councillor G V Johnston
 Councillor E R Byrne
 P Ngaropo (Ngāti Awa ki Matata) (Chairperson)
 H Pryor (Ngāti Rangitahi) (Deputy Chairperson)
 T Te Rupe (Upokorehe)
 W Bird/R Jenner (Ngāti Manawa)
 J Carlson/K Kohiti (Ngāti Whare)
 P Hunia (Tūwharetoa ki Oniao)
 M Sisley (Ngāti Awa ki Rangitaiki)
 J Mason (Ngāti Awa ki Whakatane)
 J Kalan (Tuhoe West)
 C Te Pou (Tuhoe East)
 R White/M White (Tuhoe ki Manawaru)

COUNCIL DECISION MAKING

OUR COUNCIL STRUCTURE AS at 30 JUNE 2009



MĀORI CAPACITY IN COUNCIL DECISION-MAKING

The Local Government Act 2002 requires the Council to outline any steps to be taken to foster the development of Māori capacity to contribute to Council decision-making processes in the Long-term Council Community Plan.

The Iwi Liaison Committee is a standing committee of the Council with eleven representatives from the seven Iwi in the District. The Iwi Liaison Committee works for the social, economic, environmental and cultural wellbeing of the whole community. The Committee will provide quality guidance, advice and make recommendations to the Whakatane District Council on issues that impact on hapu, iwi, and Māori.

The Committee brings a Māori perspective to the Council's decision-making processes. The Iwi Liaison Committee developed a Terms of Reference (TOR) in October 2007. The purpose of the TOR is to:

- a) Strengthen the relationship between hapu, iwi, and Māori and the Council; and
- b) Maintain and improve the capacity of hapu, iwi and Māori to contribute to the Council's decision-making processes and maintain and improve the capacity of the Council to engage with hapu, iwi and Māori; and
- c) Provide high quality advice and recommendations which guide the Council in applying the principles of the Treaty of Waitangi, recognising and providing for hapu and iwi perspectives and ensuring the well-being of Māori generally, in the Council's promotion of the social, economic, cultural and environmental well-being of the Whakatāne District.

A Tūtohunga (Memorandum of Understanding) between the Iwi Liaison Committee and the Whakatane District Council was signed in May 2008. The essence of this document is to formalise the commitment of both parties to work together in good faith and gain an understanding, acceptance and respect for one another's needs. This is a living document that will be reviewed on a triennial basis, shortly after each election.

The Council employs a Kaitakawaenga (Māori Liaison Officer). This position was established to provide a bridge between the Whakatane District Council and Māori, ensuring that both parties understand each other and that good relationships are developed. The Kaitakawaenga Māori also works with Māori to encourage their participation in Council affairs and provide advice and guidance to the Council and staff on issues of significance to Māori.



The Committee has a discretionary fund to support Māori cultural events/initiatives, promote Māori cultural awareness, encourage and support Te Reo Māori, and to celebrate, promote and protect Māori culture and sports. In 2008/09 11 groups/organisations received funding.

The Iwi Liaison Committee can review the Council's and regional council's policies, plans and strategies and make submissions on these documents.

The Committee can formally receive iwi/hapu management plans, and oversee processes for the Council to receive, respond to and have due regard to those plans.

A Consultation with Māori/Whanau/Hapu/Iwi Policy has been developed to facilitate Māori engagement in Council decision making and to ensure legislative requirements are met.

The Council has written cultural protocols for powhiri (formal welcome) and mihi whakatau (semi formal powhiri), tangihanga (bereavement/lying in state), blessings and whakawaatea (removal of tapu).

The Council follows best practice to encourage early consultation with iwi and hapu by applicants seeking resource consents to determine the effects on Māori, and their culture and traditions with ancestral lands, water, sites, waahi tapu and other taonga. In a district with such diverse Māori history, consultation with iwi or hapu is important to clearly identify the impacts on cultural values. These processes enable Māori to be involved in finalising an application and/or the decision making process as a submitter.

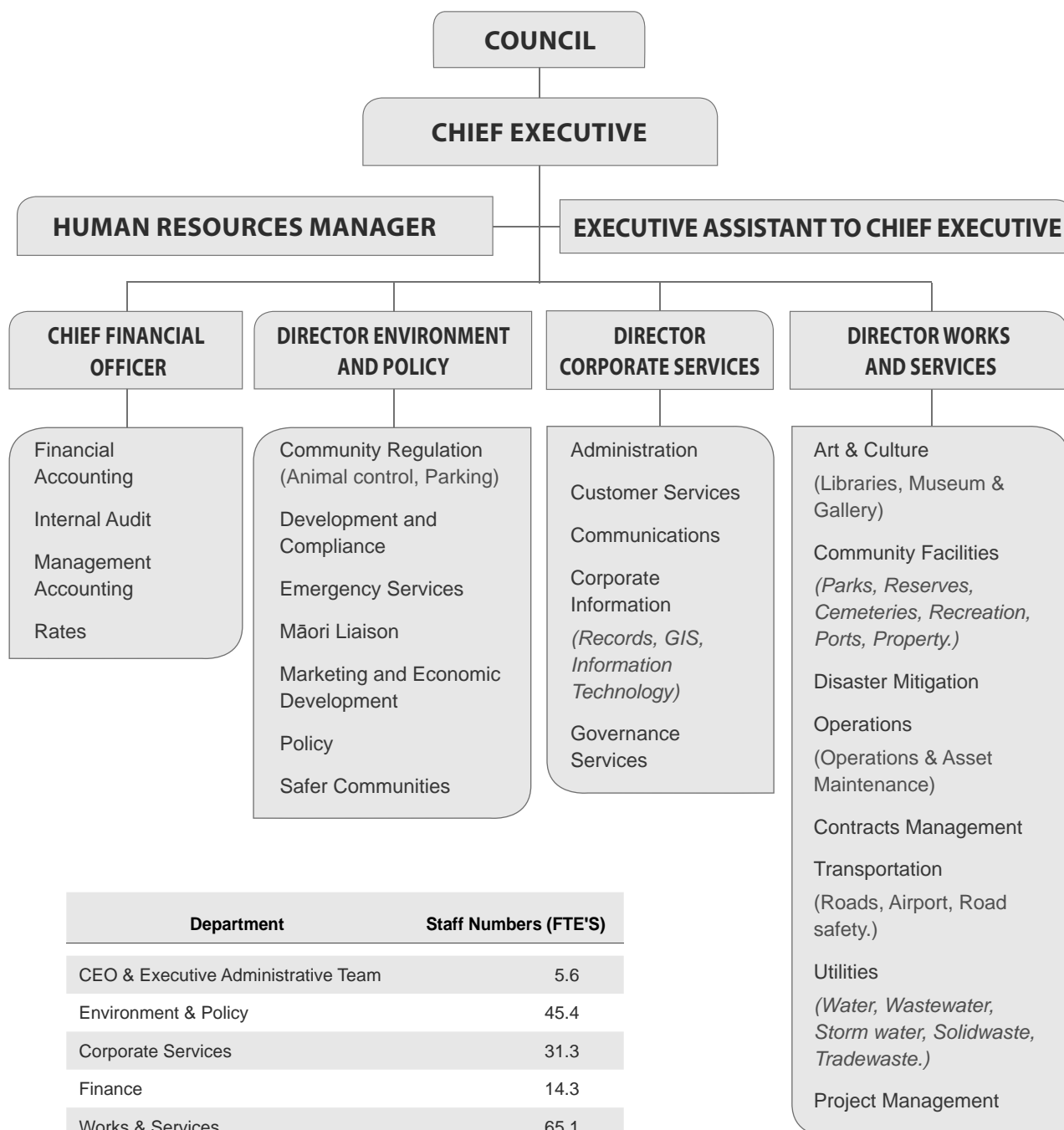
The Council undertakes many capital works projects each year, and develops strategic plans and policies. The Council relies on the Iwi Liaison Committee in the first instance, as a sounding board for what their respective iwi may think about a project or an issue; and what further consultation is deemed necessary for the projects and policies planned each year. The Council is committed to meaningful and ongoing consultation in advance of projects commencing.

MANAGEMENT AND STAFF

The Whakatane District Council employs staff through the Chief Executive.

The Council is divided into five functional areas as shown in the following organisational chart.

OUR STAFF STRUCTURE AS AT 30 JUNE 2009



Department	Staff Numbers (FTE'S)
CEO & Executive Administrative Team	5.6
Environment & Policy	45.4
Corporate Services	31.3
Finance	14.3
Works & Services	65.1
Human Resources	2.6
Total (FTE'S)	164.4
Vacancies	14.4
Total	178.8

EQUAL EMPLOYMENT OPPORTUNITIES

Equal employment opportunities refers to the operation of the principle of appointment and promotion by merit. It refers to the right to be considered for a job for which one is skilled and qualified without a person's chances of employment, promotion etc being reduced by any irrelevant personal characteristic.

It is aimed at ensuring that preference is given to the person best suited to the position, based on technical and general competencies, team fit and operational needs.

The Council continues to create an awareness of what constitutes unacceptable behaviour in terms of harassment and bullying and investigates issues raised.

COUNCIL POLICY

The Whakatane District Council affirms its commitment to the principles of Equal Employment Opportunities for all employees and has adopted the policy of:

1. Eliminating discrimination and ensuring the continued absence of discrimination in employment on the grounds of age, race, creed, sex, marital status, physical disability, sexual or political preference and on any other grounds that shall be deemed to constitute a disadvantage.
2. Promoting equal opportunity in all aspects of employment including recruitment, selection and appointment, education, training and development, career path planning and promotions.

PROGRAMME TO 30 JUNE 2009

- | | | |
|----|---|----------|
| 1. | Continue to operate an Equal Employment Opportunities (EEO) Programme as prescribed in the Council EEO Policy. | Achieved |
| 2. | Personnel policies reviewed for deficiencies and updated. Training programme covering EEO, harassment and bullying implemented. All staff required to attend. Programme to be broadened to include diversity component. | Ongoing |

COMMUNITY OUTCOMES



Community Outcomes

COMMUNITY OUTCOMES

WHAT ARE COMMUNITY OUTCOMES?

The community outcomes are high-level goals for the present and future, identified by the community. They are intended to reflect what the people of the District believe is important to their social, cultural, economic and environmental wellbeing. Community outcomes provide goals for the community as a whole rather than specifically for the Council.

The identification and reporting of community outcomes is intended to guide and inform the planning processes and setting of priorities of local authorities and other organisations. The community outcomes help local authorities and other organisations focus on a community vision for the District.

Under the Local Government Act 2002, it is the role of local councils to facilitate, identify and monitor outcomes on behalf of their communities.

HOW WERE COMMUNITY OUTCOMES IDENTIFIED?

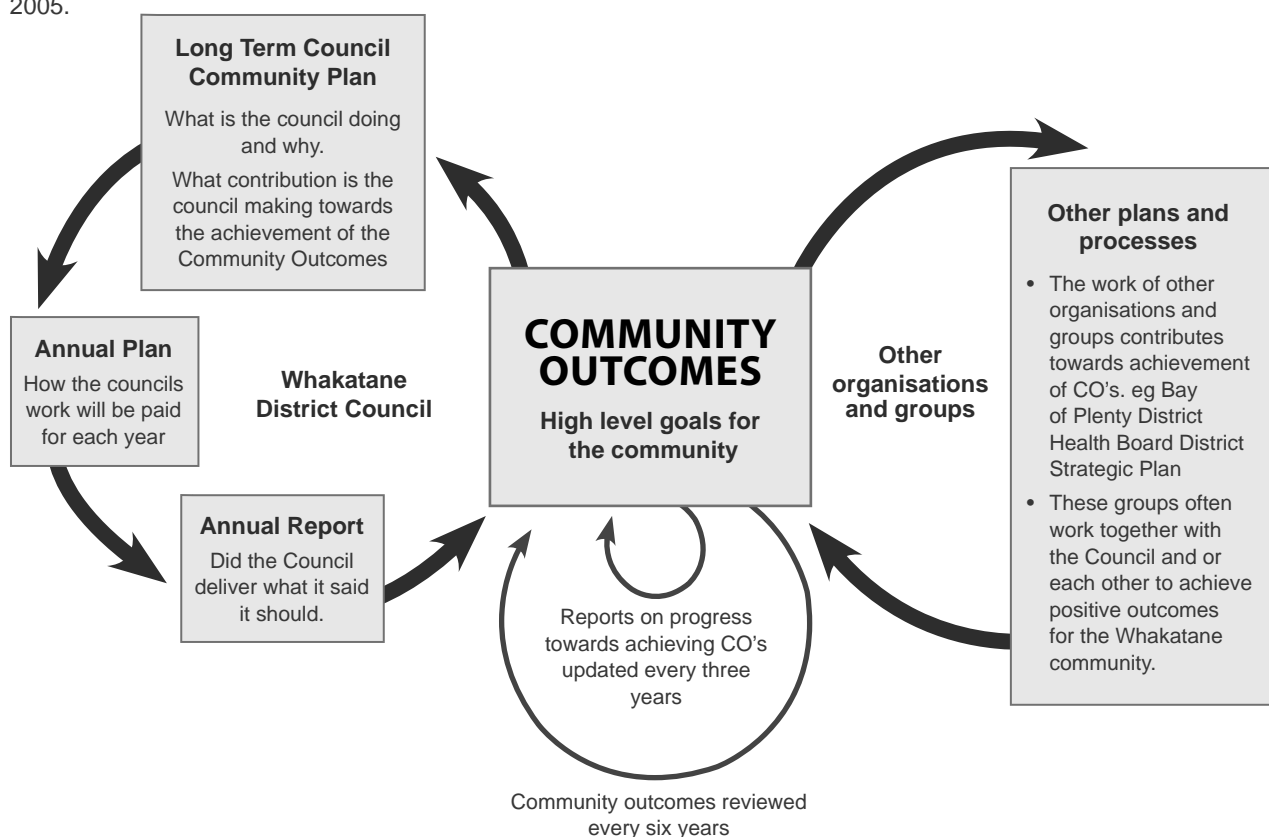
To identify community outcomes for the Whakatane District and for the Eastern Bay of Plenty, the Council participated in a joint project with Environment Bay of Plenty, Kawerau District Council and Opotiki District Council. This project was named "Eastern Bay – Beyond Today" (see www.easternbay.org.nz).



HOW DO THE COMMUNITY OUTCOMES RELATE TO OTHER PLANS AND PROCESSES?

Community outcomes provide the foundations for the planning processes of the Council and other organisations who can contribute to achieving them. They help local authorities and other organisations focus on a community vision for the District.

Final community outcomes for the Whakatane District were acknowledged by the Council at its meeting on 29 June 2005.



WORKING TOWARDS COMMUNITY OUTCOMES?

Community outcomes provide high level goals for the community as a whole, rather than specifically for the Council.

Achievement of community outcomes requires a collaborative community approach. Significant progress towards the achievement of outcomes will happen when a wide range of groups and organisations including community groups, central government, iwi, business and local councils all play a role in implementation.

COUNCIL'S CONTRIBUTION TO COMMUNITY OUTCOMES

While the community outcomes cannot be achieved by the Whakatane District Council alone, the activities undertaken by the Council promote and contribute towards the achievement of these goals.

The Council can contribute to the community outcomes in a number of different ways:

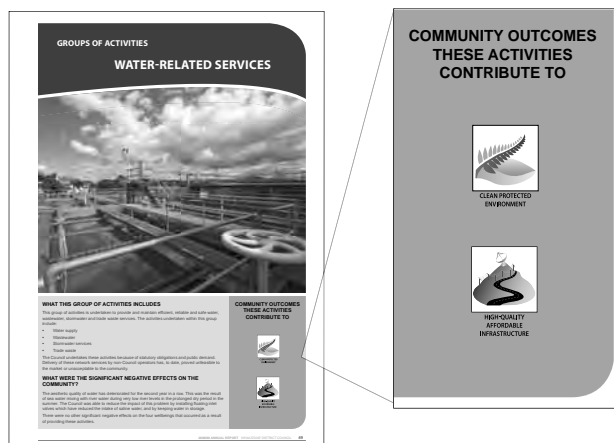
- **Lead agency** – being largely responsible for action in a particular area
- **Joint lead agency** – managing a programme in conjunction with other organisations
- **Supporting** – providing support to leading agencies
- **Monitoring or influencing** – looking to influence other players
- **No direct influence** – being aware of the programme

When the Council takes on a role, it can also be involved in a number of different ways:

- **Provider** – carrying out the programme using our own resources. This is most common when the Council is the leading agency
- **Funder** – making a financial investment in the programme
- **Regulator** – developing and enforcing rules as appropriate
- **Promoter and facilitator** – encouraging progress by organising interested parties or securing financial support from other sources
- **Advocate** – expressing support publicly

In some cases the Council may be involved in more than one way for an individual programme.

Throughout the Groups of Activities section of this document icons have been used to identify the community outcomes to which each activity contributes, as illustrated.



WORKING WITH OTHERS TO FURTHER COMMUNITY OUTCOMES

During the 2008/09 year the Whakatane District Council continued its active membership as part of the COBoP (Community Outcomes Bay of Plenty) network.

COBoP is a relationship network among local government chief executives, central government regional managers and senior public servants with responsibilities in the Bay of Plenty. The purpose of the COBoP network is to promote the achievement of local and regional community outcomes through effective co-operation and collaboration and efficient use of resources. COBoP membership consists of nine local authorities and 23 central government representatives.

REPORTING ON COMMUNITY OUTCOMES

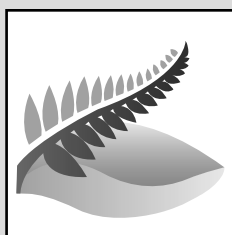
The Council is required to report every three years on the progress made by the community towards achieving the community outcomes of the District. In 2008, the Council produced its first progress report. The Community Outcomes baseline report produced in 2008, is available on the Council website (www.whakatane.govt.nz) or by contacting the Council.

Under each community outcome, the report monitors progress against a series of indicators. The indicators for each community outcome are outlined under "What we Monitor" on the following pages. Each indicator includes data and information about some aspect of the outcome. The majority of the indicators in the report show baseline data and provide a starting point against which to gauge progress in the future. In some cases historical data has been available and it has been possible to determine progress - showing whether we are getting better, getting worse or staying the same.

COMMUNITY OUTCOMES OF THE WHAKATANE DISTRICT

The following pages outline the nine community outcomes of the Whakatane District. Listed under each community outcome are the specific “goals” that were identified by the Whakatane District community as being important to their wellbeing. Also listed under each community outcome are the things we measure (“What we monitor”) in order to assess progress towards achieving community outcomes.

COMMUNITY OUTCOMES



**CLEAN PROTECTED
ENVIRONMENT**

Goals

- The environment is clean and natural resources are protected and conserved
- The community is educated and involved in environmental care
- Natural and cultural heritage places are recognised and protected
- Waste is well managed.

What we monitor

- Perceived state of the natural environment
- Cover of indigenous and exotic forest
- Community involvement in environmental care
- Level of recycling
- Recreational water quality
- Air quality



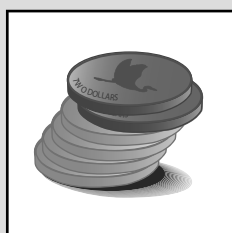
**ENVIRONMENTALLY
RESPONSIBLE
DEVELOPMENT**

Goals

- Development is planned, managed and controlled sustainably
- Economic growth is balanced with cultural, social and environmental responsibility
- Environmental laws are actively enforced
- Sustainable energy use is encouraged
- There is a sense of pride and enjoyment about how attractive the district is.

What we monitor

- Residential growth capacity
- Natural environment enforcement action
- Sense of pride in the district
- Sustainable energy use



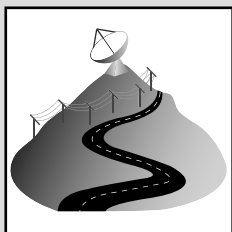
**PROSPEROUS
ECONOMY**

Goals

- The economy is prosperous in both urban and rural areas
- Business builds on the district's assets to support the economy
- Māori economic development is supported
- New businesses are attracted to the area and all businesses are encouraged
- Employment opportunities are available for all.

What we monitor

- Incomes throughout the District
- Business growth
- Tourism activity
- Employment and unemployment



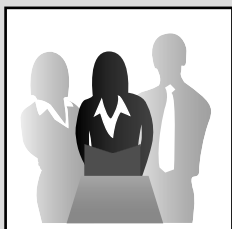
**HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE**

Goals

- High quality affordable infrastructure supports growth (e.g. transport, water, energy, waste)
- Transport links to the district are maintained and enhanced
- Roothing is safe, convenient, and appropriate to all users
- People, infrastructure and the environment are protected from natural disasters
- Improvements in communication technology are available throughout the district (e.g. Mobile coverage and fast internet access).

What we monitor

- Roothing infrastructure
- Road crashes
- Level of bus services
- Access to telecommunications



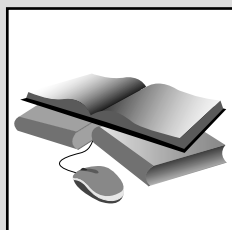
**STRONG,
TRANSPARENT AND
OPEN LEADERSHIP**

Goals

- Leaders are visible, strong, have a clear vision and listen to all sectors of the community
- Decision making processes are transparent, open and inclusive
- Council, the community and Māori work in partnership
- Council costs are appropriate for the services provided.

What we monitor

- Voter turnout
- Inter-sectoral partnerships
- Understanding the decision-making process
- Confidence in decision-making



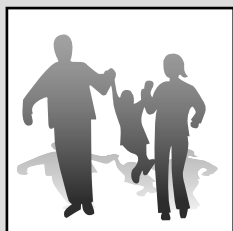
**EDUCATION AND
TRAINING
OPPORTUNITIES FOR ALL**

Goals

- Affordable quality education and training accessible to all
- Education and training supports economic growth
- Participation in education is encouraged and supported, especially for youth
- Education values and promotes cultural heritage.

What we monitor

- Level of educational attainment
- Education reflects cultural heritage
- Level of industry training



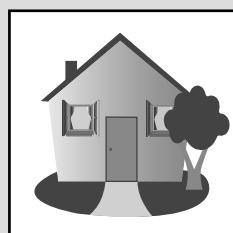
**SAFE CARING
COMMUNITY**

Goals

- Communities help themselves and care about each other
- Drug, alcohol and gambling abuse is diminished
- Homes and neighbourhoods are free from fear of violence or crime
- Youth development is supported and youth gain from and contribute to our community.

What we monitor

- Level of crime
- Perception of freedom from crime
- Involvement in unpaid work
- Youth involvement in decision-making



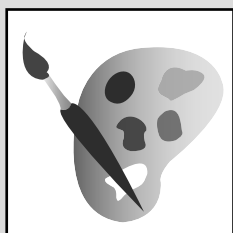
**HEALTHY PEOPLE AND
QUALITY HOUSING**

Goals

- Affordable, quality housing is available for all
- Initiatives are in place to encourage self sufficiency in housing
- Quality primary and secondary health care and facilities accessible to all
- Information and support for preventative health issues is made available to all
- Appropriate support is available for disadvantaged, disabled and those in need.

What we monitor

- Housing affordability
- Life expectancy
- Low birth-weight babies
- Main causes of injury
- Rates of smoking, drinking and obesity
- Barriers to medical care



**DIVERSE, CREATIVE AND
ACTIVE COMMUNITY**

Goals

- Facilities and venues are in place to accommodate a wide range of activities for all
- Activities and events support and celebrate culture, creativity and recreation
- Parks, reserves and recreational facilities are enhanced and increased
- Māori culture is valued, celebrated, promoted and protected
- Diversity is valued and different cultures, genders and ages are respected
- All forms of art are catered for.

What we monitor

- Perception of recreation and leisure opportunities
- Number of feature events
- Perception of a culturally diverse arts scene
- Te Reo Māori
- Historic and archeological heritage

FINANCIAL HIGHLIGHTS



Financial Highlights

FINANCIAL HIGHLIGHTS

INTRODUCTION

This section provides an overview of the Council's financial results for the year ended 30 June 2009. For further detailed information please refer to the following sections in this Annual Report: Groups of Activities, Financial Statements, and Notes to the Financial Statements.

Core infrastructure such as Transport, Water, Wastewater and Storm water networks make up 46% of our total operating expenditure.

FINANCIAL PERFORMANCE AT A GLANCE

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

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

* Revenue for 2009 Actual is shown in activities

** For a full explanation of the Groups of Activities refer to p27

WHY DOES COUNCIL SHOW A DEFICIT FOR THE 2008/09 FINANCIAL YEAR?

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

Major operating variances	Variance \$000
Operating Income	
Rates	(818)
Development Contributions	643
Grants and Subsidies	3,784
Other Income	547
Statutory Adjustments	
Revaluation losses in investment assets and non current assets held for sale	2,343
Provisions	150
Derivatives	145
Assets Written Off	395
Employee Benefit Liabilities	837
Operating Expenditure	
Depreciation	5,226
Operational Expenditure budgeted as Capital Expenditure	591
Other reconciling expenditure items -refer to individual Groups of Activities statements for detail	7,211
Interest Cost Savings	(1,288)
Variance from Operating Budget	19,766

Key unfavourable variances are as follows:

Grants and Subsidies \$3.8M

Council receives a number of grants and subsidies from various organisations for projects undertaken. The Council plan on receiving subsidies based on projects expected to be completed each year. During 2008/09, \$3.8M of grants and subsidies were not receivable as a result of a number of projects being delayed, as follows; Roading projects not carried out during the 2008/09 year resulted in the Council not receiving \$680,000 of subsidies from LTNZ. In addition, Council had also budgeted to receive \$2.5M of subsidies for the Disaster Mitigation works at Awatapu and Edgecumbe, and \$2M for the Matata Sewage Scheme. Central government has approved subsidy for mitigation works however, a \$1M subsidy for Edgecumbe works will be carried forward and recognised in the 2009/10 financial year once expenditure is incurred. The Matata Sewage Scheme did not proceed, therefore no subsidy was received.

Depreciation: \$5.22M

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

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

The Statement of Cashflows demonstrates that a large number of variances from budget do not impact on the cashflow operational requirements of council. They are non cash adjustments that are in the Statement of Financial Performance but don't impact on the immediate funds requirements of council.

Depreciation has been funded on the average of the next 25 years renewal requirement. The renewal profile over which it is averaged will be reviewed annually and the period will be increased as better Asset Management Plan information becomes available

Revaluations \$2.34M

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

Provisions \$0.15M

Provisions are reassessed annually and this years reassessment led to an increase of \$0.15M more than budgeted. Refer to Note 20 for a detailed analysis of the types of provisions and their movements.

Derivatives \$0.145M

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

Assets written off \$0.395M

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

Employee Benefit Liabilities \$0.837M

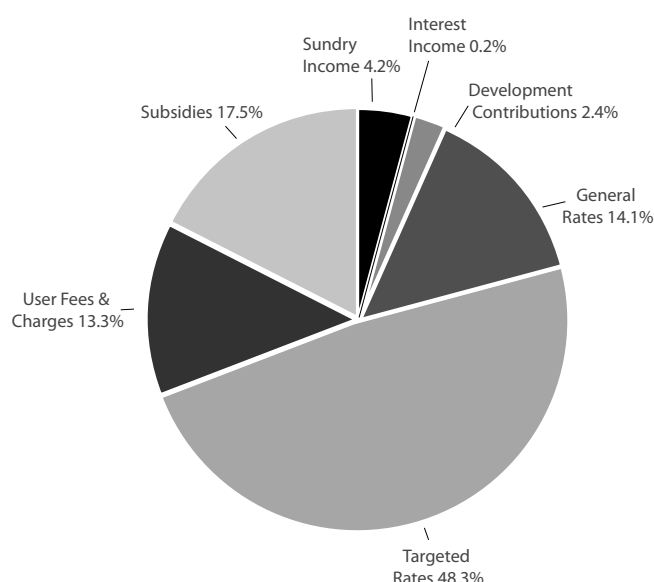
Employee Benefit Liabilities were \$0.837M more than budgeted. This resulted from an extra day's leave being accrued at year end and a valuation carried out by AON Consultants Ltd for leave liabilities currently owed.

Economic Downturn \$1.190M

Income received from Development Contributions was \$0.643M less than budgeted arising from the economic downturn, resulting in less building and development work proceeding. Also affected by the slowing of the economy, are the Environmental Controls and Environmental Planning activities. User fees and charges for these activities and other income was \$0.547M below budget.

WHERE OPERATING REVENUE CAME FROM

The total operating income for the year ending 30 June 2009 is \$45.610 million. Rates are the primary source of funding for Council's activities, and represent 62.4% of operating revenue. Other sources of revenue for Council include user charges, fees and fines, rentals, and subsidies.



WHAT THE RATES PAY FOR

The following table shows how much each Group of Activities costs an average property in rates. It shows that over 80% of rates income (\$4.05 per day) is used to pay for essential infrastructure, community services and facilities. In the 2008/09 financial year Council utilised \$170,000 of reserves from prior years to reduce the amount of rates collected throughout the district.

GROUPS OF ACTIVITIES	Rate Income \$000	Rate Income Per Average Property	Rate Income Per Average Property Per Day
Community Leadership & Governance	3,313	\$217.60	\$0.60
Transport & Network Systems	6,724	\$441.65	\$1.21
Water Related Activities	7,479	\$491.21	\$1.35
Solid Waste Management	2,519	\$165.47	\$0.45
Promotion & Economic Development	594	\$39.03	\$0.11
Environmental Planning	633	\$41.58	\$0.11
Environmental Controls	223	\$14.65	\$0.04
Libraries and Museum	1,670	\$109.66	\$0.30
Recreation & Community Facilities	1,770	\$116.29	\$0.32
Parks Reserves & Cemeteries	2,118	\$139.14	\$0.38
Environmental Protection	223	\$14.66	\$0.04
Community Safety	414	\$27.17	\$0.07
Corporate & District	481	\$31.59	\$0.09
TOTAL RATE INCOME *	28,161	\$1,849.66	\$5.07

The total number of Rateable Properties in the Whakatane District on the 1st July 2008 was 15,225

* Rate income has been shown excluding penalties, write-offs and remissions

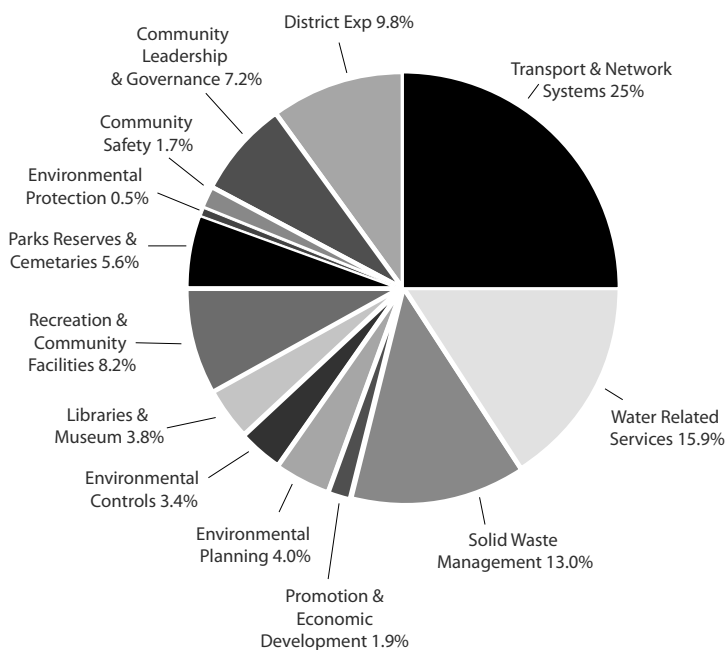
WHAT IT COSTS TO RUN THE DISTRICT

The following table shows what it costs per resident for Council-provided activities. It shows that most Council expenditure covers essential infrastructure, community services and facilities. The total cost is greater than the net cost in some cases because of user charges and other income or grants that offset costs.

GROUPS OF ACTIVITIES	Total Cost \$000	Cost Per Resident/User	Cost Per Resident/User Per Day *
Community Leadership & Governance	4,091	\$118.92	\$0.33
Transport & Network Systems	14,065	\$408.85	\$1.12
Water Related Activities	8,983	\$261.12	\$0.72
Solid Waste Management	7,360	\$213.97	\$0.59
Promotion & Economic Development	1,080	\$31.41	\$0.09
Environmental Planning	2,241	\$65.16	\$0.18
Environmental Controls	1,948	\$56.62	\$0.16
Libraries and Museum	2,136	\$62.10	\$0.17
Recreation & Community Facilities	4,651	\$135.20	\$0.37
Parks Reserves & Cemeteries	3,145	\$91.43	\$0.25
Environmental Protection	265	\$7.69	\$0.02
Community Safety	979	\$28.46	\$0.08
District Expenditure	5,562	\$161.68	\$0.44
TOTAL EXPENDITURE	56,506	\$1,642.61	\$4.50

* The total number of Residents in the Whakatane District on the 1st July 2007 was estimated to be 34,400

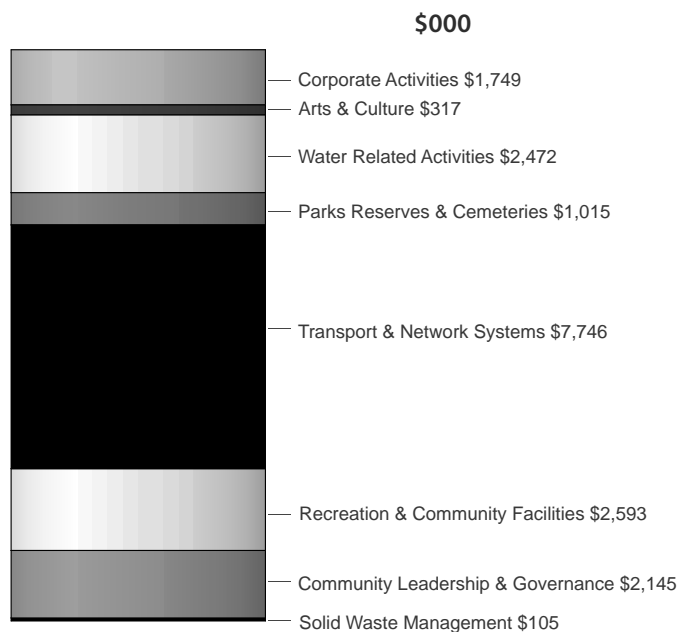
How Operating Expenditure Was Spent



The total operating expenditure for the year ending 30 June 2009 is \$56.506 million. Core infrastructure such as Transport, Water, Wastewater and Storm water networks make up 40.9% of our total operating expenditure.

WHERE CAPITAL EXPENDITURE WAS SPENT

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

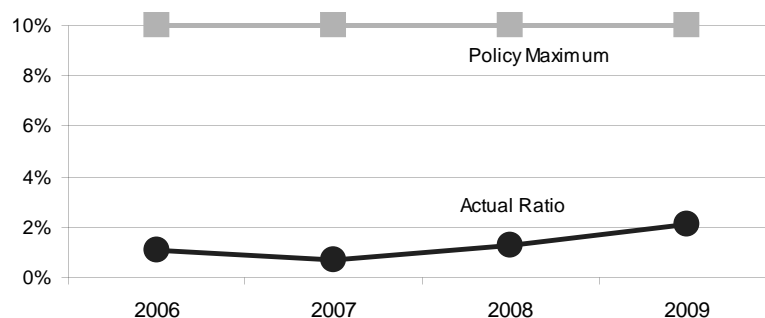


The increase in Council's level of borrowings reflects the utilisation of funds to contribute to the 2008/09 capital works programme.

The Council's external borrowings have increased from \$9.629 million at 30 June 2008 to \$17.922 million at 30 June 2009.

With the increasing level of debt, the gross interest expense has been increasing, but is still well below the conservative prudent limit contained in the Council's Liability Management Policy of 10%.

INTEREST AS A PERCENTAGE OF OPERATING REVENUE



GROUPS OF ACTIVITIES



Groups of Activities

INTRODUCTION

This section provides a detailed commentary on the activities undertaken by the Council in the 2008/09 year. The Council participated in 42 activities during the year and this work is organised into 12 groups, as follows:

- Community Leadership and Governance
- Transport Networks and Systems
- Water-related Services
- Solid Waste Management
- Promotion and Economic Development
- Environmental Planning
- Environmental Controls
- Libraries and Museum
- Recreation and Community Facilities
- Parks, Reserves and Cemeteries
- Environmental Protection
- Community Safety

GUIDE TO THE LAYOUT & CONTENT OF THE GROUPS OF ACTIVITIES SECTION.

GROUPS OF ACTIVITIES
WATER-RELATED SERVICES



WHAT THIS GROUP OF ACTIVITIES INCLUDES

This group of activities is undertaken to provide and maintain efficient, reliable and safe water, wastewater, stormwater and trade waste services. The activities undertaken within this group include:

- Water supply
- Wastewater
- Stormwater services
- Trade waste

The Council undertakes these activities because of statutory obligations and public demand. Delivery of these network services by non-Council operators has, to date, proved unfeasible to the market or unacceptable to the community.

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY?

The aesthetic quality of water has deteriorated for the second year in a row. This was the result of sea water mixing with river water during very low river levels in the prolonged dry period in the summer. The Council was able to reduce the impact of this problem by installing floating inlet valves which have reduced the intake of saline water, and by keeping water in storage. There were no other significant negative effects on the four wellbeings that occurred as a result of providing these activities.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



ENVIRONMENTAL PROTECTION



COMMUNITY SAFETY

What this group of activities includes.

This provides a brief description of the types of functions that are undertaken within the particular Group of Activities.

What were the significant negative effects on the community?

The activities undertaken by the Council effect the social, cultural, environmental and economic wellbeing of the community. This outlines any significant negative effects that have resulted from this Group of Activities.

Community outcomes these activities contribute to

The activities undertaken by the Council contribute towards the achievement of the 9 community outcomes of the Whakatane District. The community outcomes listed here are contributed to by this Group of Activities.

What we do and why we do it.

This provides a brief description of the types of functions that are undertaken within the particular activity and outlines the reason for undertaking each activity.

What did this activity cost?

The Annual Plan for 2008/09 sets a budget for each activity that the Council undertakes. This table compares the expected cost of the activities, as set in the Annual Plan, with the actual cost of the activities over the year. Variations of greater than 10% are explained. The key below explains the symbols used.

How did we perform against our targets?

The LTCCP 2006-16 outlines the levels of service the Council aims to achieve. It also details the measures and targets used to show whether or not the levels of service are achieved. This table outlines how the Council has performed against those targets and provides an explanation where targets have not been achieved.

Groups of Activities - Water Related Services

WATER SUPPLY

WHAT WE DO AND WHY WE DO IT

Water is an essential resource in our community and the Council is charged with ensuring water is of a high standard, is safe to drink and that the supply is adequate for all the community. In response to this the Council manages a number of water supply assets for the District and is required to adhere to a number of statutory requirements, standards and policies. Under section 103(2) of the Local Government Act 2002, the Council must continue to provide water services to those communities that have been serviced.

The average household uses 600 litres of water per day.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	4,604	4,865	(261)	Ⓜ	Increased depreciation*
Revenue	4,465	4,473	8	Ⓛ	
Net Cost of Service (Surplus)	139	392	(253)	Ⓜ	
Capital Expenditure	2,304	982	1,322	Ⓛ	

Ⓛ = Favourable variance Ⓜ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/6

Provide quality water related service systems compliant with all statutory and regulatory requirements and compliant with Council policies, procedures and standards.

Number of resource consent infringement and abatement notices from the regional council.

Target - 0 **Achieved** - No infringement or abatement notices received during the year.

Whakatane and Ohope Water Supply complies with current Drinking Water Standards for NZ.

Target <100% **Not achieved** - While water quality is tested and meets the standards, projects in the LTCCP will enable this target to be achieved by 2010/11

Number and level of water supply gradings received (The Ministry of Health grades water quality between A & E for water source and between a&e for water reticulation. A(a) indicates the highest standard and E(e) lowest. U stands for ungraded).

Target	
Whakatane	Aa
Taneahua	Ca
Ohope	Aa
Ruatoki	Ca
Edgecumbe	U
Waimana	Cb
Matata	Ca
Plains	U
Murupara	U
Te Mahoe	U

Not achieved - To achieve the targets more improvements to the water treatment plants are required. These improvements are scheduled in the present LTCCP and Ministry of Health Capital Assistance Programme.

However, all Council water supplies are monitored in accordance with NZ Drinking Water Standards and comply with all priority one determinants which effect health. They also comply with water quality and testing frequency standards.

Explanation of categories in cost of service tables

WHAT DID THIS ACTIVITY COST?

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	Income directly related to the activity e.g. user charges, targeted rates, subsidies.
Net Cost of Service (Surplus)	Expenditure less Revenue = the total operational cost of running these activities.
Net Capital Expenditure	Expenditure on a new asset or extension of an existing asset to provide a greater service than previously provided.

The following icons are used as an indication of the variance between the actual cost of each activity against what was budgeted for in the Annual Plan 2008/09:

- Ⓛ **Favourable Variance** - This activity **cost less** than budgeted or produced **more revenue** than budgeted
- Ⓜ **Unfavourable Variance** - This activity **cost more** than budgeted or received **less revenue** than budgeted

What were the major project variances?

The Annual Plan for 2008/09 lists the major projects that the Council intended to undertake in the 2008/09 year. This table provides a commentary on the progress that was made against those projects where there was a significant variation from what was planned. It also includes information on some other major projects that were undertaken in the year but not included in the Annual Plan. The revised budget column includes money carried forward from the previous year and any new Council resolutions that have increased a project's budget. A key to this table is provided below.

Highlights for the year

A description of achievements or highlights for this activity, including completion of projects outlined in the Annual Plan 2008/09.

Groups of Activities - Water Related Services

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Whakatane water treatment plant improvements	249	249	162	✓	Completed - Filter cover not required at this stage
Investigations into pilot bore to address salinity in Whakatane water supply	130	130	43	◆	Ongoing - Project expanded following further investigations.
Paul Road production wells and associated works	306	306	32	◆	Delayed - Due to negotiation with landowner - works scheduled 2009/10
Coastland extensions - Stage 2	200	200	0	◆	Deferred - Pending development in the area
Water flow upgrades - East end of Ohope	250	250	44	◆	Deferred - Linked to other works
MoH Capital Assistance Programme projects	175	175	43	◆	Ongoing - Some works deferred pending approval of MoH funding

HIGHLIGHTS FOR THE YEAR

Whakatane Water Supply

Much work has been carried out during 2008/09 to upgrade the water supply in Whakatane. This has included renewal and upgrade of water reticulation, pipe replacements and reservoir upgrade. The Council has also installed a floating intake as a short-term solution to high water salinity during prolonged dry periods coinciding with high spring tides. The floating intake extracts water from close to the surface where salinity levels are lower. The Council is continuing to investigate long-term solutions including an alternative intake upriver.

Sanitary Surveys

The Council has undertaken catchment sanitary surveys for all water schemes except Plains. These surveys are designed to highlight risks to water sources and establish mitigation measures to ensure drinking water safety.

Awakeri Water Pressure

Awakeri has suffered from inconsistent water pressure, especially during times of peak demand. Works undertaken during 2008/09 including reestablishing the Putiki pump station have worked to rectify this problem and ensure a reliable and consistent supply to the Awakeri extension area.

Plains Water 50 Year Plan:

The Council developed a Plains Water Supply Strategy taking into account a 50 year horizon. Part of the project included development of a network model that can be applied to different options in the Strategy. At the same time the Council has progressed the preparation of the Rangitiki Plains Community Irrigation Strategy which is a joint project between the Ministry of Agriculture and Forestry, Environment Bay of Plenty and the Council.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Provide potable water, and efficient reliable wastewater and stormwater systems to meet the reasonable needs of urban and commercial customers.

Continuous monitoring through water supply pressure loggers shows minimum pressure of 200 KPA (except during outages).

Target - 100% Not achieved - 95% The target is difficult to achieve. A revised target is identified in the new Asset Management Plan and aimed to be achieved in 2009/10.

Frequency of unplanned interruptions to water supply per 1000 customers. (Interruption of water supply for more than 1 hour for more than 100 customers).

Target - 3

Achieved - Less than 1 interruption per 1000 customers

Ensure quality customer communication, consultation and service provided.

Minimum 48 hours notification given of planned interruptions to water supply.

Target - >95% Achieved - Required notification given for 100% of interruptions.

Key to project tables in the groups of activities section.

The following symbols are used as an indication of whether the major project has been completed.

- ✓ Completed - This project has been completed
- ◆ Not completed - This project is either underway or has not begun.

GROUPS OF ACTIVITIES

CORPORATE & DISTRICT ACTIVITIES



WHAT CORPORATE AND DISTRICT ACTIVITIES INCLUDES

Every organisation needs to manage develop and maintain internal systems in order to provide effective and efficient external services.

Although Corporate and District Activities do not fall within one of the groups of activities, they are substantial functions of the Council.

This section of the Annual Report outlines the costs associated with these activities and identifies some of the achievements made during the 2008/09 year.

The activities undertaken within Corporate and District Activities include:

- Communications
- Finance
- Customer Services
- Corporate Information
- Corporate Property
- Human Resources

CORPORATE AND DISTRICT ACTIVITIES

WHAT WE DO AND WHY WE DO IT

Corporate and District Activities support the delivery of external Council services. Operational expenditure is funded by charging overheads on other activities. Capital expenditure is generally paid for by way of corporate loans.

The Council's customer service team responded to 94,799 phone calls in the 2008/09 year. An average of one phone call every 84 seconds.

(Down from 100,694 calls in 2007/08)

WHAT DID CORPORATE AND DISTRICT ACTIVITIES COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	16	5,562	(5,546)	\$	Revaluation of Bunyan Road property, Loss on disposal of assets, increase in doubtful debt, increased weather tightness provisions
Revenue	1,501	713	(788)	\$	-
Net Cost of Service (Surplus)	(1,485)	4,849	(6,334)	\$	
Capital Expenditure	2,444	1,747	697	\$	Projects delayed and deferred
<div> <div>\$</div> = Favourable variance <div>\$</div> = Unfavourable variance </div>					

HIGHLIGHTS FOR THE YEAR

Overhead and depreciation variations

After the budgets were set for 2008/09, some of the Council's assets were revalued. This resulted in a total variation to the budget set aside for depreciation of \$3.44mil across all activities. The cost of depreciation is spread over each activity, where the asset relates. Where the variation to depreciation was significant in an activity, this has been signalled in the major variance explanation.

Overhead operating costs, such as Corporate Information, Finance, Customer Services and Human Resources are reallocated across the Council's activities. The cost of these reallocated support centres exceeded the budget by \$930,000. This has impacted on many activities and is signalled under each activity where there is a major variation. Because these costs are reallocated across the Council's Activities, they do not show up as a variance here under Corporate and District Activities.

Technology improvements in the Civic Centre

Small but effective technology enhancements have been introduced into the Civic Centre to help improve productivity. This has included the installation of audio-video equipment in meeting rooms and improving the wireless network coverage. Numerous core system improvements were also effected such as increasing the reliability and capacity of the Councils servers.

Information services strategic plan updated

The Council has reviewed and extensively revised the Information Services Strategic Plan to reflect changes in organisational information needs, new technologies, and industry standard management frameworks.

Contact Centre Systems

Over the later half of the 2008/09 year the Council implemented new and improved systems to receive and respond to customer requests. These requests can now be easily monitored to ensure they are being responded to appropriately and within certain timeframes. Process improvements mean that requests for information and services, reporting of faults and complaints, are now logged, electronically time stamped, monitored against preset target times and escalated if necessary.

Resource Consent Systems

Over the past year the Council developed systems to improve the resource consent process. The aim of these systems is to improve the processing and recording of applications and the ease by which application information can be accessed. Ultimately customers will benefit by receiving a more prompt service from Whakatane District Council. The system was implemented in the first quarter of 2009/10.

GROUPS OF ACTIVITIES

COMMUNITY LEADERSHIP & GOVERNANCE



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides leadership, community representation, advocacy, consultation, monitoring, planning, stewardship and accountability to the residents and ratepayers of the Whakatane District. In addition, the Council is responsible for the provision and allocation of community grants. The Council also develops formal policies and the Long-term Council Community Plan.

The activities undertaken within this group include:

- Democratic services
- Council initiatives
- Disaster mitigation
- Strategic policy

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY OF UNDERTAKING THESE ACTIVITIES?

There were no significant negative effects on the four wellbeings that occurred as a result of providing these activities.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



DIVERSE, CREATIVE AND
ACTIVE COMMUNITY



SAFE CARING
COMMUNITY



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

DEMOCRATIC SERVICES

WHAT WE DO AND WHY WE DO IT

The Council undertakes the Democratic Services activity because of statutory obligation. The requirement for elected representation and the democratic decision-making process is included in the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987 and the Local Electoral Act 2001.

The elected members are the community's representatives, making decisions on behalf of and in the interests of the community. The Council is required by the Local Government Act 2002 to be open, transparent and democratically accountable. This means the Council must conduct its business in public in a way that is easily understood and contributed to by the community.

The Council received over 1,160 submissions from the community whilst developing the LTCCP.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	2,463	2,759	(296)	\$	Increased overheads*
Revenue	2,463	2,514	51	\$	-
Net Cost of Service (Surplus)	0	245	(245)	\$	

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 4/4

Ensure democratic procedures and triennial election processes meet all statutory requirements for elections in 2007, 2010, and 2013.

All procedural requirements are met in accordance with the Local Government Act 2002, Local Government Official Information and Meetings Act 1987, Standing Orders, Local Electoral Act 2001 and other appropriate legislation.

Target: Complaints upheld by the Ombudsmen.

Achieved - No complaints received.

Target: No breaches of the appropriate legislation.

Achieved - No breaches of legislation occurred.

Ensure the Council is visible in providing strong leadership in the community and that its decision making processes are open, transparent and inclusive.

The public are kept informed of Council activities through publications of Byways.

Target: Information provided in the Byways tabloid four times per year.

Achieved - Byways was distributed four times in 2008/09.

HIGHLIGHTS FOR THE YEAR

Ohope Beach Community Board By-election

Following the resignation of David Bulley from the Ohope Beach Community board, a by-election was held to elect a replacement. A by-election was held on 20 May 2009 and voter turnout was 38%. As a result of the successful by-election, Linda Hudson was elected as the new Ohope Beach Community Board member.

41 discretionary fund grants were allocated to community groups from the Council, Community Boards and the Iwi Liaison Committee

The Council's 2008 Resident's Survey indicated that the Council needs to look at ways of improving the Community's ability to input into decision making.

Copies of the 2008 Resident's Survey are available on the Council's website.

www.whakatane.govt.nz

HOW DID WE PERFORM AGAINST OUR TARGETS?

Ensure the Council is visible in providing strong leadership in the community and that its decision making processes are open, transparent and inclusive.

The Council communicates its vision and policies to the public in a "user friendly" manner and actively seeks input from the people of the District on their concerns and ideas for the well-being of the District.

Target: Consultation processes developed for all significant processes.

Achieved - The Council consulted on the following processes/decisions:

- Alcohol Policy
- Liquor ban Bylaw (Rex Morpeth Park)
- Footpath and Footpath Extension Policy
- Community Funding Policy
- LTCCP 2009-19 (including volumes 1-3)
- Bylaw Review part 2
- Dog Control Act - improving public safety
- Variation 6 - Coastal Hazards
- Ohiwa Harbour Strategy
- Town Vision (Hearings)
- Built Heritage Study
- Parking Strategy
- Traffic and Speed Bylaw Review

COUNCIL INITIATIVES

WHAT WE DO AND WHY WE DO IT

The Council initiatives activity is typically undertaken because of public demand. However, this activity also deals with specific issues that arise unexpectedly and those matters that do not sit specifically with any particular functional area.

The Council provides funding for community projects; recognising voluntary organisations' contributions to the community; supporting and encouraging interaction and exchange with other cultures and recognising elderly people's contribution to the District. This activity is a key part of the Council's work to support the social and cultural well being of the citizens of this District. It also includes civic ceremonies such as ANZAC Day.

***39 Whakatane residents
were awarded New
Zealand Citizenship***

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	80	183	(103)	\$ Reallocation of annual grants and leases and regional council relocation judicial review
Revenue	85	97	12	\$ -
Net Cost of Service (Surplus)	(5)	86	(91)	\$

\$ = Favourable variance \$ = Unfavourable variance

HIGHLIGHTS FOR THE YEAR

Annual Grants

The allocation of community grants has allowed the Council to recognise a number of voluntary community organisations providing a social service to the residents of the district and offer them a helping hand by providing them with some financial assistance. The funds were provided to 22 organisations to cover a variety of costs from salaries to administration costs to food parcels.

Surf Life Saving Club Grant

Whakatane District Council contributed \$130,000 to the Whakatane Surf Life Saving club to help complete the refurbishment of the clubrooms which were in a poor state. The funding went towards first floor interior remodelling, kitchen upgrade, fire safety systems and exterior civil works.

Sinking of Seafire as an artificial reef

The Council contributed \$55,000 to the Bay Artificial Reef Charitable Trust to sink a ship "The Seafire" off the coast of Whale Island. The ship was sunk in October 2008 with over 150 boats watching. The wreck will create an artificial reef which will entice recreational divers to the area, boosting tourism.



DISASTER MITIGATION

WHAT WE DO AND WHY WE DO IT

The Council has carried out works to protect the community from the risk of future natural hazards. Natural hazard mitigation works were proposed following the two natural disasters in the District in July 2004 and May 2005.

Without these works, residents would continue to be exposed to future disasters. Several of these projects involve working with Ontrack, Zealand Transport Agency and Environment Bay of Plenty, each of which is responsible for project costs within their area of responsibility. The Awatapu and Otawairere/Ohope projects have now been completed. Parts of the Matata Regeneration Projects and the Edgecumbe/Rangitaiki Plain Flood Mitigation have not been completed.

***The Council received
a merit award for
engineering for the Ohope
Escarpment Drainage
Project***

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	519	359	160	\$ Less interest costs due to projects not completed
Revenue	2,987	1,332	(1,655)	\$ Some subsidies received early and some delayed.
Net Cost of Service (Surplus)	(2,468)	(973)	(1,495)	\$
Capital Expenditure	5,531	2,145	3,386	\$ -

\$ = Favourable variance \$ = Unfavourable variance



WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Edgecumbe/Rangitaiki Plains Hazard Mitigation Project	1,370	2,839	58	◆	Delayed - project is awaiting funding and resource consent processing. Construction now scheduled for 2009/10
Matata Hazard Mitigation Project	4,161	6,625	1,957	◆	Delayed - works in Matata have been subject to appeals against the resource consent
West End Hazard Mitigation Project	0	58	78	✓	Completed

HIGHLIGHTS FOR THE YEAR

Disaster Mitigation works delayed

A number of works planned for Matata during 2008/09, including Waitepuru and Awatarariki, have been delayed as a result of appeals against the proposed works. Proposed plans have been through the Environment Court and construction is pending resolution of the Resource Management Act process.

Waimea Stream works completed

The Waimea Stream Management Works have been completed. This is one of the Matata Disaster Mitigation Projects and involved deepening the existing channel, upgrading culverts and building flood walls on several properties to provide 1:100 year protection from future flood events.

Ohinekoao Stream works completed

The Ohinekoao Stream works have been completed. This is another of the Matata Disaster Mitigation Projects and involved providing better flood management and protecting the transport corridor.

Award for Otarawairere Project

The Ohope escarpment drainage project received a merit award from the Association of Consulting Engineers New Zealand. The project was in response to the landslips that occurred in 2004 following heavy rain and flooding which damaged houses and properties in West End.

The project involved the replacement of on-site soakage of stormwater and wastewater with a reticulated system.

The project was technically challenging and required the Council, consulting engineers and the community to work together to agree on a solution that would ensure slope stability.

Subsidy secured for Edgecumbe works

The Council has secured a subsidy of \$1.1m from Central Government towards its contribution to the Edgecumbe Rangitaiki Plains Flood Mitigation Project.

The proposed works which are due to begin during summer 2009/10, will ensure 1:100 year flood protection to protect Edgecumbe and the Plains against the scale of flooding experienced in July 2004.

The project is a joint process between the Whakatane District Council, Environment Bay of Plenty and the New Zealand Transport Agency.

STRATEGIC POLICY

WHAT WE DO AND WHY WE DO IT

The requirement for Council to have a Long-term Council Community Plan (LTCCP) is set out in legislation. Strategies and policies are used by the Council to set out the general direction for the Council and to respond efficiently and consistently to the community.

This activity delivers quality strategy and policy advice for elected members and staff to enable effective decision making and long-term planning. The Council makes decisions and sets direction to promote the

social, cultural, environmental and economic wellbeing of the District's communities, and contribute to the good governance of these communities. Making good decisions and effectively setting direction requires a framework to provide long-term stability and consistency of approach.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	732	790	(58)	\$	Increased overheads*
Revenue	732	755	23	\$	
Net Cost of Service (Surplus)	0	35	(35)	\$	

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

Achieved 5/5

HOW DID WE PERFORM AGAINST OUR TARGETS?

Ensure the Council advocates effectively on behalf of the people of the Whakatane District with central government and other organisations through a formal process that identifies external policies and proposals that affect the District.

Public feedback is sought and considered on local and central government issues as and when required.

Target: Submissions sent to central government are publicly available.

Achieved - The Council has prepared a submission to the Ministry for the Environment on the Waste Minimisation Bill. This was publicly available on the Council Agenda for the meeting in May 2009

Submissions are prepared and sent to central government as required.

Target: 100%

Achieved - The Council made one submission to the Ministry for the Environment on the Waste Minimisation Bill.

In addition the Council provided comments and worked alongside groups such as COBOP and SOLGM on joint submissions.

The Council will communicate its vision and policies to the public. It will actively seek input from the people of the District on their concerns and ideas for the well-being of the District.

Consultation is carried out with the public and feedback is considered by the Council.

Target: Consult with the public on significant policy issues and others as determined by the Council.

Achieved - The Council consulted on the following policies:

- Alcohol Policy
- Footpath and Footpath Extension Policy
- Community Funding Policy
- LTCCP 2009-19 (including volumes 1-3)

HIGHLIGHTS FOR THE YEAR

LTCCP

A major project for 2008/09 was the development of the Council's 10 year planning document, the LTCCP 2009-19. This document sets out what the Council plans to achieve over the coming ten years. The document was developed through public consultation and the Council received over 1,160 submissions. Copies of the LTCCP are available on the Council's website.



Development Contributions Policy

The Council's Development Contributions Policy was also revised alongside the LTCCP process and the new policy is contained within volume 2 of the LTCCP.

Community Funding policy

During 2008/09 the Council adopted a policy on Community Funding. The purpose of this policy was to provide consistent transparent and equitable community grants that would provide maximum benefit to the community.



COBOP

The Council continues to be a member of COBOP, providing a strategic partnership with key community and regional organisations. A subgroup of COBOP worked together to monitor and report on community outcomes and the Council produced a Community Outcomes Report during 2008/09.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Ensure compliance with the Local Government Act requirements to prepare a Ten-year Council Community Plan and Annual Plans.

Audit approval of the Ten-year Council Community Plan.

Target: Audit approved.

Achieved - The Council received a clear Audit Opinion for the draft LTCCP in April 2009. A clear Opinion was also issued for the final LTCCP, however this was not until 13 July 2009.

The Council will work closely with other organisations, agencies and community groups locally, regionally and nationally to further progress towards identified community outcomes.

Involvement in the Community Outcomes Bay of Plenty Working Group (COBOP) and similar projects.

Target: Continued membership of project.

Achieved - Whakatane District Council continues to be represented on various COBOP working groups, attending meetings and contributing to work streams.

GROUPS OF ACTIVITIES

TRANSPORT NETWORKS & SYSTEMS



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Generally, this group of activities is provided by Council in response to needs and aspirations of the community to achieve services that will, where necessary, conform to national funding criteria, prudent use of resources and expectations of safety, sustainability and comfort.

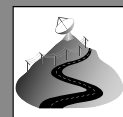
The activities undertaken within this group include:

- Roading
- Road Safety
- Parking Enforcement
- Airports

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY OF UNDERTAKING THESE ACTIVITIES?

There were no significant negative effects on the four wellbeings that occurred as a result of providing these activities.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE



PROSPEROUS
ECONOMY

ROADING

WHAT WE DO AND WHY

The Council provides roading, airports, pedestrian and parking facilities and public transport infrastructure for the sustainable, safe, convenient, comfortable and cost effective movement of people and goods throughout the District, as well as to destinations outside the District. It benefits residents, businesses and the District as a whole. There are a number of legislative requirements that the Council needs to comply with in this activity including the Land Transport Management Act 2003, Local Government Acts 1974 and 2002 and the Resource Management Act 1991.

The transportation network mainly consists of roads, footpaths and car parking along with associated services such as street lighting, road markings, bridges and cycleways. The roading network consists of approximately 902 km of predominantly rural roads (82%). Over 76% of the network is sealed, which is well above the national average of 60%.

Currently there are approximately 175 million vehicle kilometers travelled on the network each year with approximately 72% of this traffic being on the arterial and collector roads.

There are 160 kms of footpaths in the District. That's about the same distance from Whakatane to Rotorua and back again.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	10,573	13,235	(2,662)	\$	Increased depreciation and costs associated with stormwater damage repair
Revenue	13,736	13,190	(546)	\$	Less subsidy received due to work not being undertaken
Net Cost of Service (Surplus)	(3,163)	45	(3,208)	\$	
Net Capital Expenditure	7,835	7,607	228	\$	-

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 8/10

Provide a roading network that meets the reasonable needs of the wider community.

Number of service requests regarding deficiencies in the road network.

Targets: Annual downward trend. **Achieved** - 920 service requests received in 2008/09 compared to 957 in 2007/08.

No increase in the length of pavement considered rough (rough is defined at more than 150 NAASRA counts). Currently there are 32 km of rough pavements.

Targets: 32km of rough pavements.

Achieved - 27.23km of rough pavements.

Road network does not suffer unreasonable levels of congestion.

Targets: Arterial intersections operate on average at 95% capacity during normal operating conditions.

Achieved - Although it is noted that the Landing Road roundabout causes minor congestion delays in morning peak traffic times.

Route security issues identified and improvements addressed.

Targets: 100% issues identified by 2009.

Not Achieved - delayed to link in with NZTA work

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Implement walking and cycling strategy	286	435	84	♦	Carried-forward - This project is on-going
Warren Cole pedestrian/cycle facilities	416	416	34	♦	Carried-forward - This project is on-going
Tarawera River NW road formation	75	75	0	♦	Deferred - Until 2010/11
Mill Road upgrade and widening	175	175	0	♦	Partly completed - During 2007/08, partly unable to complete due to power supply requirements
Ohope Road pedestrian/cycle facilities	384	572	275	♦	On-going - Works underway, continuing into 2009/10
Kirkbride Road bridge replacement	347	347	174	✓	Completed - Full replacement not required, abutment replaced

The Council maintains over 2,300 street signs comprising a mix of regulatory and information signs.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Provide a roading network that meets the reasonable needs of the wider community.

At least 3kms of seal extensions completed per year.

Targets: 3kms.

Achieved - 5.57km of seal extension have been completed for the 2008/09 year.

Provide quality network services compliant with all statutory and regulatory requirements and Council policies, procedures and standards.

Number of resource consent infringement and abatement notices received from the regional council.

Target: 0

Achieved - No consent infringements or abatement notices served.

Council Transport Standards and Policies remain relevant and current.

Target: 10% reviewed.

Achieved - Actively reviewing policies including the Footpath extension policy and Airport Operation Plan

HIGHLIGHTS FOR THE YEAR

Ohope Hill

During the 2008/09 year the Council continued the Ohope Hill roading project progressing the section from the Hillcrest intersection to the Burma Road turn off. The project provided safety and access improvements including a painted flush median, shoulder widening, cemetery intersection improvements and minor realignments. The project also included a grass berm to provide for pedestrian access and potentially a future cycleway.

Land acquisition for car parking

In support of the Council's car parking strategy the Council has purchased property on Pyne Street opposite REAP for future development as a car park. The project will ultimately greatly improve parking capacity to meet increasing demand in the area.



Rural Road Sealing

The Council has continued its commitment to extending the seal on the rural road network. This has included the completion of further seal extensions on Ruatahuna, Manawahe, McIvor and Mottram Road totalling over 5km.

Ruatoki Footpath

An original proposal by the Council committed to successively extend the footpath from the Ruatoki settlement to the school over a number of years. This project was advanced and completed following agreement by the New Zealand Transport Agency to provide a substantial subsidy to the project, on the condition that it was all completed in one year.

Putiki Bridge (Edgecumbe)

The Council has removed the Putiki bridge and replaced it with a wider two lane culvert. This previously narrow, single lane bridge has proved difficult for milk tankers to negotiate, often forcing a substantial detour.

The length of sealed roads in the district was extended by 5.57km during 2008/09

HOW DID WE PERFORM AGAINST OUR TARGETS?

New roading systems for growth are planned and provided effectively.

Transport network linking all major nodes shall be provided for users (vehicle, pedestrian, cyclists) based on a transport needs review.

Targets: Deficiencies identified through model included in budget forecasts within three years.

Achieved - Deficiencies identified in transportation model to be included in LTCCP.

Percentage of car parks occupied at peak times.

Targets: 100%. **Not Achieved** - Car park occupancy was not monitored during 2008/09

An affordable public transport system exists throughout the District.

Subsidising of public transport in line with Council policy and contribution to infrastructure to support the District Public Transport System.

Targets: 100% of approved funds.

Achieved - The Council installed two bus shelters during 2008/09

ROAD SAFETY

WHAT WE DO AND WHY

The Council is the lead agency in the Eastern Bay cluster (Whakatane, Kawerau and Opotiki District Councils) for road safety education, advertising and co-ordination in agreement with New Zealand Transport Agency. Police and ACC are key stakeholders along with local agencies who belong to the Road Safety Committee. The activities are provided in response to central government requirements identified in the Land Transport Amendment Act 2008, Government Policy Statement targets, and community aspirations. The cost of the road safety activity is spread across the three Eastern Bay of Plenty

district councils and Environment Bay of Plenty. ACC are key contributors financially in their identified target areas. Financial and in kind support is also received from business and local communities.

The main activity is the co-ordination of education programmes and advertising to address the causes of serious and fatal crashes in the Eastern Bay. There are key partners in the community such as the Probation Service and Community Drug and Alcohol Services that deliver ongoing projects. The Annual Road Safety Action Plan is brought into effect through the Eastern Bay of Plenty Road Safety Committee and employment of Road Safety/Sustainable Transport personnel.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	313	335	(22)	\$	-
Revenue	313	283	(30)	\$	Nature of work carried out received less subsidy
Net Cost of Service (Surplus)	0	52	(52)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HIGHLIGHTS FOR THE YEAR

During 2008/09 the "Drink or Drive - You Decide" Campaign was undertaken in the Eastern Bay. This involved an aggressive media approach with billboards, newspapers, and radio. Students Against Drink Driving (SADD) undertook a public relations role with visits to key populated business/leisure areas and handed out chocolates with 'thank you for not drink driving' on them. They dressed in Grim Reaper costumes and on occasion became sandwich boards and advertised the updated number of drink driving offences as the campaign wore on.



Achieved 1/3

Public satisfaction about how the Council is planning for and implementing road safety.

% satisfaction from attendees at six-monthly focus groups and two public meetings.

Target: > 85% satisfied per meeting.

Achieved - Two public meetings were held with 100% satisfaction from feedback.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Assist in the campaign to reduce the overall number of road fatalities and casualties for the District.

Number of fatal road crashes per year.

Target: <4

Not achieved - There were 5 fatal road crashes throughout the district in the 2008/09 year.

Number of crashes involving injuries per year.

Target: <70 **Not Achieved** - There were 70 crashes involving injury in the 2008/09 year.

PARKING ENFORCEMENT

WHAT WE DO AND WHY

The Council provides parking enforcement services in response to community needs and aspirations for safety and convenience. The parking provisions are governed by the Traffic and Speed chapter of the Consolidated District Council Bylaw as well as relevant sections of the Land Transport Act 1998 and traffic regulations. Monitoring is focused on the central business districts of Whakatane and Kopeopeo. Enforcement activities are aimed at motorists overstaying their parking time but also include the issuing of infringement notices for expired warrants and registrations, damaged/smooth tyres and illegal parking within defined areas.

This activity supports safety on the road by identifying vehicles that do not comply with regulations around road worthiness. Associated processes include prosecutions and court appearances as well as responding to complaints.

The Council is proactive in promoting Whakatane's parking regulations and promotes the message of responsible driver behavior towards parking requirements. This service ensures a turnover of vehicles in key areas to manage traffic flow.

Enforcement activities are aimed at motorists overstaying their parking time



WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	348	363	(15)	\$ -
Revenue	353	410	57	\$ Increased income from parking fines
Net Cost of Service (Surplus)	(5)	(47)	42	\$

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/1

Restricted areas in Whakatane and Kopeopeo have regular parking surveillance.

Patrols are carried out in Whakatane and in Kopeopeo.

Target: 3 times per day, 3-4 times a week.

Achieved - As per projected targets. Have increased to 4 times per week for Kopeopeo.

AIRPORTS

WHAT WE DO AND WHY

The Council is responsible for the management of two airports in the District, the Whakatane Airport and Galatea Airstrip. Whakatane Airport has been established as a Council-Controlled Organisation in equal partnership with the Ministry of Transport. All commercial passenger services are currently provided by Air New Zealand. See the section entitled "Council Controlled Organisations" for more information about the Whakatane Airport. Galatea airstrip has little infrastructural development.

Following a trial run, direct flights from Whakatane to Wellington are now permanent

WHAT DID THIS ACTIVITY COST?

AIRPORTS	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	151	132	19	\$	Interest and direct costs*
Revenue	169	130	(39)	\$	Awaiting funding from Ministry of Transport
Net Cost of Service (Surplus)	(18)	2	(20)	\$	
Capital Expenditure	588	139	449	\$	-

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

Achieved 8/8

HOW DID WE PERFORM AGAINST OUR TARGETS?

Quality Airport facilities comply with all Civil Aviation Regulations and Council policies, procedures and standards.

Number of non-compliance notices received.

Target : 0 **Achieved** - No non-compliance noticed received.

Number of Council non-compliances identified from inspections.

Target: 0 **Achieved** - No non-compliances identified.

All airport operations will be managed in a safe and environmentally friendly manner.

Maintain compliance with the Whakatane and Galatea Airport Aviation Services Operational Plans.

Target: 95%

Achieved - All airport operations complied with the Whakatane and Galatea Airport Aviation Services Operational Plans.

Manage and operate the airport amenities and equipment with a minimum number of environmentally related complaints.

Target: < 5 **Achieved** - No environmental complaints received. Quality Airport facilities comply with all Civil Aviation Regulations and Council policies, procedures and standards.

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Land Acquisition	360	360	0	♦	Delayed - Council negotiating with land owners
Runway Resurfacing	64	129	131	✓	Completed
Terminal Upgrade	154	154	0	♦	Deferred - Pending airport master plan
Airport Interior Renovation - furniture	10	10	8	✓	Completed

Airport 50 year Master Plan

The Council has completed an Airport Master Plan setting out a development framework for the next 50 years. Where there is increasing demand, the plan provides for developments such as additional hangers, runway extensions, terminal upgrades, and a hotel/business park on the north west side of the runway.

Flights to Wellington

Direct flights to and from Wellington are no longer within a trial period and have been confirmed as a permanent route. With demand proving to be sufficient, flights to and from Wellington are now permanently available on a daily basis.



HOW DID WE PERFORM AGAINST OUR TARGETS?

Assets are well maintained throughout all airport facilities.

Proportion of Whakatane Airport assets (by replacement cost value) in a moderate, good or very good condition.

Target: 90% **Achieved** - 98% of assets meet condition standard (based on August 2007 condition & valuation report)

Spot inspections of runway components completed.

Target: Monthly. **Achieved** - 12 inspections undertaken during 2008/09.

Emergency works identified actioned.

Target: Within 24 hours. **Achieved** - No emergency works undertaken.

Health and safety works actioned.

Target: Within 24 hours.

Achieved - One unknown substance alert was immediately responded to by the appropriate emergency services. The substance proved to be harmless.

GROUPS OF ACTIVITIES

WATER-RELATED SERVICES



WHAT THIS GROUP OF ACTIVITIES INCLUDES

This group of activities is undertaken to provide and maintain efficient, reliable and safe water, wastewater, stormwater and trade waste services. The activities undertaken within this group include:

- Water supply
- Wastewater
- Stormwater services
- Trade waste

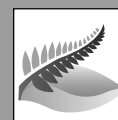
The Council undertakes these activities because of statutory obligations and public demand. Delivery of these network services by non-Council operators has, to date, proved unfeasible to the market or unacceptable to the community.

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY?

The aesthetic quality of water has deteriorated for the second year in a row. This was the result of sea water mixing with river water during very low river levels in the prolonged dry period in the summer. The Council was able to reduce the impact of this problem by installing floating inlet valves which have reduced the intake of saline water, and by keeping water in storage.

There were no other significant negative effects on the four wellbeings that occurred as a result of providing these activities.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



CLEAN PROTECTED
ENVIRONMENT



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

WATER SUPPLY

WHAT WE DO AND WHY WE DO IT

Water is an essential resource in our community and the Council is charged with ensuring water is of a high standard, is safe to drink and that the supply is adequate for all the community. In response to this the Council manages a number of water supply assets for the District and is required to adhere to a number of statutory requirements, standards and policies. Under section 103(2) of the Local Government Act 2002, the Council must continue to provide water services to those communities that have been serviced.

The average household uses 600 litres of water per day.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	4,604	4,865	(261)	\$	Increased depreciation*
Revenue	4,465	4,473	8	\$	
Net Cost of Service (Surplus)	139	392	(253)	\$	
Capital Expenditure	2,304	982	1,322	\$	

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/6

Provide quality water related service systems compliant with all statutory and regulatory requirements and compliant with Council policies, procedures and standards.

Number of resource consent infringement and abatement notices from the regional council.

Target - 0 Achieved - No infringement or abatement notices received during the year.

Whakatane and Ohope Water Supply complies with current Drinking Water Standards for NZ.

Target -100% Not achieved - While water quality is tested and meets the standards, projects in the LTCCP will enable this target to be achieved by 2010/11

Number and level of water supply gradings received (The Ministry of Health grades water quality between A & E for water source and between a&e for water reticulation. A(a) indicates the highest standard and E(e) lowest. U stands for ungraded).

Target

Whakatane	Aa
Taneatua	Ca
Ohope	Aa
Ruatoki	Ca
Edgecumbe	U
Waimana	Cb
Matata	Ca
Plains	U
Murupara	U
Te Mahoe	U

Not achieved - To achieve the targets more improvements to the water treatment plants are required. These improvements are scheduled in the present LTCCP and Ministry of Health Capital Assistance Programme. However, all Council water supplies are monitored in accordance with NZ Drinking Water Standards and comply with all priority one determinants which effect health. They also comply with water quality and testing frequency standards.

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Whakatane water treatment plant improvements	249	249	162	✓	Completed - Filter cover not required at this stage
Investigations into pilot bore to address salinity in Whakatane water supply	130	130	43	◆	Ongoing - Project expanded following further investigations.
Paul Road production wells and associated works	306	306	32	◆	Delayed - Due to negotiation with landowner - works scheduled 2009/10
Coastland extensions - Stage 2	200	200	0	◆	Deferred - Pending development in the area
Water flow upgrades - East end of Ohope	250	250	44	◆	Deferred - Linked to other works
MoH Capital Assistance Programme projects	175	175	43	◆	Ongoing - Some works deferred pending approval of MoH funding

HIGHLIGHTS FOR THE YEAR

Whakatane Water Supply

Much work has been carried out during 2008/09 to upgrade the water supply in Whakatane. This has included renewal and upgrade of water reticulation, pipe replacements and reservoir upgrade. The Council has also installed a floating intake as a short-term solution to high water salinity during prolonged dry periods coinciding with high spring tides. The floating intake extracts water from close to the surface where salinity levels are lower. The Council is continuing to investigate long-term solutions including an alternative intake upriver.

Sanitary Surveys

The Council has undertaken catchment sanitary surveys for all water schemes except Plains. These surveys are designed to highlight risks to water sources and establish mitigation measures to ensure drinking water safety.

Awakeri Water Pressure

Awakeri has suffered from inconsistent water pressure, especially during times of peak demand. Works undertaken during 2008/09 including reestablishing the Putiki pump station have worked to rectify this problem and ensure a reliable and consistent supply to the Awakeri extension area.

Plains Water 50 Year Plan:

The Council developed a Plains Water Supply Strategy taking into account a 50 year horizon. Part of the project included development of a network model that can be applied to different options in the Strategy. At the same time the Council has progressed the preparation of the Rangitaiki Plains Community Irrigation Strategy which is a joint project between the Ministry of Agriculture and Forestry, Environment Bay of Plenty and the Council.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Provide potable water, and efficient reliable wastewater and stormwater systems to meet the reasonable needs of urban and commercial customers.

Continuous monitoring through water supply pressure loggers shows minimum pressure of 200 KPA (except during outages).

Target - 100% **Not achieved** - 95% The target is difficult to achieve. A revised target is identified in the new Asset Management Plan and aimed to be achieved in 2009/10.

Frequency of unplanned interruptions to water supply per 1000 customers. (Interruption of water supply for more than 1 hour for more than 100 customers).

Target <3

Achieved - Less than 1 interruption per 1000 customers

Ensure quality customer communication, consultation and service provided.

Minimum 48 hours notification given of planned interruptions to water supply.

Target - >95% **Achieved** - Required notification given for 100% of interruptions.

WASTEWATER

WHAT WE DO AND WHY WE DO IT

The Council is responsible for the provision and management of six wastewater (sewerage) schemes situated at Whakatane, Ohope, Edgumbe, Taneatua, Murupara, and Te Mahoe. The Council's key focus is to ensure wastewater is managed in an appropriate way. These schemes contain a mix of treatment plants, pump stations, trunk mains, mains and service lines.

While the average household uses 600 litres of water per day, the average household only creates 480 litres of wastewater.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	2,353	2,543	(190)	\$	-
Revenue	4,305	2,490	(1,815)	\$	Subsidy not received
Net Cost of Service (Surplus)	(1,952)	53	(2,005)	\$	
Capital Expenditure	2,988	362	2,626	\$	-

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/3

Provide potable water, and efficient reliable wastewater and stormwater systems to meet the reasonable needs of urban and commercial customers.

Frequency of wastewater system failures due to blockages or overflows during dry weather flow conditions per 100km of sewer for each scheme.

Target <20

Achieved - Whakatane 15.

Ohope 14.

Murupara 2.

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Upgrading of Edgecumbe pump station Wastewater	152	164	46	♦	Deferred - Full upgrade scheduled in LTCCP
Renewal and upgrading Whakatane sewer reticulation	104	104	20	♦	Scope change - Minor works completed major works scheduled in LTCCP
Wastewater reticulation scheme for Matata (including 83% subsidy expected through the Sanitary Works Subsidy Scheme from Government)	2,369	2,369	4	♦	Deferred - Pending confirmation of funding and further consultation

HIGHLIGHT FOR THE YEAR

Wastewater investigations

The Council has completed substantial investigations of the Edgecumbe and Ohope wastewater systems. The investigations included the use of CCTV and smoke testing and identified where upgrades are needed to address the quality and capacity of the system to meet future demand. These investigations have led to projects included in the Council's LTCCP 2009-19 to upgrade the systems in these communities.



HOW DID WE PERFORM AGAINST OUR TARGETS?

Ensure quality customer communication, consultation and service provided.

Faults responded to within 24hrs for wastewater.

Target >90%

Achieved - 97.1% of faults responded to within 24 hours.

Emergencies responded to within three hours for each activity.

Target >90% **Achieved** - 97% of emergencies responded to within three hours.

STORMWATER

WHAT WE DO AND WHY WE DO IT

The Council manages stormwater systems in Whakatane, Taneatua, Otawairere, Matata, Te Mahoe, Edgecumbe, Te Teko, Ohope, Murupara and Taiwhakaea. Each of these locations has its own issues and geographical challenges to ensure stormwater is effectively and efficiently managed and causes little disruption in the communities. The Council provides stormwater systems because of statutory obligations and public demand.

HIGHLIGHTS FOR THE YEAR

Hinemoa Drain

During 2008/09 the Council completed the construction of the Hinemoa Drain in Whakatane. This two stage project had been completed over a number of years and its completion ensures the Hinemoa Road area has improved safety and enhanced maintenance.

Improvements to storm water drainage in Whakatane

The Council has upgraded the St Joseph's pump station. The upgrade will allow the pump station to continue operating in conditions of up to a 1 in 300 year flood event. The Council has also improved the storm water reticulation system and discharge points in Riverside Drive to reduce ponding.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,269	1,525	(256)	\$	Increased depreciation costs, off-set by electricity and maintenance savings
Revenue	1,392	1,521	129	\$	-
Net Cost of Service (Surplus)	(123)	4	(127)	\$	
Capital Expenditure	658	1,129	(471)	\$	-

\$ = Favourable variance \$ = Unfavourable variance

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Wainui Te Whara dam construction	341	354	23	♦	Initial investigations completed - works scheduled in 2012-15 through the LTCCP
Hinemoa drain construction	236	609	649	✓	Completed

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 0/1

Provide potable water, and efficient reliable wastewater and stormwater systems to meet the reasonable needs of urban and commercial customers.

Stormwater system designed and built to meet one in 10 year rainfall event without damage to public and private property.

Target 100% **Not achieved** - 78% for Whakatane. Projects are included in the LTCCP 2009-19 to achieve 100% compliance

TRADE WASTE

WHAT WE DO AND WHY WE DO IT

Trade waste refers to waste discharged into the Council's wastewater system from industrial and commercial premises. The Council undertakes this activity because of statutory obligations. The main objectives are to protect the environment, people and community assets required for essential services.

The Council's new Trade Waste Bylaw aims to provide for an equitable spread of costs between domestic and trade waste discharges

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	46	50	(4)	\$	-
Revenue	46	41	(5)	\$	-
Net Cost of Service (Surplus)	0	9	(9)	\$	

☐ = Favourable variance ☐ = Unfavourable variance

HIGHLIGHT FOR THE YEAR

Trade Waste Bylaw

The Council adopted a revised Trade Waste Bylaw during 2008/09 which came into effect on 1 October 2008. The main change to the bylaw was a variation to the charging structure with more emphasis placed on the quantity and quality of the discharged water, rather than a uniform charge.



Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Carry out required trade waste inspections and accurately record results.

50% of all premises registered are inspected annually.

Targets - 50% inspected

Achieved - > 50% inspected.

GROUPS OF ACTIVITIES

SOLID WASTE MANAGEMENT



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides a weekly refuse and recycling collection in serviced areas of the District, through a contractor. The areas serviced are based on customer demand and capabilities of the contractor's resources. Following the commissioning of the Recycling Park in 2005/06, there is one landfill site in the Whakatane District with a recycling park in Whakatane and a transfer station at Murupara. The Council is implementing its Zero Waste Policy.

The Council undertakes the activities within this group in response to the needs and aspirations of the people of the District for aesthetic and health reasons.

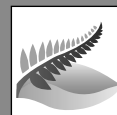
The activities undertaken within this group are as follows:

- Refuse collection
- Refuse disposal
- Refuse recycling

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY?

The Whakatane landfill provided by the Council is susceptible to odour, gas, leachate, litter, vermin and noise pollutions that can potentially have adverse effects on the social, environmental and cultural wellbeing of the community. Within the constraints of the site and existing infrastructure, the operation was able to be managed so as to minimise these effects.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



CLEAN PROTECTED
ENVIRONMENT



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

REFUSE COLLECTION

WHAT WE DO AND WHY WE DO IT

With regard to the Council's Waste Management Plan and section 25 of the Public Health Act 1956, the Council provides collection services to mitigate possible adverse health risks to the District's residents. The particular services are provided in response to the needs of the community and have been designed to maximise benefit to the community.



WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,598	1,850	(252)	\$	Increased contract costs
Revenue	1,598	1,587	(11)	\$	-
Net Cost of Service (Surplus)	0	263	(263)	\$	

\$ = Favourable variance
 \$ = Unfavourable variance

12,800 houses receive kerbside refuse collection including recycling

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/3

Provide quality solid waste services compliant with all statutory and regulatory requirements in addition to all Council policies, procedures and standards.

Number of resource consent infringement and abatement notices from the regional council.

Target: 0 **Achieved** - No infringement or abatement notices received.

Number of Council non-compliances identified from audit of projects.

Target: 0 **Achieved** - No non-compliances identified.

Council standards and policies remain relevant and current.

Target: One third reviewed. **Achieved** - All Standards and Policies were reviewed through preparation of the Solid Waste Asset Management Plan.

REFUSE DISPOSAL

WHAT WE DO AND WHY WE DO IT

With the opening of the Recycling Park, the Council provides one landfill for the management and disposal of collection service refuse, bulk industrial/commercial waste and waste disposal from the recycling centre. The reduction in residual waste disposed of at the Burma Road landfill benefits the community by reducing the potentially harmful environmental impact of such disposal, saving valuable landfill space and reducing resource use. The Burma Road landfill provides controlled management processes for the disposal of residual waste in accordance with Ministry for the Environment and Resource Consent requirements.

99% of greenwaste was diverted from the landfill for beneficial reuse.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,471	4,945	(3,474)	\$	Increased depreciation costs due to revaluation and landfill completely written off
Revenue	1,674	986	(688)	\$	Income budgeted twice for disposal and recycling
Net Cost of Service (Surplus)	(203)	3,959	(4,162)	\$	
Net Capital Expenditure	294	105	189	\$	-

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

Achieved 4/4

HOW DID WE PERFORM AGAINST OUR TARGETS?

Provide efficient reliable solid waste management system to service solid waste for customers within budget.

Ensure the number of missed refuse and recycling collections per year are less than 0.1% of annual lifts.

Target: <0.1% **Achieved** - (note missed bin calls are followed up by Contractor to ensure service provided).

Divert greenwaste from landfill to beneficial reuse.

Target: 60% of greenwaste diverted.

Achieved - 99% (4990 tonnes) of greenwaste diverted.

Approximately 34 tonnes of greenwaste had to be dumped due to contamination (<1%).

More than 95% of sewage sludge currently disposed of to landfill will be composted, beneficially reused or appropriately treated to minimise the production of methane and leachate.

Target: 95%.

NA - Target not applicable at present. Sewage from community schemes is currently stored in oxidation ponds pending eventual removal. No de-sludging activities undertaken in period.

REFUSE DISPOSAL Continued

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Whakatane gas management, final cover and other construction works	122	122	0	♦	Deferred - Landfill closure due December 2009
Design for Transfer Station construction	153	481	11	♦	Design completed - Construction due during 2009/10
Alternative landfill options	0	173	87	♦	Consideration of options underway

HIGHLIGHTS FOR THE YEAR

Pending closure of Burma Road Landfill

The Council has made good progress reinstating the Burma Road landfill site into pasture with the landfill expected to close in December 2009. With the pending closure the Council has been investigating ways to reduce the District's waste stream including the development of a composting facility and transfer stations.

The Council's current landfill at Burma Road is due to close in December 2009 due to the expiry of its resource consent

Transfer Station Design

The design for the Whakatane Transfer Station was completed by the end of the 2008/09 financial year. This project is progressing as planned with construction of the transfer station taking place in the first quarter of the 2009/10 financial year.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Provide efficient reliable solid waste management system to service solid waste for customers within budget.

There will be a reduction of construction and demolition waste to landfills of 50% of December 2005 levels measured by weight.

Target: 50% reduction.

Achieved - 944 tonnes of concrete reprocessed

Reduce residual waste to landfill/transfer station through recycling.

Target: 15,000 Tonne to landfill in 2008/09

Achieved - 14,910 tonnes disposed of to Burma Rd landfill.

REFUSE RECYCLING

WHAT WE DO AND WHY WE DO IT

A Recycling Park opened in April 2006. This has improved recycling practices and reduced the volume of waste that gets sent to the landfill. Residents of the greater Whakatane area use the collection service and Recycling Park for waste disposal, and the collection contractor accesses the Burma Road landfill. Disposers of sorted-by-type bulk industrial/commercial waste are able to arrange direct access to the landfill. Residents in the south of the District have access to the transfer station at Murupara.

The Council's recycling activities diverted 5997 tonnes of material from the landfill during 2008/09

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	576	565	11	☐	Increased depreciation costs off-set by direct cost savings. *
Revenue	576	754	178	☐	Income budgeted twice for disposal and recycling
Net Cost of Service (Surplus)	0	(189)	189	☐	
☐ = Favourable variance ☐ = Unfavourable variance					

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

HIGHLIGHTS FOR THE YEAR

Waste Management Education

Zero Waste Education Programmes were delivered to 30 schools throughout the district. This is a programme designed to educate children about sustainability through reducing, reusing, recycling and composting our waste, conserving our water and reducing their families environmental footprint.

Composting Plant

During the 2008/09 year the Council completed investigations and designs for a composting plant that will divert organic materials out of the waste stream and save money where this waste would otherwise have to be shipped out of the District. It is expected that this facility will be constructed in 2009/10.

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Provide efficient reliable solid waste management system to service solid waste for customers within budget.

Provide access to community based recycling facilities.

Target: 95% of the community.

Achieved - 12800 households now have access to kerbside recycling, as well as facilities in Whakatane and Murupara

GROUPS OF ACTIVITIES

PROMOTION

ECONOMIC DEVELOPMENT



WHAT THIS GROUP OF ACTIVITIES INCLUDES

This group of activities is undertaken to provide a framework for the sustainable growth and development of the District. These activities aim to attract businesses and people to the District and to support the growth and development of existing businesses within the District.

The Council is a member of the Eastern Bay of Plenty Regional Economic Development Agency (Toi-EDA). The Agency is an association of Eastern Bay of Plenty territorial authorities and the Mataatua Iwi Forum and was formed to develop and implement a regional development strategy.

In 2008 the Council merged the activities of the Eastern Bay of Plenty Development Board with Toi-EDA who now provide governance and management for the promotion and development activity which includes economic development, marketing and visitor services. These activities include print and TV advertising, editorial promotions, visitor guides, trade shows and managing government contracts for business management training.

The activities undertaken within this group include:

- Promotion and economic development
- Visitor information

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY?

There were no significant negative effects on the four wellbeings that occur as a result of providing these activities.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE



PROSPEROUS
ECONOMY

PROMOTION AND ECONOMIC DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

The Council undertakes this activity because of public demand for Council to take a leadership role in promoting the District as a place to live, work and play.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000	Major Variance Explanations	
Expenditure	607	677	(70)	\$	-
Revenue	607	653	46	\$	-
Net Cost of Service (Surplus)	0	24	(24)	\$	

\$ = Favourable variance \$ = Unfavourable variance

TOI-EDA RE ESTABLISHED

In July 2008 Toi-EDA was re established. Toi-EDA is responsible for economic development in the Eastern Bay of Plenty region and is recognised by Government as the vehicle through which economic development funding will be channelled into the region.

Toi-EDA has achieved a great deal since its re-launch in July 2008 and there are even busier times ahead as the organisation strives to meet its objectives.



More than 6,000 people came through the door at the Beacon Business and Leisure 2008 show and stand holders reported large amounts of business being done

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/5

Attract more people to visit and live in the District

Increase in visitor numbers.

Target: 5% increase on previous year.

Not Achieved - 6% decrease in visitor numbers on previous year.

Grow existing events

Results measured by economic impact analysis.

Target: >Two per year.

Achieved: 3 events had increased numbers; Toi's Challenge, Montys Revenge and 24 hour race

HIGHLIGHTS FOR THE YEAR

Business support

A Bay of Plenty Regional Partnership has gained central government funding that will benefit Bay of Plenty's aquaculture, food and beverage and marine industries. Toi-EDA also continued to successfully run business support programmes including Enterprise Training Programme, Business Information New Zealand (BIZ) and Business In The Community (BITC).

Toi-EDA has commenced six monthly economic monitoring of the Eastern Bay of Plenty region. The first report published in June 2009 gave a profile of the economy and forms the baseline data against which future progress can be measured. Results are available for each district or at an Eastern Bay of Plenty sub-regional level from the Toi-EDA website: www.toi-eda.co.nz.

A Tourism Advisory Group was set up and the first tourism forum was held. There was good participation in the forum, especially from Opotiki and Kawerau districts.

A major success for Toi-EDA was the biennial AAA business awards, with 100 businesses entering the business section and 23 nominations for the community section.

The Beacon Business and Leisure show was a large success, attracting more than 6000 visitors.

Marketing & Events

The number of events taking place in the district has grown, while other centres around New Zealand are reporting a decline. This has been put down to Toi-EDA's active and cost effective marketing strategy. Work during 2008/09 focussed on the Tarawera Ultra, a new event, involvement in Rugby World Cup planning and securing the Surf Lifesaving Nationals for the second time in 2 years at Ohope Beach.

Toi-EDA's marketing and events office has also launched a multi-media marketing campaign aimed at enticing Wellingtonians to Whakatane for exciting weekend "getaways" to coincide with direct flights between Wellington and Whakatane.

An unusual marketing workshop, brought to the area by Enterprise Training, promoted an unconventional but highly cost efficient way of promoting your business

2008/09 also saw a move to web based social networking, an AA marketing campaign, redevelopment of the www.whakatane.com website, and participation at Fieldays.

Transport and Logistics project

With funding from New Zealand Trade & Enterprise, Toi-EDA has undertaken preliminary investigations into transport and logistics opportunities in Kawerau. The report found that the opportunities to establish a logistics and distribution hub at Kawerau are highly uncertain and dependent on key players' commercial needs but noted that a close eye be kept on opportunities into the future. The report will help key companies better understand the value of the rail link from Kawerau to the Port of Tauranga and will influence how the logistics and distribution opportunities for the area are described in future regional strategy development. The report presentation meeting was a unique opportunity to get key decision makers together such as the major pulp and paper companies, KiwiRail, council staff and Port of Tauranga.



HOW DID WE PERFORM AGAINST OUR TARGETS?

Support existing businesses and encourage strengthening and expansion

Enterprise Training Programme provided throughout the Eastern Bay of Plenty.

Target: >200 businesses. **Achieved**

Provide BIZ enquiry assistance.

Target: >40 enquiries monthly **Achieved** - 50 per month.

Facilitate mentor matches for the Business in the Community Mentor Programme.

Target: >15 **Not achieved** - 11 matches made, other programmes met the demands

VISITOR INFORMATION

WHAT WE DO AND WHY WE DO IT

The Council undertakes this activity because of public demand to represent and promote tourism and business operators, and encourage tourism and business activity.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	328	403	(75)	\$	Recoverable expenses and overheads
Revenue	328	309	(19)	\$	-
Net Cost of Service (Surplus)	0	94	(94)	\$	

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

HIGHLIGHTS FOR THE YEAR

Wireless Hotspot use

Whakatane freenet, a free wireless internet hotspot around the Whakatane Visitor Information Centre continues to grow in popularity. More and more visitors travel with their own compact PCs and it is not uncommon to see several visitors sitting in and around the centre communicating with the world. With the advent of social marketing travellers write blogs about places and services and the word is out there that Whakatane has a great free internet service.

**Visitor numbers decreased
by 6% in Whakatane**

**Nationally guest nights were
down 3%**

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/3

Grow website use by increased participation and linkage.

Increase in website use.

Target: >3500 visitors per month **Achieved**

Ensure quality customer communication, consultation and service provided at the Visitor Information Centre.

% Satisfaction with the quality of information provided from Information Centre.

Target: >85% **Achieved**

The Visitor Information Centre is available when it is needed.

Provide access to visitor information 24 hours a day, seven days a week.

Target: 364 day operation
Achieved - 364 days.

GROUPS OF ACTIVITIES

ENVIRONMENTAL PLANNING



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council:

Is involved in resource management planning (development and monitoring of the District Plan and associated strategies and policy);

- Assesses the state of the environment;
- Processes resource consent applications to use, develop and subdivide land; and
- Monitors compliance with the conditions of consent to ensure effects on the environment are avoided, remedied or mitigated.

The activities undertaken within this group include:

- Planning policy
- Planning implementation and monitoring

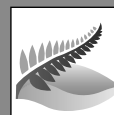
WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY OF UNDERTAKING THESE ACTIVITIES?

There were no significant negative effects on the four wellbeings that occurred as a result of providing these activities.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



ENVIRONMENTALLY
RESPONSIBLE
DEVELOPMENT



CLEAN PROTECTED
ENVIRONMENT



PROSPEROUS
ECONOMY

PLANNING POLICY

WHAT WE DO AND WHY WE DO IT

The Council has a statutory obligation under the Resource Management Act 1991 to have a District Plan, through which natural and physical resources are sustainably managed. It includes objectives, policies and methods to enable future growth and development of the District whilst managing the environmental effects of activities. The Council has a statutory obligation to monitor the efficiency and effectiveness of its District Plan policies, rules and other methods.

Investigations show that areas potentially affected by coastal hazards over time are:

- 1. Ohope, particularly West End, Pohutukawa Avenue and Plantation Reserve, Ohope stream mouths and Harbour Road area;***
- 2. Coastlands/Piripai;***
- 3. Around Ohiwa Harbour, and;***
- 4. Clem Elliot Drive, Matata.***

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	636	757	(121)	\$	Hearings and High Court proceedings
Revenue	636	649	13	\$	-
Net Cost of Service (Surplus)	0	108	(108)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Planning policy supports growth.

Demographic and economic indicators are monitored and reported on.

Target: By 30th September.

Achieved - Analysis of demographic and economic indicators has been undertaken, and reported to Council, through a number of work streams, including growth strategy work for the LTCCP, and Toi EDA Economic Data studies

Decision making is fair, Council is consistent, and the policies and plans are reasonable and appropriate.

Statutory processes are followed to receive and hear submissions to proposals.

Target: No judgement is made to substantiate a claim that the Council has failed to comply with statutory processes.

Achieved - No judgments were made by the Court that concluded the Council had failed to comply with statutory processes.

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Coastal hazards plan change	40	40	140	✓	Completed - Overspent due to increased hearings costs.
Integrated Growth Strategy (Implementation)	35	35	34	◆	Underway - Will be incorporated into the review of the District Plan later this year.
Indigenous Bio-diversity (change to District Plan)	30	30	9	◆	Underway - Consultation to begin in 2009/10.
Undertake natural hazard planning	66	66	0	◆	Deferred - Will become part of the District Plan review, working with Environment Bay of Plenty on a regional approach.
Rural Review Monitoring (implementation)	20	20	17	✓	Completed.
Review of Development and Financial Contribution Policies	20	20	41	◆	Partially completed - Development Contributions Reviewed, Financial Contributions Policy to be included in the District Plan Review.

HIGHLIGHTS FOR THE YEAR

Development Contributions Policy

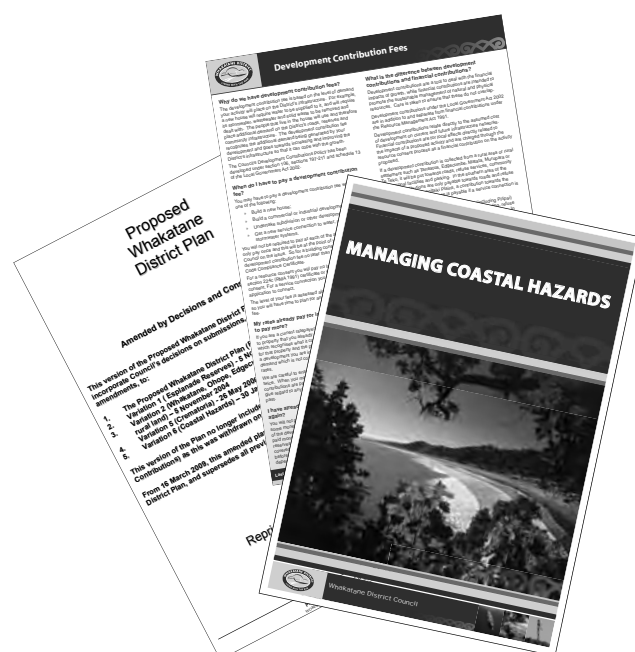
The Council reviewed its Development Contributions Policy during 2008/09 alongside the LTCCP. This policy sets out the contributions of money or land that are required from developers, when development results in growth related impacts. The new Policy can be found in volume 2 - Policies of the LTCCP.

Coastal Hazards

The Council has now completed a Variation to the Proposed Whakatane District Plan to plan for and manage development in areas at risk of hazards from coastal inundation and erosion. The variation is attempting to manage the effects of development in at-risk areas by encouraging the retreat of development out of these areas. The costs associated with hearings were higher than planned. Commissioners were employed to hear and decide the variation to ensure a robust and independent decision was made.

District Plan Appeals

The legal costs for this activity were higher than budgeted as a result of High Court proceedings. However many other appeals were resolved during the year and this will assist in the review of the District Plan.



PLANNING IMPLEMENTATION AND MONITORING

WHAT WE DO AND WHY WE DO IT

The Council has a statutory obligation to implement the District Plan rules, and other methods in respect to the subdivision, use and development of land. It also has a statutory obligation to process and decide resource consent applications, and to monitor compliance with conditions of resource consents.

Council has seen a decrease in the number of subdivision applications due to the economic climate

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,123	1,484	(361)	\$	Environment court appeals
Revenue	1,123	759	(364)	\$	Decrease in subdivision and resource consent applications
Net Cost of Service (Surplus)	0	725	(725)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HIGHLIGHTS FOR THE YEAR

Decrease in subdivision applications

Due to the economic climate the Council has seen a decrease in the number of subdivision applications by more than 40%. This has resulted in a decrease in income for this activity.

There has also been a decrease of nearly 70% in the number of consent applications for additions or alterations to dwellings.

Improved resource consent processes

Over the 2008/09 year the Council has implemented initiatives to improve performance in the area of resource consent processing. This has included increasing organisational capability, establishing a focus group with industry representatives, reducing processing timeframes, improving performance reporting frameworks and improving communication systems between the Council and consent applicants.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/3

Resource consent applications will be processed in a timely and effective manner.

Applications will be processed within the statutory timeframes under the Resource Management Act 1991.

Target: 100%

Not achieved - Land use 95% (126/133). Subdivision 85% (57/67). During the 2008/09 year the Council has built internal capacity in this area.

Compliance with consent conditions will be monitored and enforced.

Land use consents (excluding consents to remove trees) granted in the previous financial year are monitored for compliance with conditions or consent by 30 June each year.

Target: 100% of consents.

Achieved - 100% (183) of consents were monitored (includes consents to remove trees). In addition, 73 additional land use consents were monitored as a consequence of the timing of development.

Ensure quality customer communication, consultation and service provided.

Customer perception surveys - feedback questionnaire for all applicants.

Target: >75% of responses are satisfied overall.

Achieved - 11 responses received. 10 of the 11 responses were more than satisfied overall.

GROUPS OF ACTIVITIES

ENVIRONMENTAL CONTROLS



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council:

Processes building consents and inspects building work for compliance with the New Zealand building code. Building warrants of fitness covering specialist safety systems in buildings are monitored and an advisory service is provided;

Issues liquor licences and monitors the use of these licences. Information and advisory services are provided; and Issues licences to all registered premises (food, camping grounds, hairdressers, mortuaries, offensive trades) and monitors those who hold licences. Investigation and monitoring of private water supplies, environmental noise and contaminated land is also carried out. An advocacy, advisory and complaints service is provided.

The activities undertaken within this group include:

- Building inspection
- Licensing (liquor and gambling)
- Environmental health

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY?

There were no significant negative effects on the four wellbeings that occur as a result of providing these activities.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



SAFE CARING
COMMUNITY



HEALTHY PEOPLE AND
QUALITY HOUSING

BUILDING INSPECTION

WHAT WE DO AND WHY WE DO IT

The Council's statutory responsibilities for buildings are detailed in the Building Act 2004 and its regulations. Through consenting and monitoring processes the Council is charged with the responsibility of ensuring that buildings are safely constructed and are safe to use. The Council also has an educational and advisory role to those involved in the building industry.

Weathertight homes:
The number of weathertight home claims has been higher than budgeted

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,436	1,586	(150)	\$	Weathertight homes overspend
Revenue	1,436	1,010	(426)	\$	Downturn in industry resulted in fewer consent applications
Net Cost of Service (Surplus)	0	576	(576)	\$	
<div> <div>\$</div> = Favourable variance <div>\$</div> = Unfavourable variance </div>					

HIGHLIGHTS FOR THE YEAR

Increased capacity

Additional staff appointments were made in 2008 to address building consent authority accreditation requirements, to process building consent applications in a more timely manner and respond to public enquiries. The increased organisational capacity will result in higher levels of service to building consent applicants and members of the public. The Council gained accreditation as a Building Consent Authority in April 2008 and has maintained that accreditation through 2008/09.

Decrease in building consent applications

As a result of the economic climate during 2008/09 there has been a definite decline in building works in the District. Consents have been received for fewer new dwellings, and there has been a definite decrease in the number of alterations applied for. This has also led to a decrease in the expected income for this activity, as the number of building consents has reduced in quantity by 26%, while the value of consents has reduced further by 31%. However, this decrease is significantly smaller than other regions around the country.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/3

Building consent applications will be processed in a timely and effective manner.

Building consent applications not requiring additional information are processed within 18 days.

Target: 95% of the time. **Achieved** – 98.3% of building consents were processed within the 18 day period.

Council is acting legally in administration of the laws.

Determination decisions from the Department

of Building and Housing support the Council's decisions.

Target: 100% of the time. **Achieved** - 0 applications.

The Council consistently delivers an effective and efficient building control service.

Council building control systems, processes and procedures satisfy the requirements of AS/NZS17020 or other approved Quality Standard.

Target: 100% of the time.

Achieved - The Council retained accreditation

LICENSING (LIQUOR AND GAMBLING)

WHAT WE DO AND WHY WE DO IT

The Council has a statutory obligation to undertake this activity. Under the provisions of the Sale of Liquor Act 1989 the Council takes on the role of the District Licensing Agency. The Gambling Act requires the Council to develop and administer policies for Class four Venues (Gaming machine venues excluding casinos) and Board Venues (TABs).



HIGHLIGHTS FOR THE YEAR

All licensed premises within the District were inspected at least once during the 2008/09 year. Inspections of clubs included a specific check of host responsibility provisions such as provision of transport, availability of non-alcoholic drinks and availability of food. The Inspector also discusses measures Clubs have in place to manage sale of alcohol within the premises. There has also been a voluntary reduction in gaming machines in the district.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000	Major Variance Explanations	
Expenditure	96	100	(4)	\$	-
Revenue	96	97	1	\$	-
Net Cost of Service (Surplus)	0	3	(3)	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 1/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Licensing registration applications will be processed in a timely and effective manner.

Number of new and renewed manager's certificates issued within one month of receipt.

Target: >90%

Not achieved - 149 of 175 (85%). Applications from applicants who did not hold the License Controller Qualification resulting in applications being placed on hold was the reason for non-compliance.

Number of new and renewed On- Off- and Club licenses issued within three months of receipt.

Target: >90%

Achieved - 51 of 56 (91%)

ENVIRONMENTAL HEALTH

WHAT WE DO AND WHY WE DO IT

The Council has a statutory obligation to undertake this activity. The Council's authority comes from the Health Act 1956, the Food Act 1981 and associated regulations and bylaws.

24 people successfully completed food safety courses facilitated by the Council during 2008/09

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	257	262	(5)	\$	-
Revenue	257	265	8	\$	-
Net Cost of Service (Surplus)	0	(3)	3	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 4/5

Carry out inspections of all licensed premises and accurately record results.

Inspections completed by 1 December annually.

Target: Completed by 1 December

Achieved - all inspections completed within target timeframe.

Compliance with appropriate legislation for all businesses required to be registered under the Food Hygiene Regulations 1974 and the Food Act 1981, the Camping Ground Regulations 1985, and the Health (Hairdressers) Regulations 1980.

Number of premises compliant.

Target: 100% annually. **Achieved** - 100%.

Enforcement actions are implemented against non-complying businesses.

Target: 100% annually. **Achieved** - 100%

Compliance of public and school swimming pools with the New Zealand Standard for Public Pools.

Number of public and school pools compliant annually, or with a development programme in place.

Target: 100% annually.

Not achieved - 15 of 29 premises (52%) with swimming pools were inspected for compliance with pool water quality criteria in 2008/09 year. Seven pools were not in use or had closed early in the season. Inspections were therefore unable to be completed in these instances.

Council is proactive in re-licensing premises.

Licensees advised on licence renewals three months prior to licence expiry.

Target: 100% of the time. **Achieved** - 100%

GROUPS OF ACTIVITIES

LIBRARIES & MUSEUM



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides libraries, located in Whakatane, Murupara, Edgecumbe and Ohope that provide a collection of print, audio, visual, full text online databases and internet access. The Council also provides a Museum & Gallery that houses a collection, displays, and genealogical and general archival research on behalf of the community. The gallery offers two spaces for a changing range of exhibitions. Activities include acquisition and collection management, developing and maintaining archives, public programmes and provision of information. The activities within this group include:

- Library Services
- Museum & Gallery

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY?

There were no significant negative effects on the four wellbeings that occur as a result of providing these activities.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



DIVERSE, CREATIVE AND
ACTIVE COMMUNITY



EDUCATION AND
TRAINING
OPPORTUNITIES FOR ALL

LIBRARY SERVICES

WHAT WE DO AND WHY WE DO IT

The Council provides this service because of public advocacy and demand, and endorses the educational, leisure and community value of libraries. Many individuals cannot afford to buy books and source other information and recreational material. Nationally, the most widely used format is council ownership.



WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,233	1,380	(147)	\$	Overheads and depreciation
Revenue	1,405	1,329	(76)	\$	-
Net Cost of Service (Surplus)	(172)	51	(223)	\$	
Capital Expenditure	125	162	(37)	\$	-

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/5

The District Libraries provide a wide range of educational information, and recreational and cultural enrichment opportunities.

% of population holding membership.

Target: >45%

Not achieved - A review in 2009 of membership reduced this figure to 32% due to inactive membership, ie. death, relocation from the district.

Library visits per capita (including electronic visits to the Library's website).

Target: 5 in 2008/09 **Achieved** - 5 visits per capita in 2008/09.

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Purchase library books	114	153	162	✓	Completed - approximately 9000 new books were purchased
Library Systems	11	21	0	♦	Deferred

HIGHLIGHTS FOR THE YEAR

APNK - Free internet access

Funding was secured through the Aotearoa Peoples Network Kaharoa (APNK) to provide free internet access in two of the Council's libraries. The central government funding will allow provision for five computers in the Whakatane library and four computers in the Murupara library with free internet access for the community. These services are available from 11th September 2009.

Reducing the age of library collections

During the 2008/09 year the average age of the library's collections have been reduced to less than six years. The project involved assessing all the library's collections and undertaking a demographic analysis of the community and specifically of library users. Old and un-borrowed collections were removed and replaced by new materials including the purchase of approximately 9000 new books.

Story Time for pre-school children

Over the 2008/09 year the weekly Story Time sessions for pre-school children have been enhanced through the delivery of creative and interactive programmes such as In the Sea, Trains and Planes, Families, Maori Language Week and Library Week. These programmes encouraged participation by caregivers and children alike. Story time improvements were achieved through an increase in internal capacity and the development of high quality themed programmes including special events and special guests.

The average age of books in the library is 6 years

HOW DID WE PERFORM AGAINST OUR TARGETS?

Number of issues per capita.

Target: >8 **Not achieved** - 7.56 issues per capita were recorded.

The quality and relevance of library stock.

Rate of purchase of library items.

Target: >9% **Achieved** - The rate of purchase of library items in period was 11.3%.

Average age of the collection.

Target: <9 years **Achieved** - Average age of collection is 6 years.

MUSEUM & GALLERY

WHAT WE DO AND WHY WE DO IT

The Council is the local organisation currently in the best position to provide these services. The Council responds to public advocacy and demand, and endorses the educational, leisure and community value of these facilities. The Council provides Kaitakitanga (guardianship) and stewardship of local and national treasures including taonga on behalf of the entire community.

The gallery had 14 exhibitions and 4 Public programmes/events during 2008/09.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	738	756	(18)	\$	-
Revenue	738	668	(70)	\$	-
Net Cost of Service (Surplus)	0	88	(88)	\$	
Capital Expenditure	285	155	130	\$	-

\$ = Favourable variance
 \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/5

The Museum & Gallery will comply with national standards for the management of the facility.

Overall standard achieved against the National Services Standards Scheme.

Target: >70% of criteria met for 2006/2009.

Not achieved - The Museum & Gallery continues to work with National Services. The Te Papa National Services National Standards Review will be undertaken as part of the redevelopment of the Museum and Gallery facilities.

Information from the Museum is able to be retrieved in a timely way.

Number of complaints about retrieval of information.

Target: <30 **Achieved** - 1 complaint received.

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Arts and Culture Centre Development Project	283	305	114	♦	Deferred - pending Council decision through LTCCP process

HIGHLIGHTS FOR THE YEAR

Museum exhibitions

Over the 2008/09 year, fourteen exhibitions were held at the museum. These exhibitions ranged from touring shows such as Champions NZ Winners, to in-house curated exhibitions, for example Hihita & Hoani - Missionaries in Tuhoeland, Telling Tales - exploring items in the museums collection and a series of exhibitions which involved weavers, Sister City photographs, Arts & Crafts Society and the annual Molly Morpeth Canaday 3D Awards.



Exhibitions provide an opportunity to celebrate the community and its artistic talents. They also provide an opportunity for members of the community who may not be able to travel to have access to new forms of media and contemporary art practise.

Arts and Culture Centre

As part of the development of the Council's LTCCP during 2008/09, the Council consulted with the community on the proposed Arts and Culture Centre. This project recognises that a long term solution is required to remedy the critical situations in the library and museum in terms of the space shortages, environmental controls and appropriate facilities. As at 30 June 2009 the Council had yet to make a definite decision as to where these facilities would be located, however in August 2009 the Council made a decision to relocate the library and gallery exhibition space in the old Briscoes building..

HOW DID WE PERFORM AGAINST OUR TARGETS?

An environment is created for people to experience the collections in a way that is relevant for them.

% of users are satisfied about their experience at the Museum & Gallery.

Target: >75%

Achieved - 99.3% Positive response to Gallery. 2008/09 saw an increase in positive response to the gallery.

Level of appeal of the collections.

Number of Museum & Gallery admissions.

Target: >14,500

Not achieved - 11,263 admissions, this represents approximately 33% of the Whakatane District population. 2008/09 saw an increase in admissions of 947 people from 2007/08

% of users think that the Museum & Gallery collections are relevant and high quality.

Target: >75% **Achieved** - 94.6% Positive response to Museum.

GROUPS OF ACTIVITIES

RECREATION

COMMUNITY FACILITIES



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides:

A range of programmes and supports regional initiatives which encourage active living;

Halls, public conveniences, pensioner housing and “other” community use property that includes sports pavilions, the Youth Centre and the Rugby Park grandstand;

Strategic and investment property that is managed by the Council to provide an acceptable financial return or community advantage;

Harbour lease property including harbour land and commercial properties; and

Port activities include leasing, harbour operational activities, asset management activities and maritime services activities.

The activities undertaken within this group include:

- Recreation
- Swimming pools
- Halls
- Public conveniences
- Pensioner housing
- Strategic and investment property
- Harbour lease properties
- Ports

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY?

During 2008/09 there were no known significant negative effects on the four wellbeings.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



HEALTHY PEOPLE AND
QUALITY HOUSING



PROSPEROUS
ECONOMY



DIVERSE, CREATIVE AND
ACTIVE COMMUNITY



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

RECREATION

WHAT WE DO AND WHY WE DO IT

The Council undertakes this activity because of public advocacy and demand. Recreation facilities contribute to the health and vitality of the District by enhancing individual health and well being, including personal development and quality of life, increasing social cohesion and people's sense of belonging and promoting healthy communities. Recreation facilities also attract visitors and therefore provide economic benefits to the District, enhancing the District's environment.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	99	106	(7)	\$	-
Revenue	314	248	(66)	\$	Income overstated
Net Cost of Service (Surplus)	(215)	(142)	(73)	\$	

\$ = Favourable variance \$ = Unfavourable variance

WHAT PROGRESS WAS MADE ON MAJOR PROJECTS?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Maraetotara Skate Park development	50	50	0	♦	On hold - Pending confirmation of funding from submitters

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/3

Provide quality recreation and community facilities that are compliant with all statutory and regulatory requirements in addition to all Council policies, procedures and standards.

Playgrounds built and maintained in accordance with New Zealand Playground safety standard NZAS 1487 2001.

Target: 100%

Not Achieved - 98.4% achievement rate.

Sufficient recreation facilities to meet community demand

One playground per 1,000 people (on Council owned land and in accordance with Council policy for the provision of playgrounds in rural areas where there is no Council owned land).

Target: 100%

Achieved - 36 Playgrounds are provided or contributed to (34.5 playgrounds are required to meet this target).

Number of regional skate parks and regional playgrounds for children of all abilities.

Target: 1 regional playground and one regional skate park.

Achieved - One Regional Playground & Skate Park.

SWIMMING POOLS

WHAT WE DO AND WHY WE DO IT

The Council has two swimming pools, the Whakatane Aquatic Centre and the Murupara Swimming Pools (also known as A H Lynd Memorial Baths). The Council provides these facilities as a result of public advocacy and demand.

HIGHLIGHT FOR THE YEAR

Whakatane Aquatic Centre

During 2008/09 the Council consulted with the community on a required temporary pool closure. Extensive repair works are required at the Whakatane Aquatic Centre to address significant moisture damage to the roof and structure. As a result of the consultation the Council has delayed the timing for the temporary closure to March 2010.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	768	1,151	(383)	\$	Extra consultant costs required for the aquatic centre rebuild project
Revenue	732	716	(16)	\$	-
Net Cost of Service (Surplus)	36	435	(399)	\$	
Capital Expenditure	38	20	18	\$	-

\$ = Favourable variance \$ = Unfavourable variance

WHAT PROGRESS WAS MADE ON MAJOR PROJECTS?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Murupara pool filtration system	18	18	3	♦	Carried over - To 2009/10

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Provide quality recreation and community facilities that are compliant with all statutory and regulatory requirements in addition to all Council policies, procedures and standards.

Swimming pool water tests will be compliant with NZS 5826 1998.

Target: 95% of the time.

Achieved - 96% of tests for Whakatane Aquatic Centre complied with NZS 5826:2000. Target was not achieved for Murupara as results were not available.

HALLS

WHAT WE DO AND WHY WE DO IT

The Council provides and administers urban and community based halls in consideration of public advocacy and demand. The halls are community facilities that provide public venues for recreational, cultural and social purposes. Council-owned halls are located in Whakatane, Edgecumbe, Murupara, Ohope, Manawahe, Galatea, Te Teko, Waimana, Otakiri, Awakeri and Taneatua.

The Council currently owns 11 urban and rural community halls. The busiest facility is the Whakatane War Memorial Hall

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000	Progress
Expenditure	665	790	(125)	\$ Increased depreciation*
Revenue	564	517	(47)	\$ -
Net Cost of Service (Surplus)	101	273	(172)	\$
Capital Expenditure	148	135	13	\$ -

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

HIGHLIGHTS FOR THE YEAR

Council's role in Urban Community Halls

The Whakatane District has four urban based community halls – Whakatane War Memorial Hall, Murupara Municipal Hall, Edgecumbe War Memorial Hall and the Ohope Hall.

Use of the Ohope, Edgecumbe, Murupara and Whakatane Community halls has been reasonably consistent over the past three to four years. The busiest facility is the Whakatane War Memorial Hall and demand often exceeds supply during peak use times. The other three halls are not well used. During 2008/09 the Council resolved to develop a Halls Strategy to provide a framework to manage the Council's involvement in urban community facilities for existing and future generations. The Council's role as funder, provider, supporter or advocate will be explored through the development, consultation and adoption of firm policies.

Council's role in Rural Halls

During the LTCCP process, the Council signalled an intention to find and implement alternative ownership and operational models for rural halls. This will be done on a case by case basis in conjunction with stakeholders. The Council considers the ownership costs associated with rural halls are more than the economic, social and cultural benefit provided to the community. Currently they are administered and funded from the general rate with little focus on individual viability.

The Council is considering all of the following options (other than the current approach) as part of a process to out-source or potentially divest rural halls:

- Rural hall committees or major users take over ownership responsibilities
- Main hall users purchase or take over long term lease.
- Targeted rate on communities to retain hall
- Sale of halls

PUBLIC CONVENIENCES

WHAT WE DO AND WHY WE DO IT

Provision of public conveniences is a statutory responsibility. Public conveniences are provided to support the social, environmental, cultural and economic wellbeing of the community. The Council provides public convenience facilities in strategic locations throughout the District.

New public conveniences have been constructed in Edgecumbe Domain

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	525	568	(43)	\$	-
Revenue	735	730	(5)	\$	-
Net Cost of Service (Surplus)	(210)	(162)	(48)	\$	
Capital Expenditure	263	227	36	\$	-

\$ = Favourable variance \$ = Unfavourable variance

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Edgecumbe Domain public toilets	76	189	156	♦	Physical works completed
New toilet facilities at Landing Road	130	130	1	♦	Deferred - until 2011/12 following development of a public conveniences strategy

Achieved 0/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Adequate public conveniences will be provided where the community need them.

Number of public conveniences located in each major recreational area, each town centre and each main beach location.

Target: At least one.

Not achieved - Unable to measure. A system has been developed to enable reporting in the new Asset Management Plan and will be employed following adoption of the LTCCP 2009-19.

Cold showers and fresh water drinking facilities will be provided in association with public conveniences on major recreational areas or beach reserves.

Target: 100% by 2016

Not achieved - Unable to measure. A system has been developed to enable reporting in the new Asset Management Plan and will be employed following adoption of the LTCCP 2009-19

PENSIONER HOUSING

WHAT WE DO AND WHY WE DO IT

The Council contributes to the stock of rental accommodation for the District's pensioners in consideration of public advocacy and demand. The accommodation owned provides an affordable, safe and well maintained independent living environment for the elderly in Whakatane and Murupara.

HIGHLIGHTS FOR THE YEAR

Sale of Pensioner Housing

During 2008/09 the Council consulted with the public on a proposal to sell the pensioner housing, as part of the LTCCP. The Council has agreed in principle to sell its pensioner housing units, subject to some clear requirements around the sale to protect current and future tenants. The decision to sell these units is the result of the Council's review of levels of service and the need to focus on the Council's core business.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	431	414	17	\$	-
Revenue	431	382	(49)	\$	Income overstated
Net Cost of Service (Surplus)	0	32	(32)	\$	
Capital Expenditure	142	140	2	\$	-

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/6

Affordable pensioner housing provided to people who meet the Whakatane District Council eligibility criteria.

Pensioner housing is kept to a standard of repair that is in keeping with the Whakatane District Council Property Standards.

Target: 90% of the time.

Achieved - 95% of components in pensioner units are assessed in average condition or higher. It is acknowledged that condition data requires updating and a programme has been put in place to do so beginning in 2009/10

Number of units overdue for refurbishment based on seven year cycle or between tenancies.

Target: <15% at any one time.

Not achieved - Unable to measure. A system has been developed to enable reporting in the new Asset Management Plan and will be employed during 2009/10.

Number of qualifying applications wait-listed.

Target: <20 (12 month average).

Achieved - 12 month average for 2008/09 is 6 wait listed applications.

Occupancy rate.

Target: 95% at any one time.

Achieved - Occupancy rate is 98.8% averaged over the year.

Number or units provided per capita.

Target: One unit per 50 people over 65 years.

Not Achieved - 79 units are provided where the current target is 90 units based on inter-censal estimates.

% of tenants with payment arrears (of \$100 or more).

Target: 3.5 % or less.

Not Achieved - The average for the year is 5.2%. This measure has been reviewed through the LTCCP process and supporting mechanisms established to achieve set targets.

STRATEGIC AND INVESTMENT PROPERTY

WHAT WE DO AND WHY WE DO IT

The Council holds strategic and investment property to provide an acceptable financial return or community advantage to the Council.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	482	396	86	\$	Decrease in depreciation*
Revenue	279	287	8	\$	-
Net Cost of Service (Surplus)	203	109	94	\$	
Capital Expenditure	-	1,053	(1,053)	\$	-

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

WHAT PROGRESS WAS MADE ON MAJOR PROJECTS?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Carpark provision purchase	0	995	1,025	✓	Completed

HARBOUR LEASE PROPERTIES

WHAT WE DO AND WHY WE DO IT

Part of the Council's property portfolio is the harbour lease properties which are either sited on reclaimed land or land purchased using harbour generated funds.

HIGHLIGHTS FOR THE YEAR

Through the draft LTCCP 2009-19 the Council considered reviewing the appropriateness of the legislation framework controlling the Harbour Endowment Fund. After receiving 140 submissions against the proposal the Council has agreed that it will not proceed with the review.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	157	166	(9)	\$	-
Revenue	1,474	1,603	129	\$	-
Net Cost of Service (Surplus)	(1,317)	(1,437)	120	\$	

\$ = Favourable variance \$ = Unfavourable variance

PORTS

WHAT WE DO AND WHY WE DO IT

The Council undertakes this activity in consideration of public advocacy and demand as well as statutory responsibilities. Port facilities include wharves, jetties, launching ramps and navigational aids at Whakatane and a wharf, slipway and launching ramp at Ohiwa Harbour and a launching ramp and jetty at Thornton.

These facilities provide commercial berthage and access to the sea for recreational fishing. The port income supports waterfront enhancement development and navigational channel maintenance at Whakatane.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	916	1,060	(144)	\$	Increased depreciation*
Revenue	185	164	(21)	\$	-
Net Cost of Service (Surplus)	731	896	165	\$	
Capital Expenditure	1,180	1,018	162	\$	-

\$ = Favourable variance \$ = Unfavourable variance

* See Corporate and District Activities for further explanation on overhead and depreciation variations.

WHAT PROGRESS WAS MADE ON MAJOR PROJECTS?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Town Vision implementation	300	300	64	♦	Carried over - to 2009/10
Town Vision property purchase	840	840	887	✓	Completed
Develop wharf along Quay St	0	1,732	9	♦	Deferred - Indefinitely
Western Training Wall. Construction	0	742	13	♦	Deferred - Pending further hydrology investigations
New ramp access for recreational users at Landing Road	40	40	5	♦	Carried over - Currently consulting with stakeholders

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/5

The facilities provided to the community will provide safe access to rivers and coastal water within the general vicinity of the Whakatane CBD, Ohiwa Harbour and Thornton domain for boat launching and berthage/ mooring (Whakatane & Ohiwa only).

Boat ramp lanes provided in each community located within 5 km of the sea.

Target: One lane per 3500 people.

Whakatane: Not achieved - 4 lanes provided (target 4.3);

Thornton / Matata: Achieved - 5 lanes provided (target 1.3);

Ohope: Achieved - 2 lanes provided (target 0.9).

Number of commercial berths provided at existing wharves (based on 2005 fleet).

Target: 25 to June 2009

Not Achieved - 24 Commercial berths

All port operations will be managed in a safe and environmentally friendly manner.

Manage and operate the port amenities and equipment with a minimum number of environmentally related complaints.

Target: < Five.

Achieved - No environmentally related complaints have been received this year.

GROUPS OF ACTIVITIES

PARKS, RESERVES & CEMETERIES



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council:

Provides, maintains, manages and develops parks, reserves and public gardens, sports fields, walking tracks; historic reserves, scenic reserves, coastal reserves, special collection/feature gardens, streetscapes and street trees; and

Administers cemeteries at Hillcrest (Whakatane), Galatea/Murupara, Taneatua and Waimana.

The Council undertakes the activities within this group because of public advocacy, demand and legislative requirement.

The activities undertaken within this group include:

- Parks, reserves, gardens and sports fields
- Cemeteries

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY

During 2008/09 there were no known significant negative effects on the four wellbeings.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



ENVIRONMENTALLY
RESPONSIBLE
DEVELOPMENT



CLEAN PROTECTED
ENVIRONMENT



DIVERSE, CREATIVE AND
ACTIVE COMMUNITY

PARKS, RESERVES, GARDENS AND SPORTS FIELDS

WHAT WE DO AND WHY WE DO IT

Active and passive reserves contribute to the health and vitality of the District by enhancing individual health and well being, including personal development and quality of life, increasing social cohesion and people's sense of belonging and promoting healthy communities. Recreation facilities also attract visitors and therefore provide economic benefits to the District, enhancing the District's environment.



WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000	Major variance explanations	
Expenditure	2,775	2,863	(88)	\$	-
Revenue	2,654	2,547	(107)	\$	-
Net Cost of Service (Surplus)	121	316	(195)	\$	
Capital Expenditure	765	468	297	\$	-

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 7/7

Parks, reserves and cemeteries compliant with all statutory and regulatory requirements, in addition to all Council policies, procedures and standards.

Number of resource consent infringement notices received from the regional council.

Target: 0

Achieved - No enforcement notice received.

Reserves managed in accordance with their designation under the Reserves Act 1977.

Target: 100% of the time.

Achieved - No complaints received regarding management of reserves.

Sports fields are provided to meet the needs of users.

Feedback indicates a high level of satisfaction.

Target: 80% satisfied.

Achieved -81% from perception survey for 2008/09

Sports fields should be kept to a high standard by regular mowing, herbicide applications, and specialised turf grass treatments.

Compliance with the New Zealand Turf Grass Institute assessment of turf grass fields recommendations.

Target: 80% compliance.

Achieved - 95% compliance.

WHAT WERE THE MAJOR PROJECT VARIANCES?

Project	Annual Plan 2008/09 \$000	Revised Budget \$000	Actual 2008/09 \$000	Project completed	Progress
Whakatane gardens – pathway network and landscaping	55	92	28	♦	Partly completed - Partly deferred
Coastal land acquisition	200	200	0	♦	Delayed - Valuation process under independent review for coastal parcel at Coastlands
Carpark at Mitchell Park, Taneatua	50	50	1	♦	Ongoing - Design underway, to be completed by the end of 2009

HIGHLIGHT FOR THE YEAR

Whakatane Gardens

The pathway network in the Whakatane Gardens has been extended to link the Rose Gardens by way of a walkway to the top of the stop bank. The new path provides users with full paved walkways around the gardens and is in keeping with the existing paved design.



HOW DID WE PERFORM AGAINST OUR TARGETS?

Adequate sports grounds and reserves provided.

Active recreation space provided per 1000 persons.

Target: 1.5 hectares

Achieved - 1.6 ha of sportsfields are provided per 1000 people.

Mowed open space provided per 1000 persons.

Target: 2.4 hectares

Achieved - 2.6 ha of mowed open space is provided per 1000 people.

Assets are well maintained throughout all parks facilities to provide a high standard of appearance and functionality.

Proportion of assets (by replacement cost value) in a moderate, good or very good condition.

Target: 90%

Achieved - 98% of assets are in an average or better condition.

CEMETERIES

WHAT WE DO AND WHY WE DO IT

The Council manages six cemeteries, while the Awakaponga cemetery is managed by a trust on behalf of the Council. In 2009 the Council is building a crematorium facility at Hillcrest Cemetery. The provision of cemeteries by local authorities is provided for by the Burials and Cremations Act 1964.

Crematorium facilities opened and commenced services in October 2009

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	296	282	14	\$	-
Revenue	293	126	(167)	\$	Income was overstated
Net Cost of Service (Surplus)	3	156	(153)	\$	
Capital Expenditure	47	547	(500)	\$	Crematorium budget carried forward from 2007/08
<div> <div>\$</div> = Favourable variance <div>\$</div> = Unfavourable variance </div>					

HIGHLIGHTS FOR THE YEAR

Whakatane Crematorium

Construction of the Whakatane Crematorium commenced in February 2009 including building of a chapel, sexton shed and cremators room. The Crematorium was completed in August 2009, on time and slightly under budget. During the year the Council also received a grant of \$100,000 from the Eastern Bay Energy Trust towards the project. It is expected that the Crematorium will open and commence services in early October 2009.

Cemetery Expansion Investigations

Over the 2008/09 year the Council undertook investigations into the expansion of the Cemetery. The investigations looked at plot demand against current supply and planned for the expansion of the cemetery onto adjacent Council owned land. It is expected that expansion will be required in 3 years time.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Cemetery facilities and sexton services available at Hillcrest, Galatea, Taneatua, Waimana and Awakaponga.

Burial plots available.

Target: Sufficient sites to meet 120 burials at any one time.

Achieved - 221 prepared cemetery plots available in Hillcrest cemetery alone. Total availability of space well in excess of target.

Interment services available (as per the Whakatane District Council Consolidated Bylaw).

Target: Six days per week.

Achieved - Services are provided six days a week.

GROUPS OF ACTIVITIES

ENVIRONMENTAL PROTECTION



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council:

Administers Hazardous Substances and New Organisms (HASNO) legislation through responding to complaints and emergencies, and public education;

Prepares and responds to rural fires, and trains the Rural Fire Crew. The Council also enforces rural fire legislation and promotes public awareness of fire danger, fire season opening and closing, and investigates causes of fires; and

Responds to litter, rubbish, fire, long grass and abandoned vehicle complaints; removes obstructions from public places (e.g. overgrown trees on footpaths); licenses street stalls and considers applications for parades; prohibits urban fires during periods of high risk; removes illegally parked vehicles; educates the public to encourage compliance with legislation and bylaws.

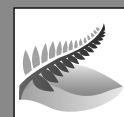
The activities undertaken within this group include:

- Hazardous substances
- Rural fire control
- General inspections

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY?

There were no significant negative effects on the four wellbeings that occurred as a result of providing these activities.

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



CLEAN PROTECTED
ENVIRONMENT



SAFE CARING
COMMUNITY

HAZARDOUS SUBSTANCES

WHAT WE DO AND WHY

The Council is required under section 97 of the Hazardous Substances and New Organisms (HASNO) Act to enforce the provisions of the Act in public places and residential properties. The Council is involved in attendance, when notified, at incidents involving hazardous substances in an advisory capacity to the New Zealand Fire Service and the Police. As categories of dangerous goods are transferred to the HASNO Act 1996 regime, the Council's role in the licensing of premises will reduce.

There was a white substance scare at Whakatane Airport in July 2008 - it turned out to be a false alarm

WHAT DID THIS ACTIVITY COST?

The Hazardous Substance budget has seen a decreasing level of activity due to legislative changes. This budget has been incorporated into Rural Fire Control and General Inspections budgets.



HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/2

The public is aware of how to dispose of hazardous substances.

A public education programme is developed and implemented.

Target: 100%

Not achieved - The Council helps implement, rather than develop, the Hazmobile programme for the collection of domestic waste.

Public safety and comfort is protected from hazardous substances and rural fires.

Emergency response is initiated for hazardous substances.

Target: Within one hour.

Achieved - 1 major white powder scare at Whakatane Airport and 2 minor gas cylinder incidents were attended within the one hour target.

RURAL FIRE CONTROL

WHAT DO WE DO AND WHY

The Whakatane District Council is a Rural Fire Authority. The Council has a statutory obligation with respect to Rural Fire Control. The Council provides a rural fire fighting service in accordance with the Rural Fires Act 1977 and under the guidance of the Forest and Rural Fire Regulations 2005. Rural fire services are funded from Council rates and by Government for suppression costs and subsidies for equipment. Rural fire authorities focus on vegetation wildfires. The specialist service is influenced by weather, topography and vegetation type. A seven day-a-week, 24 hour service must be provided. The Council has a statutory obligation with respect to rural fire control.

HIGHLIGHTS FOR THE YEAR

The Rural Fire Team responded to 19 fires during 2008/09 including 2 major fires. On 3 February 2009 there were two major fires, one in Ruatoki and one on Hogbin Road. In total the area burnt by the two fires was 4.8 Ha. Resources used to extinguish the fires included helicopters, monsoon buckets, large water tankers, fire trucks, smoke chaser vehicles and the Rural Fire Crew.

1211 fire permits were issued during 2008/09

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	195	176	19	\$	-
Revenue	195	199	4	\$	-
Net Cost of Service (Surplus)	0	(23)	23	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 3/5

HOW DID WE PERFORM AGAINST OUR TARGETS?

Public safety and comfort is protected from hazardous substances and rural fires.

Rural fires are suppressed.

Target: 100% of fires. **Achieved** - All Fires attended were suppressed and declared 'out' by Principal Rural Fire Officer or deputy, including 2 major fires.

A rural fire crew is assembled when Northern Communication Centre request assistance.

Target: Within 15 minutes of request **Achieved** - All requests were assisted within target timeframe.

Readiness for a rural fire emergency.

Equipment is inspected and maintained during Restricted Fire Season.

Target: Weekly. **Not achieved** - The Rural Fire Team trains fortnightly to alternate with the Urban Search and Rescue Team training. Should fire danger increase to a status of very high or extreme, weekly inspection would be initiated.

The Rural Fire team has all of the skills and knowledge to undertake an emergency response.

Rural fire personnel are certified to the required standard.

Target: 90% of personnel. **Not achieved** - As a result of attrition during the year, 83% of personnel are certified, with 18% working towards certification (15 Crew members, 3 trainees).

Rural Fire responses are timely.

Initial contact is made with the Northern Communication Centre within five minutes of notification of a rural fire.

Target: 95% of the time. **Achieved** - In all cases contact was made within target timeframes.

GENERAL INSPECTIONS

WHAT WE DO AND WHY

Bylaws have been developed generally in response to public demand to deal with issues of nuisance, public health and safety and offensive behaviour. The Council also has statutory obligations under the provisions of the Local Government Acts 1974 and 2002 and the Litter Act 1979.

On 1 July 2008 the Council introduced revised Bylaws. These can be found on the Council's website at www.whakatane.govt.nz

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	81	89	(8)	\$	-
Revenue	81	79	(2)	\$	-
Net Cost of Service (Surplus)	0	10	(10)	\$	

☐ = Favourable variance ☐ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/1

Council will respond to complaints about general inspection issues.

Number of complaints investigations initiated within 24 hours.

Target: 100% of the time.

Achieved - All complaints were responded to within 24 hours and action documented.

GROUPS OF ACTIVITIES

COMMUNITY SAFETY



WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council undertakes the following activities:

Civil Defence - Maintains preparedness for civil defence emergencies, responds to events, assists with the recovery and educates the community;

Dog Control - Provides a cost effective and professional dog control service through enforcement and education. This includes registration, street patrols, enforcement and educational activities, as well as responding to complaints;

Stock Control - Provides a district-wide response to complaints about stock nuisance or danger, and ensures compliance of Council's Stock Control Bylaws and the Stock Impounding Act; and

Community Development - Targets crime prevention. Local programmes and initiatives have been developed within the framework of national strategies.

WHAT WERE THE SIGNIFICANT NEGATIVE EFFECTS ON THE COMMUNITY?

There were no significant negative effects on the four wellbeings that occurred as a result of providing these activities

COMMUNITY OUTCOMES THESE ACTIVITIES CONTRIBUTE TO



CIVIL DEFENCE

WHAT WE DO AND WHY WE DO IT

The Civil Defence function includes running planning and preparedness exercises, training and maintaining teams of personnel including an urban search and rescue crew, and public education about preparedness and response. Should an emergency event occur, the emergency management activity is responsible for coordinating response and recovery. Civil Defence planning is also undertaken on a regional basis through the Bay of Plenty Civil Defence Emergency Management Group (CDEMG). The Group provides a framework for Civil Defence and Emergency Management decisions to be made across the Bay of Plenty. The Council has a statutory responsibility pursuant to the Civil Defence Emergency Management Act 2002 to plan and provide for civil defence management within the District.

The Regional Civil Defence Plan identifies flooding, volcanic eruption, tsunami, extreme weather events and large earthquakes as high priority hazards

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	211	202	9	\$	-
Revenue	211	221	10	\$	-
Net Cost of Service (Surplus)	0	(19)	19	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 5/5

Council will undertake its statutory responsibilities.

Council has an Emergency Management Plan which is up-to-date.

Target: Plan updated.

Achieved - Emergency Management Plan updated.

Readiness for a Civil Defence emergency.

Civil Defence equipment is inspected and maintained.

Target: Inspected and maintained.

Achieved - Rescue equipment used for training and

service was checked on a fortnightly basis. Regional radio checks carried out weekly.

The emergency management team has all of the skills and knowledge to undertake an emergency response.

Training courses are attended.

Target: One course attended.

Achieved - Emergency Management Officer completed a post graduate certificate in emergency management. A number of staff members attended an Exercise Training Day.

HIGHLIGHTS FOR THE YEAR

Readiness for emergency

With the completion of post graduate emergency management qualifications by a member of staff in the 2008/09 year, the Council has benefited from increased skills and knowledge in the emergency management response team. The focus of the qualification included leading in emergencies, business continuity and crisis management, and building resilient communities.

Exercise Quaver

The Council undertook a Civil Defence Training Exercise aimed at ensuring operational readiness of the Local Emergency Operations Centre. The scenario based exercise assumed a magnitude 5.8 earthquake had occurred along the Awakeri fault. Exercise Quaver was an exciting and challenging exercise for the 30 staff involved and was very successful. It is important that staff remain trained, ready to respond to a civil defence emergency in the District.



CDE water distribution

An initiative undertaken by the Whakatane District Council, involving water casks printed with the "Get Ready Get Thru" message, was a success over the 2008/09 year. The 15 litre casks provide instructions on how to plan and respond to Civil Defence Emergencies. These have sold well in the Eastern Bay of Plenty to organisations such as Councils, the District Health Board and rest homes. Organisations outside the Eastern Bay of Plenty, including the Auckland Civil Defence Emergency Management Group and the Ruapehu District Council have also purchased units. Demand is expected to continue with interest shown by a number of Districts outside of the Bay of Plenty.

HOW DID WE PERFORM AGAINST OUR TARGETS?

A simulated or desktop exercise is held.

Target: One event held.

Achieved - 30 Council staff participated in Exercise Quaver, a simulated exercise to prepare for a possible civil defence emergency.

Civil Defence emergency declarations are timely.

Declarations are made as soon as any emergency service is overburdened with the size and intensity of the disaster.

Target: 100% of the time.

NA - No emergency events that justified a declaration.

An Emergency Operations Centre is assembled within 1 hour of the emergency.

Target: 100% of the time.

Achieved - The Emergency Operations Centre was set up within 1 hour during the Exercise Quaver simulation

DOG CONTROL AND STOCK CONTROL

WHAT WE DO AND WHY WE DO IT

The Council has a statutory obligation to undertake this activity. The Council's authority comes from the Dog Control Act 1996, the Dog Control Amendment Act 2003 and the Stock Impounding Act 1955. This activity also implements the Dog Control and Control of Animals Bylaws and the Stock Control Bylaw. Animal control services are provided 24 hours, seven days a week. Annual registration activity includes processing applications, annual inspections to check on animal welfare issues and registrations. Prosecutions are initiated against owners of unregistered dogs. Relevant records are maintained for the Council and Government in the National Dog Database. The district has about 6000 dogs and 4000 owners.

HIGHLIGHTS FOR THE YEAR

Dog Education and Bite Prevention programmes

Over the 2008/09 year the Council's Animal Control Unit has provided educational talks on bite prevention techniques to the community including groups such as District Nurses, Hospice and younger Girl Guides (Pippins). The Council has also undertaken other information campaigns through brochures and radio to inform and educate the community about dog behaviours, dog attacks and other dog related issues. Over the past year central government has included a dog safety programme for the school syllabus and consequently the Council has not pursued the delivery of school programmes.

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	528	539	(11)	\$	-
Revenue	528	522	(6)	\$	-
Net Cost of Service (Surplus)	0	17	(17)	\$	

\$ = Favourable variance
 \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/3

Dog registrations will be processed in a timely and effective manner.

Registrations processed within 24 hour period.

Target: 100% of forms received.

Achieved - 100% of registrations containing all required information were processed within 24 hours. Note that 2% of registrations were outside of the 24 hour timeframe due to information lacking from the customer.

Public safety and comfort is protected.

Response to aggressive dog complaints, attacks and menacing.

Target: Within one hour.

Achieved - 100% of complaints responded to within one hour (153 complaints)

Respond to all complaints about wandering stock on public roads.

Target: Within 30 minutes.

Not Achieved - 1 complaint was not responded to on time as staff were responding to another complaint at the time.

COMMUNITY DEVELOPMENT

WHAT WE DO AND WHY WE DO IT

The Council provides this service to offer support, coordination and direction to this community in order to enhance the safety and wellbeing of all. The Council also provides this service in response to community demand to reduce crime and increase safety as well as support social and cultural wellbeing.

5000 flyers were distributed to promote Neighbourhood Support

WHAT DID THIS ACTIVITY COST?

	Annual Plan 2008/09 \$000	Actual 2008/09 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	234	238	(4)	\$	-
Revenue	234	254	20	\$	-
Net Cost of Service (Surplus)	0	(16)	16	\$	

\$ = Favourable variance \$ = Unfavourable variance

3 Honesty Awards were given out during 2008/09



Achieved 3/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Deliver projects funded by the Crime Prevention Unit in accordance with the approved project plan.

Reports to Crime Prevention Unit, including individual crime figures and expenditure.

Target: 6-monthly report completed within timeframes.

Achieved - 6 monthly reports completed as required, one for Crossroads, one for Tag-off and one for Crime Prevention Through Environmental Design (CPTED).

HIGHLIGHTS FOR THE YEAR

Crossroads

The Council has restructured its Crossroads programme, which supports youth offenders to make a positive change to their lives.

The restructure means that the age range for youth eligible has increased to include 14 and 15 year olds as well as 16 and 17 years olds. As an after school mentoring programme it is now able to help more people with a new target of 10 youth in stead of only 4 youth.

Tag-Off

There has been a large amount of work undertaken on the Tag-Off programme to clean up tagging in the District. 400 sites have been repainted around the district, improving the look of the District and increasing a sense of security and safety. The Council have been working with the police on their "It's not OK" campaign as part of the Tag-Off programme, and there has been over 500 hours of supervised community service.

The Tag-Off programme, aiming to clean up tagging in the district, has used 150 x 10L tins of paint during 2008/09. Paint is supplied free of charge from Resene and recycled paint is used from the recycle centre



Youth Council

The Youth Council have been involved in a number of events in the District during 2008/09. This included organising a Krump night for 600 people. They managed to achieve funding for Christmas in the Park and helped with organising the Cultural Festival. The Youth Council also took part in an organised debate against the Rotorua Youth Council as a part of Youth Week, and were involved in the consultation process for the Council's LTCCP, including submitting to the Council on the issues of Youth in the District.

HOW DID WE PERFORM AGAINST OUR TARGETS?

The Crossroads Programme which offer a chance for youth offenders to make a positive change in their lives.

Number of candidates on the programme.

Target: >4. **Achieved** - An average of 5 candidates were on the programme up until January when the programme was restructured to cater for up to 10 candidates

% reduction in the total number of crimes committed by candidates while they are on the programme.

Target: >80%. **Achieved** - 85% reduction was achieved.

COUNCIL CONTROLLED ORGANISATIONS



Council Controlled Organisations

COUNCIL CONTROLLED ORGANISATIONS



INTRODUCTION

This section summarises the information required under the Local Government Act 2002 relating to each council-controlled organisation (CCO) in which the Council is a shareholder. A CCO is a company or organisation in which a Council or Councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers.

The Whakatane District Council is a shareholder in two Council Controlled Organisations including the Whakatane Airport and the Bay of Plenty Local Authority Shared Services Limited (BOP LASS Ltd).

WHAKATANE AIRPORT

SHAREHOLDERS

The Whakatane Airport is a joint venture between the Whakatane District Council and the Ministry of Transport with each party owning a 50% share. The Airport is seen as a valued community asset that contributes to the wellbeing of residents, and is crucial to the economy of the District.

SIGNIFICANT POLICIES AND OBJECTIVES OF THE WHAKATANE AIRPORT

The following policies and objectives implemented and achieved over the 2008/09 financial year were:

- To promote a safe, accessible, affordable and reliable air transport system for the benefit of the economic and social development of the Eastern Bay of Plenty region.
- To ensure the present level of facility is maintained and increased whether practicable and economic.
- To ensure that the airport is administered efficiently and effectively, to the benefit of scheduled flight operations.

An Airport Advisory Board has been operating during 2008/09 to provide advice and recommendations concerning the district's Airports. A 50 year Master Plan has also been developed to provide direction for the Whakatane Airport.

NATURE AND SCOPE OF ACTIVITIES PROVIDED BY THE WHAKATANE AIRPORT

The nature and scope of activities provided by the Whakatane Airport during 2008/09 were that:

- The airport was maintained as a non-certificated aerodrome in accordance with the Civil Aviation Authority Aerodrome design for aircraft at or below 5,700kg Maximum Combined Take-off Weight (MCTOW). Air New Zealand Link provides daily return services to Auckland and Wellington.
- Land surplus to the airport's present requirements were leased for grazing. Areas of the terminal building were leased for activities compatible with the operation of the airport. Lease of the airport land was also available to commercial operators and associated industry.

As a Council Controlled Organisation, the Airport has a separate Annual Report, this can be found on the Council's website or from Council offices.

***Air New Zealand link
provides daily services
to Auckland and Wellington***

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

The following performance targets were identified in the Council's Long-Term Councils Community Plan.

Operate and maintain the airports assets within an operational expenditure budget (excluding corporate overheads and depreciation).

Target: \$175,700

Achieved - \$148,100

Underspend of \$29,500 arising from less requirement for consultancy services pending implementation of the water plan.

The maintenance of the airport as a non-certificated aerodrome in accordance with Civil Aviation Authority Aerodrome design for aircraft at or below 5,700kg MCTOW.

Target: 100% of the time

Achieved



BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES (BOP LASS)

The Whakatane District is a shareholder in BoP LASS Ltd, a CCO owned by the councils in the Bay of Plenty Region. It is a joint venture with each of the following eight councils in the region holding a 12.5% share:

- Whakatane District Council
- Opotiki District Council
- Tauranga City Council
- Rotorua District Council
- Kawerau District Council
- Taupo District Council
- Western Bay of Plenty District Council
- Environment Bay of Plenty Regional Council

BoP LASS Ltd constituted in January 2008. The company Statement of Intent was approved in May 2008 and the financial forecast for 2008/09 was approved in June 2008.

BoP LASS Ltd is a 100% owner of Bay Broadband Limited, a company set up to investigate faster broadband services in the Bay of Plenty.

OBJECTIVES OF BoP LASS LTD

BoP LASS has been set up to provide the Bay of Plenty region councils with an umbrella vehicle to investigate, procure, develop and deliver shared services. Such services will be initiated under the umbrella of this company where a business case shows that they provide

benefit to the (voluntary) council users by either improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

NATURE AND SCOPE OF ACTIVITIES PROVIDED BY BoP LASS

The principle nature and scope of the activity of BoP LASS Ltd is to:

- Enable the provision of shared services to any or all local authorities within the Bay of Plenty Region. BoP LASS Ltd may also sell "shared" processes and systems as set up under individual agreements to local authorities outside the Region.
- Pursue all opportunities to procure shared services that will benefit the community in the widest sense, through enhanced back office services and/or reduced costs for councils.
- Explore all possible avenues to provide these services itself or contract them from outside parties, each depending on a rigorous business case and risk assessment.

HOW DID WE PERFORM AGAINST OUR TARGETS?

BoP LASS Ltd also acts as a true regional vehicle to attract government and other funding, if or when it is made available. The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2009/10 and associated budget formally adopted by the directors at the meeting held on 8th May 2009 with a confirmation of policy on council contributions on 3rd July 2009.

On the following page is a report of performance against targets set in the Statement of Intent for 2008/9.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 5/9

Ensure the umbrella company continues to operate effectively in both governance and management terms***Management reporting Accounting system –financial reports provided*****Target:** Report target dates met**Achieved:** New accounting arrangements in place –regular reports available.

Operational reports to 6 weekly Board meetings

Maintain operational principles regarding developing and approving shared services***Policy statement reviewed annually.******Business cases provided and approved for services prior to initiation*****Target:** 30th June 2009**Achieved:** Policy reviewed October 2008

Reports provided for Internal audit, After Hours telephone, CRS (Core Record System Land Information updates), Insurance review.

Develop and sustain communication lines with each shareholding council at appropriate levels***Management team meetings with constituent Councils.*****Target:** 30th June 2009**Not Achieved:** No Meetings this financial year.

Directors resolved meetings to be held as Executive Officer feels are appropriate and commented that there had been no requests.

Develop and sustain communication lines with shared service CCOs of neighbouring regions.***Regular contacts resulting in shared information reported to board*****Target:** 30th June 2010**Achieved:** Meeting with Manawatu Levin LASS; awaiting advice for Waikato new appointment notified in June visit to take place**Achieve effective operation of at least 5 shared services with each service contributing appropriately to the costs of the umbrella vehicle.*****Service levels agreed and implemented. Cost recovery /levy applied.*****Target:** 3 services by 30th June 2009**Achieved:** Office supplies, CRS, Internal Audit, After Hours telephone Services and Insurance Review, Contributions to cost of service Advisory group levies paid Contributions from Office supplies, Insurance, and CRS will come to charge in 2009-2010 year**Operate within agreed budgets.*****Budget approved annually.*****Target:** Budget approved 1st July 2008**Not Achieved:** Expenditure currently within budget except for approved unbudgeted items e.g. MW/LAASS Project.**Maintain positive cash flow.*****Cash flow reports provided on time. No negative cashflow arising from BoP LASS actions*****Target:** 30th June 2009**Not Achieved:** Not met due to Broadband expenditure and delay in benefits coming to charge**Survey customers of active shared services at least annually to measure their satisfaction with levels and quality of service.*****Annual surveys undertaken.*****Target:** 30th June 2009**Not Achieved:** Not required yet as no services active for more than one year. To be provided during 2009/2010 year.**Survey directors at least annually to gauge their satisfaction with the:**

- Extent and quality of new service investigation and business case development.
- Administration and Secretarial support / reporting.
- Operations of advisory groups.
- Governance and Strategic role of the board.
- Performance of the Executive Officer of BoPLASS Ltd.

Annual survey prepared and circulated to directors.**Target:** 30th June 2009**Achieved:** Directors surveyed and report presented to Directors meeting 20th March 2009.**Achieved:** Review of Executive Director's performance undertaken by Chairman and reported to Directors. March 2009

FINANCIAL STATEMENTS



Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 30 June 2009

Actual 2008 \$000			Actual 2009 \$000	Budget 2009 \$000
Revenue				
26,181	Rates revenue	Note 2	28,441	27,623
18,241	Other revenue	Note 3	16,791	21,552
132	Finance income	Note 6	78	126
1,822	Gains	Note 7	300	465
46,376	Total Income		45,610	49,766
Expenditure				
8,710	Personnel costs	Note 4	10,214	7,964
10,884	Depreciation and amortisation	Note 5	16,417	11,191
22,105	Other expenses	Note 5	26,576	19,497
4,122	Revaluation Losses	Note 5	2,343	-
580	Finance costs	Note 6	956	2,244
46,401	Total Operating Expenditure		56,506	40,896
(25)	Surplus/(deficit) before tax		(10,896)	8,870
-	Income Tax Expense	Note 8	-	-
(25)	Surplus/(deficit) after Tax		(10,896)	8,870

Explanations of significant variances against budget are included in Note 34

The Notes and the Statement of Accounting Policies on pages 111 to 150 form part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2009

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
544,891	Balance as at 1 July	544,866	548,357
(25)	Surplus/(Deficit) for the year	(10,896)	8,870
-	Increase in asset revaluation reserves	95,665	-
-	Increase in restricted reserves	-	-
(25)	Total recognised income	84,769	11,145
544,866	Balance as at 30 June	629,635	557,227

The Notes and the Statement of Accounting Policies on pages 111 to 150 form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION as at 30 June 2009

Actual 2008 \$000			Actual 2009 \$000	Budget 2009 \$000
EQUITY				
444,744	Retained earnings	Note 23	433,848	454,830
10,812	Restricted equity	Note 23	10,812	12,301
89,310	Asset revaluation reserves	Note 23	184,975	90,096
544,866	TOTAL EQUITY		629,635	557,227
ASSETS				
Current Assets				
820	Cash and cash equivalents	Note 9	1,341	863
87	Inventories	Note 10	89	88
5,725	Trade and other receivables	Note 11	6,598	6,803
67	Derivative financial instruments	Note 12	-	-
6,699	Total Current Assets		8,028	7,754
Non-Current Assets				
51,470	Operational assets	Note 14	68,163	61,404
415,394	Infrastructural Assets	Note 14	475,160	412,635
1,086	Intangible assets	Note 14	833	491
45	Forestry assets	Note 16	209	45
34,954	Investment property	Note 17	34,087	33,213
35,848	Restricted assets	Note 18	53,152	35,848
3,756	Work in progress	Note 15	5,322	4,421
15,706	Assets held for sale	Note 17	14,040	12,281
44	Other financial assets	Note 13	43	17,830
558,303	Total Non-Current Assets		651,009	578,168
565,002	Total Assets		659,037	585,922
LIABILITIES				
Current Liabilities				
6,901	Trade and other payables	Note 19	7,064	7,703
807	Provisions	Note 20	595	30
188	Employee entitlements	Note 21	839	200
599	Goods and services tax		509	200
5,514	Borrowings	Note 22	13,900	121
14,009	Total Current Liabilities		22,907	8,254
Non-Current Liabilities				
1,511	Provisions	Note 20	2,197	2,611
501	Employee entitlements	Note 21	198	-
4,115	Borrowings	Note 22	4,022	17,830
-	Derivatives Liability	Note 12	78	-
6,127	Total Non-Current Liabilities		6,495	20,441
20,136	Total Liabilities		29,402	28,695
544,866	NET ASSETS		629,635	557,227

The Notes and the Statement of Accounting Policies on pages 111 to 150 form part of the Financial Statements



Colin Holmes, MAYOR



Diane Turner, CHIEF EXECUTIVE

STATEMENT OF CASHFLOWS for the year ended 30 June 2009

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
26,157	Receipts from rates	27,733	27,624
5,497	Government grants	6,658	11,745
529	GST (net)	(90)	-
11,614	Receipts from customers	10,984	9,806
134	Interest	83	126
(33,730)	Payments to suppliers & employees	(36,545)	(28,353)
22	Movement in agency accounts	(181)	-
(546)	Interest paid	(889)	(1,352)
9,677	Net Cash Flows from Operating Activities	7,753	19,596
	Note 25		
CASH FLOWS FROM INVESTING ACTIVITIES			
7	Sale of property, plant and equipment	2,923	18,000
(15,846)	Purchase of property, plant and equipment	(16,884)	(25,073)
	Increase in Work in Progress	(1,564)	-
-	Purchase of Investments	-	(19,050)
(15,839)	Net Cash Flows from Investing Activities	(15,525)	(26,123)
CASH FLOWS FROM FINANCING ACTIVITIES			
41,999	Term loans raised	30,093	8,377
(35,900)	Term loan repayments	(21,800)	(1,850)
6,099	Net Cash Flows From Financing Activities	8,293	6,527
(63)	NET INCREASE/(DECREASE) IN CASH HELD	521	-
883	Cash, cash equivalents and bank overdrafts at the beginning of the year	820	863
820	Cash, cash equivalents and bank overdrafts at the end of the year	1,341	863
Represented by:			
820	Cash at bank	1,341	863

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 GST (net) has been presented on a basis net, as the gross amounts do not provide meaningful information for financial statement purposes.

The Notes and the Statement of Accounting Policies on pages 111 to 150 form part of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

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

BASIS OF PREPARATION

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

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

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

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

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

NZ IAS 1 *Presentation of Financial Statements* is effective for reporting periods on or after 1 January 2009. The revised standard requires information in

financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. Council intends to adopt the standard for the year ending 30 June 2010 and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

NZ IAS 23 *Borrowing Costs* (2007) is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The revised standard will also require borrowing cost to be considered when revaluing property, plant and equipment to fair value based on depreciated replacement cost. Council has decided to postpone the adoption of this standard indefinitely as permitted under current NZ GAAP.

BASIS OF CONSOLIDATION

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances transactions, income and expenses are eliminated on consolidation.

Joint Ventures and Associates

For jointly controlled assets Council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and income from the sale or use of its share of the output of the joint venture.

The Whakatane District is a shareholder in BoP LASS Ltd, a CCO owned by councils in the Bay of Plenty Region. It is joint venture with each of the eight councils in the region holding a 12.5% share.

CHANGES IN ACCOUNTING POLICIES

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

REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received.

Rates

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced

within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of the Bay of Plenty Regional Council (EBOP) are not recognised in the financial statements as the Council is acting as an agent for EBOP. Rates collected on behalf of the EBOP are not included in the Statement of Financial Performance as it does not belong to the Council. It is however, included as a receipt and payment in the Statement of Cash Flows.

Revenue from water rates by meter is recognised on an accrual basis.

Licences and permits

Revenue derived from licences and permits is recognised on application.

Development contributions

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

Sales of goods

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

Provision of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Rental revenue

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

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income.

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are paid

Grants and subsidies

Grants and subsidies are recognised when the conditions of the grant or subsidy have been met.

FINANCE COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress which represents a departure from NZ IAS 23: Borrowing Costs however it is in line with the decision of the Accounting Standards Review Board to indefinitely defer the adoption of NZ IAS 23 for public benefit entities

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 a successful applicant has been notified of the Council's decision.

INCOME TAX

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

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.

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 financial statements and the corresponding tax bases used in the computation of taxable profit.

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 or taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with 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 statement of financial performance 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 financial institutions, 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 on the statement of financial position.

TRADE AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

INVENTORIES

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost.

FINANCIAL ASSETS

The Council classifies its financial assets into the following categories: fair value through profit or loss, held-to maturity investments, loans and receivables and fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit and loss 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. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. The Council's financial assets at fair value through profit and loss include derivatives that are not designated as hedges.

After initial recognition they are measured at their fair values with gains or losses on re-measurement recognised in the statement of financial performance.

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. The Council's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits, and related party loans. 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 statement of financial performance.

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. 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 statement of financial performance.

Financial assets at fair value through equity are those that are designated as fair value through equity or are not

classified in any of the other categories above.

- The Council includes this category encompasses:
- Investments that it intends to hold long-term but which may be realised before maturity; and,
- Shareholdings that it holds for strategic purposes. The Council's investments in its and associate entities are not included in this category as they are held at cost (as allowed by NZ IAS 28: Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the statement of financial performance. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments

IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

DERIVATIVE FINANCIAL INSTRUMENTS

The Council uses derivative financial instruments (interest rate swaps) to hedge exposure to interest rate risks arising from 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 remeasured at their fair value at each balance date.

The associated gains or losses of these derivatives (that are not hedge accounted) are recognised in the statement of financial performance.

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 statement of financial performance. 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, library books, plant and equipment, museum collection and motor vehicles.

Restricted assets

Restricted assets are parks and reserves owned and harbour assets by the Council which 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 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.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings (operational and restricted), 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. All other asset classes are carried at depreciated historical cost.

The Council assesses the carrying values of its re-valued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are re-valued.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation

reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

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. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, 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 the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges and other structures and diminishing value for motor vehicles, plant and equipment, office equipment and furnishings. Land is non depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

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

INFRASTRUCTURE ASSETS:	YEARS:
Roading:	
Land – road reserve	N/A
Road formation	N/A
Pavement Basecourse	22-90
Sealed Pavement surface	2-20
Unsealed roads	2-7
Traffic control device	50
Road signs and markers	7-15
Kerbs and channels and cesspits	40-60
Surface water Channel	15-50
Street Railings	10-20
Traffic Islands	50
Street lighting	10-50
Footpaths	20-50

Bridges – concrete	100
Bridges – wooden	30
Car-parks	50

INFRASTRUCTURE ASSETS:	YEARS:
Water:	
Treatment plant – structure	70-90
Treatment plant – contents	15-50
Pump stations – structure	80-100
Pump stations – contents	10-50
Reservoirs – concrete and wooden	70-90
Water lines and service lines	50-80
Valves and hydrants	30-65
Water meters	15-25
Wharves:	
Wharves (concrete)	50
Stormwater:	
Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90
Pump stations – structure	80-100
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50
Sewer:	
Sewer lines and service lines	60-80
Manholes	70-80
Pump station – structure	60-70
Pump station – contents	12-25
Ponds – structure	60
Ponds – plant and equipment	15-25
Refuse:	
Whakatane landfill	8.5
Murupara landfill	2

OPERATIONAL ASSETS:	YEARS:
Museum assets	N/A
Land	N/A
Buildings	40-100
Vehicles	5
Plant and machinery – heavy	8-12.5
Plant and machinery – light	2-5
Furniture and fittings	10
Library books	7
Office equipment	4-5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, 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.

Cost associated with developing or maintaining computer software are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Easements

Easements are recognised at cost, being purchase price and any directly attributable costs in bringing the asset to its intended use. Easements have an indefinite useful life and consequently 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 de-recognised. The amortisation charge for each period is recognised in the statement of financial performance.

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

Computer software	4 - 5 years	25% - 20%
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IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. 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.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the statement of financial performance.

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 as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance.

FOREST ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax 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 biological assets at fair value less estimated costs to sell and from

a change in fair value less estimated costs to sell are recognised in the statement of financial performance.

The costs to maintain forestry assets are included in the statements of financial performance.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently 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.

PROVISIONS

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax 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.

EMPLOYEE BENEFITS

Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values 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, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Council recognises a liability for sick leave 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 that the Council anticipates it will be used by staff to cover those future absences.

Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave 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.

The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation scheme

The Council belongs to the Jacques Martin Super Trust contributory scheme and the National Provident Fund Lump Sum contributory scheme, both managed by the board of trustees of the National Provident Fund.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the Scheme the extent to which the surplus/deficit will affect future contributions by individual employers as there is no prescribed basis for allocation. The Scheme is therefore accounted for as a Defined Contribution Scheme.

PUBLIC EQUITY

Public 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 a number of reserves. Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned. The components of equity are:

- Retained earnings;
- Restricted reserves;
- Property, plant and equipment reserves; and
- Fair value through equity reserves

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 Council.

Restricted reserves are those subject to specific conditions accepted as binding by 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.

BUDGET FIGURES

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council for the preparation of the financial statements.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Landfill aftercare provision

Note 20 presents an analysis of the exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

INFRASTRUCTURAL ASSETS

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example storm water, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted 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 assets, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk Council's infrastructural assets useful lives have been determined with reference to the NZ 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 the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

FUNDING OF DEPRECIATION

Depreciation has been funded on the average of the next 25 years renewal requirement. The renewal profile over which it is averaged will be reviewed annually and the period will be increased as better Asset Management Plan information becomes available.

GOODS AND SERVICES TAX

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (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.

NOTE 2 - RATES REVENUE

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
3,871	General rates	6,413	6,005
	Targeted rates attributable to activities		
831	Democracy	788	773
7,674	Roading	6,724	6,704
6,483	Water/Waste waters	7,466	7,410
3,187	Refuse	2,532	2,573
155	Commercial promotion	185	176
1,956	Parks	2,116	2,167
885	Library/Museum	1,128	1,155
887	Recreation	809	830
375	Penalties charged	447	-
26,304		28,608	27,793
(123)	Less Remissions given for the year	(167)	(170)
26,181	Net rate revenue	28,441	27,623

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.

NOTE 3 - OTHER REVENUE

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
1,808	User charges	1,207	1,163
2,650	Regulatory income	2,751	2,586
456	Infringement & fines	332	323
5,003	Land transport NZ subsidies	6,497	6,813
2,243	Rental income	2,316	2,132
264	Petrol tax	248	258
716	Vested assets	397	400
2	Dividends	-	-
2,134	Development contributions	1,109	1,752
488	Other services	470	1,193
842	Government grants	1,464	4,932
1,635	Write down of provisions *	-	-
18,241		16,791	21,552

* excluded from cost of service statements

NOTE 4 - PERSONNEL COSTS

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
Employee benefit expenses			
8,578	Salaries and wages	9,951	8,453
132	Increase/(decrease) in employee benefit liabilities	263	(489)
8,710		10,214	7,964

NOTE 5 - DEPRECIATION & OTHER EXPENSES

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
	Depreciation and amortisation		
1,215	Operational assets	2,088	2,350
9,443	Infrastructural assets	14,050	8,617
226	Intangible assets	279	224
10,884	Total Depreciation and Amortisation	16,417	11,191
	Other Expenses		
95	Audit fees	93	150
3	Audit fees LTCCP, other services	103	-
13	Audit fees other entities	14	-
1	Donations	-	-
250	Grant & Subsidies	386	350
222	Operating leases	71	70
325	Impairment of receivables	81	90
194	Investment Property Expenses	1,152	-
56	Loss on sale of assets	438	50
20,946	Other operating expenses	24,238	18,787
22,105	Total other expenses	26,576	19,497

REVALUATION LOSSES

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
2,500	Non current assets held for sale	1,476	-
1,622	Harbour devaluation	-	-
-	Property investments	867	-
4,122	Total revaluation losses	2,343	-

NOTE 6 - FINANCE INCOME & FINANCE COSTS

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
132	Interest income from deposits	78	126
(580)	Interest on bank borrowings	(956)	(2,244)
(448)	Net finance income/(cost)	(878)	(2,118)

NOTE 7 - GAINS

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
1,751	Investment property revaluation *	-	365
	Forestry revaluation	164	100
4	Share revaluation *	-	-
67	Fair value gains on derivative financial instruments	-	-
-	Gain on disposal of assets	136	-
1,822		300	465

* excluded from cost of service statement

NOTE 8 - TAX DISCLOSURE

Actual 2008 \$000		Actual 2009 \$000
	Components of tax expense	
-	Current tax expenses	-
-	Adjustments to current tax in prior year	-
-	Deferred tax expenses	-
-	Income tax expense	-
	Relationship between tax and accounting profit	
(25)	Surplus/(deficit) before tax	(10,896)
-	Tax @ 30% (2008:33%)	(3,269)
(138)	Non-deductible expenditure	2,887
-	Non-taxable income	-
135	Tax loss not recognised	382
3	Prior year adjustment	-
-	Tax expense	-

Additional Disclosures

A deferred tax asset has not been recognised in relation to deductible temporary differences of \$60,723 (2008:\$60,723)

A deferred tax asset of has not been recognised in relation to unused tax losses of \$3,482,937 (2008:\$3,104,381)

NOTE 9 - CASH AND CASH EQUIVALENTS

Actual 2008 \$000		Actual 2009 \$000
820	Cash at bank and on hand	1,341
820		1,341

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 investments (current and non current) and associated repricing maturities were:

2008		2009
8.25%	Short-term deposits	5.20%

NOTE 10 - INVENTORIES

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
	Held for distribution:		
87	Water and sewerage spare parts	89	88
87		89	88

No inventories are pledged as security for liabilities (2008: \$ 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 2009 amounted to \$ Nil (2008: \$Nil). The loss in service potential of inventories held for distribution is determined on the basis of obsolescence.

NOTE 11 - TRADE AND OTHER RECEIVABLES

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
2,159	Rates receivables	2,770	2,219
1,574	Metered water receivables	1,775	1,479
3,373	General receivables	3,856	4,520
7,106		8,401	8,218
(1,468)	Less provision for impairment of receivables	(1,967)	(1,500)
5,638		6,434	6,718
87	Prepayments	164	85
5,725		6,598	6,803

FAIR VALUE

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

IMPAIRMENT

Council does not provide for impairment on rates receivable, however, it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. 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 impact of discounting is material. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$Nil (2008: \$Nil).

The status of receivables as at 30 June 2009 and 2008 are detailed below:

	2009 Gross Impairment		2008 Gross Impairment	
	\$000 Receivables	\$000 Provision	\$000 Receivables	\$000 Provision
Not past due	5,282	336	5,631	371
Past due 1 - 60 days	599	60	98	20
Past due 61 - 120 days	676	280	119	71
Past due > 120 days	1,844	1,291	1,258	1,006
	8,401	1,967	7,106	1,468

Movement in the provision for impairment of receivables is as follows:

	2009 \$000	2008 \$000
As at 1 July	1,468	1,143
Additional provisions made during the year	499	419
Receivables written off during the year	-	(94)
Balance as at 30 June	1,967	1,468

NOTE 12 - DERIVATIVE FINANCIAL INSTRUMENTS

	Actual 2008 \$000	Actual 2009 \$000
Current Asset portion		
67 Interest rate swaps		-
Non-current Asset portion		
- Interest rate swaps		(78)
67 Total derivative financial instrument assets		(78)

FAIR VALUE

The fair value of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices. The valuation has been performed by ETOS independent valuers. No interest rate swaps were due to mature at 30 June 2009

INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$21.8M (2008:\$4M). At 30 June 2009 the fixed interest rates of cash flow hedge interest rate swaps were 6.35% (2008:7.84%)

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2009 are released to the statement of financial performance as interest is paid on the underlying debt.

The following interest rate swaps are currently held:

Deal Number	Swap 1	Swap 2	Swap 3	Swap 4	Swap 5	Swap 6	Swap 7	Totals
Maturity Date	22/09/12	21/09/12	22/09/17	22/03/19	22/03/12	22/03/14	22/06/14	
Fixed Rate	7.84%	6.89%	6.89%	5.98%	6.46%	6.42%	4.22%	
Amount	\$ 4,000,000	\$ 1,600,000	\$ 1,700,000	\$ 5,500,000	\$ 5,000,000	\$ 1,000,000	\$ 3,000,000	
Fair Value	\$395,662	(\$115,500)	(\$130,629)	(\$28,722)	(\$282,848)	(\$53,085)	\$137,798	(\$77,324)

NOTE 13 - OTHER FINANCIAL ASSETS

Actual 2008 \$000		Actual 2009 \$000
Current Asset Portion		
-	Total current portion	-
Non-current asset portion		
43	Shares - NZ Local Government Insurance Corporation: 13,394 shares @ \$3.01	42
1	Shares - Bay of Plenty Local Authority Shared Services Ltd: 1 share @ \$1,000	1
-	Term Investments	-
44	Total non-current asset portion	43
44	Total other financial assets	43

FAIR VALUE

The carrying amount of term deposits approximates their fair value.

UNLISTED SHARES

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

IMPAIRMENT

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

NOTE 14 - OPERATIONAL, INFRASTRUCTURAL & INTANGIBLE ASSETS

2008	Cost/ Revaluation 1 July 2007 \$000	Accumulated Depreciation and Impairment 1 July 2007 \$000	Net Book Value 1 July 2007 \$000	Additions Current Year \$000	Disposals Current Year \$000	Impairment Current Year \$000	Depreciation Current Year \$000	Revaluation Current Year \$000	Cost/ Revaluation 30 June 2008 \$000	Accumulated Depreciation and Impairment 30 June 2008 \$000	Net Book Value 30 June 2008 \$000
OPERATIONAL ASSETS											
Land	16,367	-	16,367	7	(7)	-	-	-	16,367	-	16,367
Buildings	26,922	1,213	25,709	184	-	-	455	-	27,106	1,668	25,438
Plant & equipment	2,176	1,613	563	-	-	-	60	-	2,176	1,673	503
Furniture & Fittings	650	239	411	132	-	-	8	-	782	247	535
Office Equipment	5,449	3,229	2,220	264	-	-	475	-	5,713	3,704	2,009
Motor Vehicles	1,362	1,084	278	37	-	-	105	-	1,399	1,189	210
Harbour Vessels	91	91	-	-	-	-	-	-	91	91	-
Museum Collection	5,860	-	5,860	-	-	-	-	-	5,860	-	5,860
Library Books	805	224	581	79	-	-	112	-	884	336	548
Total Operational Assets	59,682	7,693	51,989	703	(7)	-	1,215	-	60,378	8,908	51,470
INFRASTRUCTURAL ASSETS											
Land Roading	91,363	-	91,363	-	-	-	-	-	91,363	-	91,363
Roading	199,813	-	199,813	9,843	-	-	5,183	-	209,656	5,183	204,473
Water	47,049	1,274	45,775	4,000	(56)	-	1,329	-	50,993	2,603	48,390
Sewage	37,299	961	36,338	3,829	-	-	1,012	-	41,128	1,973	39,155
Land Drainage	18,130	348	17,782	613	-	-	354	-	18,743	702	18,041
Harbour	6,776	991	5,785	176	-	-	341	(1,621)	5,331	1,332	3,999
Parks	6,912	-	6,912	347	-	-	699	-	7,259	699	6,560
Refuse	5,104	2,041	3,063	875	-	-	525	-	5,979	2,566	3,413
Total Infrastructural Assets	412,446	5,615	406,831	19,683	(56)	-	9,443	(1,621)	430,452	15,058	415,394
INTANGIBLE ASSETS											
Computer Software	716	587	129	1,183	-	-	226	-	1,899	813	1,086

Work in progress in the course of construction total \$ 3,756,000 (2007 \$6,934,000)
No property, plant and equipment is pledged as security Restricted assets see note 18

2009	Accumulated Depreciation and Impairment		Net Book Value	Additions	Disposals	Impairment	Depreciation	Revaluation	Cost/	Accumulated Depreciation and Impairment		Net Book Value
	Cost/	Revaluation								30 June 2008	30 June 2009	
	\$000	\$000	\$000	\$000	\$000	\$000	reversed	Current	30 June 2008	\$000	\$000	\$000
OPERATIONAL ASSETS												
Land	16,367	-	16,367	1,115	2,105	-	-	-	7,156	22,533	-	22,533
Buildings	27,107	1,671	25,436	870	13	-	1,486	1,220	8,821	36,785	1,405	35,380
Plant & Equipment	2,176	1,673	503	109	75	-	-	27	-	2,210	1,700	510
Furniture & Fittings	782	247	535	280	-	-	-	96	-	1,062	343	719
Office Equipment	5,713	3,704	2,009	528	-	-	-	511	-	6,241	4,215	2,026
Motor Vehicles	1,399	1,189	210	407	154	-	154	96	-	1,652	1,131	521
Harbour Vessels	91	91	-	42	-	-	-	-	-	133	91	42
Museum Collection	5,860	-	5,860	-	-	-	-	-	-	5,860	-	5,860
Library Books	884	336	548	162	-	-	-	138	-	1,046	474	572
Total Operational Assets	60,379	8,911	51,468	3,513	2,347	-	1,640	2,088	15,977	77,522	9,359	68,163
INFRASTRUCTURAL ASSETS												
Land Roading	91,363	-	91,363	-	-	-	-	-	-	91,363	-	91,363
Roading	209,656	5,183	204,473	7,482	-	-	5,183	6,025	21,082	238,220	6,025	232,195
Water	50,993	2,603	48,390	739	-	-	2,604	1,706	10,307	62,039	1,705	60,334
Sewage	41,128	1,973	39,155	534	-	-	1,973	1,109	212	41,874	1,109	40,765
Land Drainage	18,743	702	18,041	3,604	-	-	703	770	18,629	40,976	769	40,207
Harbour	5,331	1,332	3,999	-	-	-	-	268	-	5,331	1,600	3,731
Parks	7,259	699	6,560	733	-	-	-	728	-	7,992	1,427	6,565
Refuse	5,979	2,566	3,413	31	-	-	-	3,444	-	6,010	6,010	-
Total Infrastructural Assets	430,452	15,058	415,394	13,123	-	-	10,463	14,050	50,230	493,805	18,645	475,160
INTANGIBLE ASSETS												
Computer Software	1,899	813	1,086	26	-	-	-	279	-	1,925	1,092	833

Work in progress in the course of construction total \$5,322,000 (2008 \$3,756,000) No property, plant and equipment is pledged as security. Restricted assets see note 18

Council has easements giving right to access to private property where infrastructural assets are located. It has not been feasible to value these at this stage and when valued are not expected to be material. There are no restrictions over the title of Councils intangible assets, nor are there any intangible assets pledged as security for liabilities.

NOTE 15 - VALUATION

OPERATIONAL AND RESTRICTED LAND AND BUILDINGS

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value and the valuation is effective as at 1 July 2008.

INFRASTRUCTURAL ASSET CLASSES

LAND

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value and the valuation is effective as at 1 July 2008.

LAND UNDER ROADS

The road reserve land for formed roads only has been valued. 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.

WASTEWATER AND STORMWATER

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by GHD Ltd, and the valuation is effective as at 1 July 2008.

WATER

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by GHD Ltd and the valuation is effective as at 1 July 2008.

ROADING

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Opus International Consultants Ltd, and the valuation is effective as at 1 July 2008.

VESTED INFRASTRUCTURAL ASSETS

Valued based on the actual quantities of infrastructural components vested and the current in-ground cost of providing identical services. Assets vested to Whakatane District Council are recognised in the Statement of Financial Performance as revenue and in the Statement of Financial Position as property, plant and equipment.

LIBRARY COLLECTIONS

At depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ in May 2002. Library stock has been valued effective 1 July 2005 by independent registered valuers, Maunsell Ltd.

WORK IN PROGRESS

The total amount of property, plant and equipment in the course of construction is \$5,322,000 (2008 \$3,756,000).

IMPAIRMENT

There were no impairment losses for 2009 (2008 \$Nil).

HARBOUR ASSETS

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Maunsell Ltd and the valuation is effective as at 30 June 2008.

MUSEUM AND PARKS

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by Maunsell Ltd and the valuation is effective as at 1 July 2005.

NOTE 16 - FORESTRY ASSETS

Actual 2008 \$000		Actual 2009 \$000
45	Balance at 1 July	45
-	Gains/(Losses) arising from changes in Fair Value on valuation	164
45	Balance 30 June	209

Council owns 21 hectares of pinus radita which mature in 13-20 years. No forests have been harvested during the period (2008: Nil). Plantation forests have been valued by P.F. Olsen and Co, independent valuers, on the basis of arms length market transaction of current market evidence as at 30 June 2009.

NOTE 17 - INVESTMENT PROPERTY & NON CURRENT ASSETS HELD FOR SALE

Actual 2008 \$000		Actual 2009 \$000
	Investment property	
33,213	Balance at 1 July	34,954
(10)	Transfer to assets held for sale	-
1,751	Fair value gains/(losses) on valuation	(867)
34,954	Balance at 30 June	34,087

All investment properties held by council were valued at fair value by registered valuers Reid and Reynolds Ltd as at 30 June 2009

Restricted land within the investment category: \$0 (2008: \$0)

Actual 2008 \$000		Actual 2009 \$000
	Non current assets	
18,000	Balance at 1 July (land)	15,706
206	Transfer to assets held for sale from operational land and investment property	-
-	Disposals	(190)
(2,500)	Fair value gains/(losses) on valuation	(1,476)
15,706		14,040

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

NOTE 18 - RESTRICTED ASSETS

2008	Cost/ Revaluation 1 July 2007 \$000	Accumulated Depreciation and Impairment 1 July 2007 \$000	Net Book Value 1 July 2007 \$000	Additions Current Year \$000	Disposals Current Year \$000	Impairment Current Year \$000	Depreciation Current Year \$000	Revaluation Current Year \$000	Cost/ Revaluation 30 June 2008 \$000	Accumulated Depreciation and Impairment 30 June 2008 \$000	Net Book Value 30 June 2008 \$000
Harbour Land (Not leased)	7,448	-	7,448	-	-	-	-	-	7,448	-	7,448
Recreational Reserves	28,400	-	28,400	-	-	-	-	-	28,400	-	28,400
Total	35,848	-	35,848	-	-	-	-	-	35,848	-	35,848

-

2009	Cost/ Revaluation 1 July 2008 \$000	Accumulated Depreciation and Impairment 1 July 2008 \$000	Net Book Value 1 July 2008 \$000	Additions Current Year \$000	Disposals Current Year \$000	Impairment Current Year \$000	Depreciation Current Year \$000	Revaluation Current Year \$000	Cost/ Revaluation 30 June 2009 \$000	Accumulated Depreciation and Impairment 30 June 2009 \$000	Net Book Value 30 June 2009 \$000
Harbour Land (Not leased)	7,448	-	7,448	-	382	-	-	4,500	11,566	-	11,566
Recreational Reserves	28,400	-	28,400	222	194	-	-	13,158	41,586	-	41,586
Total	35,848	-	35,848	222	576	-	-	17,658	53,152	-	53,152

Refer to note 15 for revaluation details.

NOTE 19 - TRADE AND OTHER PAYABLES

Actual 2008 \$000		Actual 2009 \$000
4,295	Trade payables	5,592
182	Accrued expenses	487
418	Regional Council rates	238
926	Income received in advance	223
1,080	Deposits	524
6,901		7,064

Trade and other payables are 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 2008 \$000		Actual 2009 \$000
Provisions are Represented by:		
Landfill Aftercare Provision		
2,383	Opening balance	1,743
(1,057)	Provision unwinding	-
(23)	Provision used	-
440	Increase/(decrease) in net present value	373
1,743	Closing balance	2,116
434	Current portion	595
1,309	Non current portion	1,521
1,743		2,116
Forestry Provision		
1,000	Opening balance	202
(48)	Provision used	-
(750)	Increase/(decrease) in net present value	35
202	Closing Balance	237
-	Current portion	
202	Non current portion	237
202		237
Weathertightness Provision		
380	Opening balance	373
(7)	Increase/(decrease) in net present value	66
373	Closing balance	439
373	Current portion	-
-	Non current portion	439
373	Closing balance	439
Summary of Provisions		
807	Current provisions	595
1,511	Non current provisions	2,197
2,318		2,792

LANDFILL AFTERCARE COSTS

Councils responsibilities include:

- Closure costs;
- Final cover application and investigation
- Incremental drainage control features
- Facilities for leachate collection and monitoring
- Facilities for water quality monitoring

Post closure costs include;

- Treatment and monitoring of leachate
- Groundwater surface monitoring

FORESTRY PROVISION

Provision for forestry rates refunds relates to valuation objections that are outstanding on certain forestry properties. These objections relate to valuations that Council has rated on since 1 July 2002 and in the event of the objections being upheld then Council will be required to refund a portion of the rates charged on those properties since 1 July 2002. The provision is a best estimate of the possible refund, given the uncertainties involved.

WEATHERTIGHTNESS CLAIMS PROVISION

Claims have been lodged with the Weathertight Homes Resolution Service (WHRS) for buildings located with Whakatane District. A total of 14 claims were registered on the WHRS website for the Whakatane District as at 30 June 2009. Claims are being dealt with on a case by case basis.

Council's liability in relation to these claims has not been established and it is not possible to determine the likely outcome of the claims at this stage. Council's maximum exposure to the above claims is the insurer's excess for new claims which is estimated at \$50,000, and \$10,000 for older claims. This potential liability has been provided for in the 2008/2009 financial statements at \$ 439,000. In 2007/2008 Council recognised all such claims at \$373,000.

NOTE 21 - EMPLOYEE ENTITLEMENTS

Actual 2008 \$000		Actual 2009 \$000
176	Accrued pay	260
501	Annual and long service leave	765
12	Sick leave	12
689		1,037
Comprising:		
188	Current	839
501	Non-current	198
689		1,037

NOTE 22 - BORROWINGS

Actual 2008 \$000		Actual 2009 \$000
Current		
5,514	Secured loans	13,900
Non-Current		
4,115	Secured loans	4,022
9,629		17,922
The fair values of borrowings including current portion equate to their carrying values.		
Maturity Profile		
5,514	Maturing in under one year	13,900
-	Maturing in 1 - 2 years	5
7	Maturing in 2 - 3 years	-
-	Maturing in 3 - 4 years	4,000
4,088	Maturing in 4 - 5 years	15
20	Maturing in 5 years +	2
9,629		17,922

Interest rates range from 3.05% to 7.95% (2008: 3.5% to 8.81%) with a weighted average rate of 4.15% (2008: 8.4%)

The public debt is secured over future rating income.

Interest expense for 2008/09 was \$956,461 (2008: \$580,000)

NOTE 23 - EQUITY

Actual 2008 \$000		Actual 2009 \$000	Budget 2009 \$000
	Equity		
444,744	Retained Earnings	433,848	457,105
10,812	Restricted Equity	10,812	10,812
89,310	Asset Revaluation Reserves	184,975	89,310
544,866	Total Closing Public Equity	629,635	557,227
	Retained Earnings		
442,994	Opening Balance 1 July 2008	442,969	446,460
	Adjusting Categories of Equity		
(25)	Net Surplus (Deficit)	(10,896)	8,870
	Less Appropriation		
	To Council Created Reserves		
	To Restricted Reserves		
-	To Sinking Funds		
	Funds Applied from		
	Council Created Reserves		
-	Restricted Reserves	-	-
-	Sinking Funds	-	-
442,969	Closing Balance 30 June 2009	432,073	455,330
	Council Created Reserves (Incl Depreciation Reserves)		
1,775	Opening Balance 1 July 2008	1,775	1,775
-	Add: Appropriation	-	-
	Less: Application of Funds	-	-
1,775	Closing Balance 30 June 2009	1,775	1,775
444,744	Total Retained Earnings	433,848	457,105
	Restricted Equity		
10,812	Opening Balance 1 July 2008	10,812	10,812
	Add Appropriation	-	-
	Less Application of Funds		
10,812	Closing Balance 30 June 2009	10,812	10,812
	Asset Revaluation Reserve		
89,310	Opening Balance 1 July 2008	89,310	89,310
-	Revaluation of Operational Assets	17,315	-
-	Revaluation of Restricted Assets	17,658	-
-	Revaluation of Roothing	26,264	-
-	Revaluation of Water	12,911	-
-	Revaluation of Sewerage	2,185	-
-	Revaluation of Land Drainage	19,332	-
89,310	Closing Balance 30 June 2009	184,975	89,310

NOTE 24 - JOINT VENTURES

The audited results of the Whakatane Airport have been proportionately consolidated into these Financial Accounts

Whakatane Airport is a 50:50 joint equity venture between the Whakatane District Council and the Ministry of Transport (Air Transport Division)

The values of the joint venture that have been consolidated into the reports are:

ACTUAL 2008 \$000		ACTUAL 2009 \$000
83	Current assets	74
582	Non-current assets	700
38	Current liabilities	59
-	Non-current liabilities	-
98	Income	109
157	Expenses	130

Land & Buildings were revalued to \$5,667,257 at 1 July 2008 and 50% of the change in value has been included in the above figures.

Whakatane District Council has a joint venture with P F Olsen Ltd on one of the forestry blocks. The Council bears no share of expenses for the block but will share in 35% of the revenue from the forestry block when the trees are harvested, in return for supplying the land.

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 Ventures

NOTE 25 - RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

Actual 2008 \$000		Actual 2009 \$000
(25)	Net Surplus/(Deficit)	(10,896)
	Plus (Less) Non Cash Items	
10,874	Depreciation	16,417
(716)	Vested assets income	(397)
56	Net loss on disposal of assets	(136)
(1,755)	Revaluation gains property/shares	(164)
4,122	Revaluation losses in investment assets and non current assets held for sale	2,343
(1,635)	Write down of provisions	822
325	Impairment of receivables	499
	Add (less) Movements in other Working Capital items	
1,382	Decrease (increase) in debtors	(873)
1	Decrease (increase) in inventory	(2)
(2)	Decrease (increase) prepayments	(77)
(67)	Decrease (increase) in financial derivative assets	145
(1,002)	Increase (decrease) in creditors	(163)
(646)	Increase (decrease) employee entitlements	348
529	Decrease (increase) in GST asset/liability	(90)
-	Increase (decrease) in provisions	474
	Less Cash Inflow from Investing Activities	
(22)	Less movement in regional Council rates	(180)
(1,742)	Increase in creditors for fixed asset purchases	(317)
9,677	Net Cash from Operations	7,753

NOTE 26 - CAPITAL COMMITMENTS AND OPERATING LEASES

This statement shows the extent to which the Whakatane District Council is committed to spend in future. Contracts have been entered into for the following capital projects.

Capital Commitments

Actual 2008 \$000		Actual 2009 \$000
983	Roading improvements	943
-	Footpaths and bus shelters	47
11	Bridge replacement	-
781	Utility projects	139
106	Landfill	-
57	Properties	746
-	Walkways	752
218	Pump station	-
603	Information systems	214
2,759		2,841

Non-cancellable operating leases as lessee

ACTUAL 2008 \$000		ACTUAL 2009 \$000
62	Not later than one year	18
23	Later than one year and not later than five years	5
85		23

NOTE 27 - CONTINGENCIES

Contingent Liabilities

Actual 2008 \$000		Actual 2009 \$000
20	Employment dispute	-
300	Other claims	430
320		430

CONTINGENT LIABILITIES

Employment Dispute

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

Weathertightness Claims

See note 20. The council has included a provision in the accounts for the potential liability in relation to building Weathertightness claims. The calculation is based on the number of homes currently registered with the Weathertight Homes Resolution claims.

Other Claims

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

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

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

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

In the 2009 to 2019 Long Term Council Community Plan, the Council adopted a changed methodology for determining the "growth" component of capital expenditure projects that are planned or have been completed in anticipation of new development.

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

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

CONTINGENT ASSETS

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

NOTE 28 - RELATED PARTY TRANSACTIONS

Whakatane District Council has a 50:50 joint equity venture with the Ministry of Transport

(Air transport Division) in the Whakatane Airport and both entities are considered to be a related parties.

The following transactions were carried out with related parties:

Airport

ACTUAL 2008 \$		ACTUAL 2009 \$
79,021	Administrative and maintenance services	97,118
71,454	Funds held by Council on behalf of the Airport	(16,889)

OTHER RELATED PARTY DISCLOSURES

During the year Whakatane District Council contracted with Orr Computer Services owned by Councillor Orr for the supply and servicing of security surveillance equipment. These services cost \$7,312 (2008: \$17,585) and were supplied on normal commercial terms.

During the year the Council was involved in minor transactions with Sportsworld Whakatane of which Councillor Bonne is the sole director. These services cost \$1,318

The Council has an 1/8th share in BoP LASS Limited. BoP LASS Limited has been established to foster collaboration between councils in the delivery of services particularly back office or support services.

Whakatane District Council's Chief Executive, Diane Turner, is a director of BoP LASS Limited.

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

KEY MANAGEMENT PERSONNEL

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Whakatane District Council (such as payment of rates and use of council facilities).

Except for items of a minor nature, no other councillors or senior management have entered into related party transactions with Council.

ACTUAL 2008 \$000		ACTUAL 2009 \$000
-------------------------	--	-------------------------

981	Salaries & other short term benefits	1,177
-----	--------------------------------------	-------

Key management personnel include the Mayor, Councillors, Chief Executive and senior management personnel.

The comparative salaries & other short term benefits paid to Councillors is presented in Note 29.

NOTE 29 - REMUNERATION

CHIEF EXECUTIVE

The Chief Executive of the Whakatane District Council, appointed under section 42(1) of the Local Government Act 2002 receives a salary of \$215,450 (2008: \$194,250)

In terms of the contract, the Chief Executive also receives the following additional benefits:

Actual 2008 \$		Actual 2009 \$
15,750	Car	15,750

For the year ending 30 June 2009 the total cost, including fringe benefit tax, to the Whakatane District Council of the remuneration package being received by the Chief Executive is calculated at \$ 218,797 (2008: \$210,000).

ELECTED REPRESENTATIVES

Actual 2008 \$		Actual 2009 \$
MAYOR AND COUNCILLORS		
76,177	Holmes, Colin (Mayor)	86,241
14,786	Bonne, Tony	26,710
14,313	Byrne, Rachael	24,654
36,584	Chambers, Christine	31,097
15,642	Clark, William	29,905
10,487	Dowd, David	-
13,485	Eivers, Jean	-
9,201	Fitzpatrick, James	-
31,364	Hanlen, Graeme	31,620
12,484	Hudson, Linda	-
10,311	Iles, Andrew	-
14,991	Jarrett, Scott	24,684
24,633	Johnston, George	25,892
26,624	Orr, Russel	28,446
15,366	Shearer, Ian	25,938
27,920	Te Kurapa, Jacob	28,751
COMMUNITY BOARD MEMBERS		
Edgecumbe - Tarawera		
2,220	Bourk, Graeme	2,725
1,560	Dennis, Gavin	2,725
733	Evans, Graham	-
2,309	Harvey, Evan	2,837
1,408	Major, Paul	2,824
2,220	McIndoe, Clive	2,725
5,601	Smeaton, Graham	6,175
864	Williams, Tessie	-

NOTE 29 - REMUNERATION (Continued)

Actual 2008 \$		Actual 2009 \$
COMMUNITY BOARD MEMBERS		
Taneatua		
1,550	Keepa, Rehina	2,794
837	Kora, Monty	4,437
841	Knowles, Les	-
5,822	Kyle, David	6,175
2,217	Ruiterman, Luke	2,725
841	Tihi Claude	-
1,510	Chater, Geoffrey	2,823
2,217	Yalden, Diane	2,725
Whakatane		
3,509	Chambers, George	2,725
4,361	Delahunty, Neville	6,175
1,375	Hall, Tony	2,725
841	Harawira, Joe	-
841	Hipkiss, Andrea	-
1,375	Lander, Peter	2,725
2,217	Lynch, Kenneth	2,725
2,217	Searle, Ian	2,725
Ohope Beach		
841	Bowater, Grant	-
3,620	Bowering, Christine	2,725
757	Bulley, David	-
729	Casey, Gerard	2,725
4,421	Dohrman, Chris	6,304
660	Howe, Josephine	2,725
2,220	Lovelock, Hugh	2,725
841	Mckillop, John	-
841	Pocock, Karen	-
Murupara		
-	Adam, Arthur	2,725
841	Magee, Carol	-
2,217	Chapman, Awhina	2,725
841	Delamere, Melody	-
1,326	Doney, Barry	2,725
1,549	Hynes, Ormond	3,167
841	Jakeman, Damon	-
1,375	Reedy, Keriana	2,725
1,558	Tanirau, Arleen	2,841
-	Te Kurapa, Anthony	-

NOTE 29 - REMUNERATION (Continued)

Actual 2008 \$		Actual 2009 \$
	IWI LIASON	
1,361	Carlson, James	705
526	Hunia, Paroa	358
293	Hunia, Taiki	-
-	Jenner, Robert,	1,339
-	Kalan, Joshua	1,709
1,057	Mason, Hohepa	1,057
495	Ngaropo, Pouroto	2,955
495	Pryor, Henare	1,348
-	Sisley, Mihipeka	316
1,376	Te Pou, Colin	1,548
-	Te Rupe, Tawhai	2,624
406	Teamo-Simeon, Harata	-
1,129	White, Richard	1,525

NOTE 30 - SEVERANCE PAYMENTS

For the year ended 30 June 2009 Whakatane District Council made three severance payments to employees of \$34,946, \$11,500 and \$11,000 respectively, totalling \$57,446 (2008: \$73,694).

NOTE 31 - EVENTS AFTER BALANCE SHEET DATE

There were no significant events after balance date.

NOTE 32 - FINANCIAL INSTRUMENTS

NOTE 32A - FINANCIAL INSTRUMENT CATEGORIES

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

Actual 2008 \$000		Actual 2009 \$000
FINANCIAL ASSETS		
Derivative financial instruments that are not hedge accounted		
-	Fair value through profit and loss	-
Financial instruments		
-	Financial instruments	-
Loans and receivables		
820	Cash and cash equivalents	1,341
5,725	Trade and other receivables	7,793
67	Financial Derivatives	-
6,612	Total loans and receivables	9,134
Fair value through equity		
Other financial assets:		
43	NZ Local Government Insurance Council Limited	42
1	BoP LASS	1
44	Total held to maturity	43
FINANCIAL LIABILITIES		
Derivative financial instruments that are not hedge accounted		
-	Fair value through profit and loss	-
Financial liabilities at amortised cost		
10,508	Trade and other payables	9,852
	Financial Derivatives	78
Borrowings:		
-	Bank overdraft	-
9,629	Secured loans	17,922
-	Debentures	-
20,137	Total financial liabilities at amortised cost	27,852

NOTE 32B - FINANCIAL INSTRUMENT RISKS

Council has a series of policies to manage the risks associated with financial instruments. Council's is risk averse and seeks to minimise exposure from its treasury activities. 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. Council is exposed to equity securities price risk on its investments. This price risk arises due to market movements in listed securities. 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 50% 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 Council has borrowed at fixed rates in excess of the 50% 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 Council to cash flow interest rate risk.

Generally, 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 Council borrowed at fixed rates directly. Under the interest rate swaps, 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 Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

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 only invests funds with entities that have a Standard and Poor's or Moody's credit rating of A- or above for long-term investments.

Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

MAXIMUM EXPOSURE TO CREDIT RISK

Council's maximum credit exposure for each class of financial instrument is as follows:

Actual 2008 \$000		Actual 2009 \$000
820	Cash at bank and term deposits	1,341
5,725	Debtors and other receivables	7,793
44	Local authority and government stock	43
67	Derivative financial instrument assets	-
-	Derivative financial instrument liabilities	(78)
6,656	Total credit risk	9,099

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:

Actual 2009 \$000		Actual 2009 \$000
COUNTERPARTIES WITH CREDIT RATINGS		
820	Cash at bank and term deposits:	1,341
820	Total cash at bank and term deposits	1,341
44	NZ Local Government Insurance Council Limited	43
44	Total NZ Local Government Insurance Council Limited	43
67	Financial instrument assets	-
67	Total derivative financial instrument assets	-
COUNTERPARTIES WITHOUT CREDIT RATINGS		
-	Existing counterparty with no defaults in the past	-
-	Total community and related party loans	-

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivable, as it has a large number of credit customers, mainly ratepayers, and 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 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. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Council's Long Term Council Community Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$600,000 (2008: \$600,000). There are no restrictions on the use of this facility.

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES

The table below analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Council 2009						
Creditors and other payables	9,851	9,851	9,851	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	17,922	17,922	13,900	5	4,017	-
Financial Derivatives	78	78	-	-	82	160
Total	27,851	27,851	23,751	5	4,099	160
Council 2008						
Creditors and other payables	10,508	10,508	8,496	601	101	1310
Bank overdraft	-	-	-	-	-	-
Secured loans	9,629	9,629	5,514	-	4,095	20
Financial Derivatives	-	-	-	-	-	-
Total	20,137	20,137	14,010	601	4,196	1330

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL ASSETS

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 yrs \$000
Council 2009						
Cash and cash equivalents	1,341	1,341	1,341	-	-	-
Debtors and other receivables	7,793	7,793	7,793	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Net settled financial instruments	-	-	-	-	-	-
Other financial assets:						
Local authority and government stock	43	43	-	-	-	43
Total	9,177	9,177	9,134	-	-	43
Council 2008						
Cash and cash equivalents	820	820	820	-	-	-
Debtors and other receivables	5,725	5,725	5,725	-	-	-
Net settled derivative assets	67	67	67	-	-	-
Net settled financial instruments	-	-	-	-	-	-
Other financial assets:						
Local authority and government stock	44	44	-	-	-	44
Total	6,656	6,656	6,612	-	-	44

SENSITIVITY ANALYSIS

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at the balance date.

Interest Rate Risk	2009 \$000				2008 \$000			
	Profit	-100bps Other Equity	Profit	+100bps Other Equity	Profit	-100bps Other Equity	Profit	+100bps Other Equity
Financial assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivatives – interest rate swaps	(787)	-	578	-	(59)	-	199	-
Financial instruments	-	-	-	-	-	-	-	-
Other financial assets:								
- local authority stock	-	1	-	(1)	-	1	-	(1)
Financial liabilities								
Borrowings:								
- bank overdraft	-	-	-	-	-	-	-	-
-debt	(179)	-	-	-	(55)	-	55	-
Total sensitivity to interest rate risk	(966)	1	578	(1)	(114)	1	254	(1)

EXPLANATION OF SENSITIVITY ANALYSIS

Derivatives

Financial Liability

Derivative financial liabilities not hedge accounted includes interest rate swaps with a fair value totalling -\$77,324 (2008: \$66,765 financial asset). A movement in interest rates of plus or minus 1.0% has an effect on the swap value of plus \$578,000 (2008: \$199,000) and minus \$787,000 (2008: \$59,000).

Local authority stock

A total of \$42,000 (2008: \$43,000) 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 \$420 (2008: \$430) on the fair value through equity reserve.

Secured loans

Council has floating rate debt with a principal amount totalling \$17.9M (2008: \$5.5M). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$179,000 (2008: \$55,000). A movement in market interest rates on fixed rate debt does not have any impact because secured loans are accounted for at amortised 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 retained earnings 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, in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investment, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promote in the Act and applied by the Council. Intergenerational equity require today's ratepayer to meet the costs of

utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the council has in place asset management plans for major classes of assets detailing renew and maintenance programmes to ensure ratepayer in future generations are required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those 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 LTCCP.

NOTE 34 - VARIANCES FROM BUDGET

Explanations for major variations from the Council's estimated figures in the 2008/09 Annual Plan are as follows:

Statement of Financial Performance

There is a variance of \$19.76M between the budgeted surplus in the Annual Plan of \$8.870M and the resulting deficit of \$10.896M. The main reasons for this variance are that not all operating subsidies budgeted for capital works projects were received arising from reduced capital expenditure. This resulted in an unfavourable variance of \$3.78M. In addition as a result of the economic downturn, user fees and charges were below budget by \$0.547M and development contributions were below budget by \$0.643M. There was also an increase of \$5.22M depreciation partially due to the revaluation of assets. Council's investment property and non current assets held for sale were devalued by \$2.34M which also contributed to the deficit.

Statement of Changes in Equity

The impact of revaluing Council's assets has increased Council's equity. This increase has partially been offset by the variance in Council's operating deficit.

Statement of Financial Position

Equity and Non-Current Assets have increased as compared to budget due mainly to the revaluation of infrastructural assets.

Current Liabilities are higher as a result of the current portion of loans being higher than budgeted, whereas the non-current liabilities are lower than budgeted by a corresponding amount.

Statement of Cashflows

There was an increase in cash held of \$0.521M during the year. This resulted principally from a net underspend of \$10.6M in purchases of property plant and equipment and investments and \$1.8M more in term loans uplifted. The increase in cashflow was offset by an overspend in payments to suppliers and employees of \$7.9M and \$3.9M less in government grants and other income than was budgeted for.

Audit Report

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

The Auditor-General is the auditor of Whakatane District Council (District Council). The Auditor-General has appointed me, F Caetano, using the staff and resources of Audit New Zealand, to carry out an audit. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council for the year ended 30 June 2009, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council on pages 107 to 150:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2009; and
 - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the District Council on pages 31 to 106 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 2 November 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council as at 30 June 2009. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit, we carried out an assignment in respect of the review of the tendering and procurement processes, which are compatible with those independence requirements. Other than the audit and conducting the audit of the Long Term Council Community Plan and this assignment we have no relationship with or interests in the District Council.



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

Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information and the Other Requirements

This audit report relates to the financial statements, performance information and the other requirements of Whakatane District Council for the year ended 30 June 2009 included on Whakatane District Council's website. Whakatane District Council's Council is responsible for the maintenance and integrity of Whakatane District Council's website. We have not been engaged to report on the integrity of Whakatane District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, performance information and the other requirements as well as the related audit report dated 2 November 2009 to confirm the information included in the audited financial statements, performance information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.