

Whakatane District Council

Annual Report

For the year ended 30th June 2010



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With thanks to all the photographers including the following:

COVER PHOTO: Warren Cole Walkway. Taken by: Nicola Dobson

DIVIDER PHOTOS:

Introduction: Taken by: Angela Trudgen

Overview 2009/10: Taken by: Laurie Mitchell

Group of Activities: Taken by: Cherie Robinson

GROUPS OF ACTIVITIES SUB DIVIDERS:

Corporate and District Activities: Microsoft Clip Art

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Notes to Financial Statements: Taken by: Sally August

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

Welcome to the Annual Report 2009/10

This Annual Report is our opportunity to show you how we performed and what we delivered in the 2009/10 year. We are pleased to report that it has been a productive and successful period for the Council despite one or two unexpected events. We have made substantial progress on some exciting and important projects and have continued to strive to deliver high quality services to our community.

Our key highlights

One of our highlights for the year has been the completion of the award winning Warren Cole Walk and Cycleway. This project won over 33 other entries to receive the best practise walking facility at the National Golden Foot Walking Awards. The Warren Cole Walk and Cycleway was officially opened in December 2009 and stretches from the Whakatane River Bridge to the Whakatane Gardens and Amphitheatre.

Another major highlight was the completion of the Crematorium in Whakatane. Construction of the Crematorium was completed in August 2009, opening for operation in October. Located in the Hillcrest Cemetery, the building is designed around the theme of a waka and incorporates a 50 seat chapel. It was awarded the Commercial Projects Award in the Registered Master Builders Awards for the Whakatane District this year.

The Council purchased a property in the Esplanade Mall, Whakatane in September 2009 (previously occupied by Briscoes) for development into a new Library and Exhibition facility. During January and February 2010, the Council consulted on a series of design concepts from three different architectural firms. Irving Smith Jack was selected and has since been developing detailed designed drawings for this building. The construction phase of the project is scheduled to commence in July 2011.

During the year the Council implemented and transitioned into a new Enterprise Content Management System (ECMS). The ECMS has changed the way the organisation stores and retrieves information. It has reduced reliance on paper based records, provides increased security for Council's information and allows far more efficient access to Council records by staff. This has helped staff respond more quickly to customer queries and improve the service we are able to provide.

Other major projects

The Council's landfill at Burma Road closed its gates to the public on 31 December 2009 with the site now being rehabilitated into pasture and native bush. Following the closure, waste is now being transported out of the District to the Tirohia landfill in the Waikato, resulting in significantly increased costs. The cost of transporting waste out of the District more than doubled when the landfill closed, contributing to the deficit for the year. A number of initiatives will start this financial year focused on encouraging recycling and green waste collection to reduce the amount of waste needing to be transported and disposed of outside the District. A suitable site for the development of a composting plant was identified during the year. This project will continue into 2010/11 with further investigations of the plant and in securing external funding. As a longer term solution, the Council is continuing to investigate a new District landfill.

The repair of the Whakatane District Aquatic Centre started during the year. The Aquatic Centre closed in March 2010 and will remain closed for about eight months to allow major repairs to be completed.

In April, the Council resolved not to proceed with the divestment of the pensioner housing portfolio. The decision to sell the pensioner housing units was made by the Council as part of the development of the 2009-19 Long Term Council Community Plan (LTCCP), following a comprehensive review of all Council services. The decision to sell pensioner housing units was subject to some strict criteria put in place to protect the welfare of current and future tenants. The decision not to proceed with the sale of pensioner housing will have an impact on rates over the next ten years (by not retiring debt) of 12.06% over and above the level planned in its ten year plan. The Council will amend its LTCCP this year to reflect its decision.



Colin Holmes
MAYOR



Diane Turner
CHIEF EXECUTIVE

The Council commenced a review of the Whakatane District Plan. Between March and April 2010 the Council consulted with the community to identify key resource management issues that the Plan should manage. Feedback received from that process is now being used to develop policy options for the District Plan. During the same period the Council also consulted on the Draft Whakatane Integrated Urban Growth Strategy. This Strategy sets out the future growth options for Whakatane and Ohope urban areas. It combines a number of previous studies considering how and where residential, commercial and industrial growth can be accommodated in the future. The results of the Strategy will be included in the District Plan.

In June 2010, a fibre optic network linking the Whakatane District Council with other councils of the Bay of Plenty Region was completed. This BOPLASS (Bay of Plenty Local Authority Shared Services) initiative is an exciting improvement to the broadband network for the Council as it enables increased sharing of IT infrastructure and applications across Councils, while reducing operating costs and improving service delivery. It will also provide the infrastructure that is needed to enable other shared services initiatives to be progressed.

By the end of 2009/10 nearly all of the disaster mitigation works had been completed or were into the final stages. Some projects, such as the Edgumbe/Rangitaiki Plains Flood Mitigation Project are ongoing and there is substantial work still to do, but this is in a planned rather than reactive mode.

Impact of the floods

Responding to extreme weather events and flooding during May and June 2010 had a big impact on the Council's operations and budgets for the year. The June weather event peaked at an intensity of 90mm an hour (in excess of a one in 100 year weather event). This led to substantial localised flooding, requiring cleanup by the community and remedial work by the Council. Many homes were affected by the floods and the Council inspected over 250 houses for damage. The cost of the clean up and reinstating Council assets after these two storm events were partially covered by general council savings in the last financial year, will continue to impact budgets in the 2010/11 year. The Council has set rates to cover the flood repair costs from these events.

While it is too costly for stormwater infrastructure to be designed to accommodate extreme weather events, there is a likelihood that similar severe weather events will happen more frequently in the future. The Council will review its stormwater programme in the LTCCP 2009-19 looking to a whole of catchment approach that may lead to it providing a higher level of protection for some communities.

It was pleasing to see that the mitigation works completed in Matata, Otarawairere and Edgumbe performed as planned. In doing so they afforded these communities a higher level of protection than they have had in the past.

Non financial performance

The services that the Council provides cannot be measured by cost alone. To gauge how the Council is delivering services to the community, a range of indicators with specific targets are set out in the Council's LTCCP 2009-19. This year the Council achieved 80% of 90 performance targets. This includes some measures that rely on survey results from 2008. While the Council is pleased to have achieved this level, it highlights the areas to focus on.

Financial performance for the year

In the wake of the recession, we have taken tight control of our budgets over the past year. In 2009/10, we recorded an operating deficit for the Council of \$1.95m, compared with a budgeted surplus of \$4.69m. The bulk of this deficit arises from non cash accounting entries. This means that these deficits do not have an impact on rating.

The biggest contributor to the deficit this year, at \$2.87m, was delays in receiving Government subsidy funding for some projects. This is offset by reduced expenditure from a number of projects that were not started during the year and will not do so until subsidies are confirmed. This includes projects such as the composting plant and a number of water related projects. In a few cases, projects will not proceed as planned as Government subsidy funding is no longer available. This has affected walking and cycling initiatives.

With less development occurring in the current economic climate, the Council is also receiving less revenue than anticipated from development contributions and from building and resource consent applications. This contributed \$1.33m to the deficit. Increased depreciation expenses, reflecting an increase in the value of our assets, have also added a further \$1.29m to the deficit.

Thank you to the Council and community

We are proud of the many achievements referred to throughout this report. These reflect the effort and commitment of the Council working in partnership with the community and other agencies to deliver high quality services and complete a range of projects.

With the elections in October 2010, this is the last Annual Report from the Council elected in 2007. We would like to take this opportunity to thank the Councillors for their hard work and contribution towards keeping this a great district to live in.



Colin Holmes

MAYOR

15 October 2010



Diane Turner

CHIEF EXECUTIVE

15 October 2010

STATEMENT OF COMPLIANCE

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.



Tony Bonne
MAYOR (Incoming)
29 October 2010



Diane Turner
CHIEF EXECUTIVE
29 October 2010

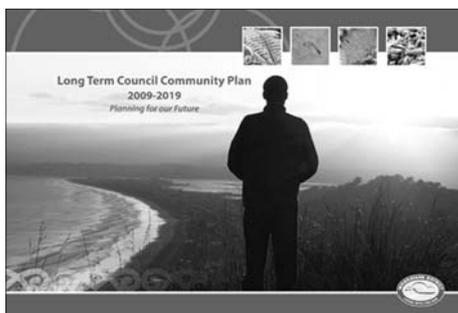
Introduction



THE PLANNING CYCLE

The Annual Report is an important part of the Council's planning cycle.

The Local Government Act 2002 requires the Council to plan in three-year cycles. Every three years, we publish a Long-Term Council Community Plan (LTCCP) setting out our intentions for the ten years ahead – what we'll do, how we'll do it, how much we'll spend, who will pay, the levels of service we'll provide, and how we'll measure the quality and effectiveness of our work. Our current LTCCP was published in 2009 and covers the period 2009-19. The LTCCP is reviewed every three years which means the next LTCCP will cover the period 2012-22.



In each of the two years between LTCCPs, we produce an Annual Plan. The Annual Plan takes a fresh look at our work programme for the year ahead and considers whether any changes are needed from the LTCCP – such as revisions to our budgets or adjustments to the work programme to help deal with issues or challenges facing the District.



Each year the Council produces an Annual Report. This sets out how we performed against what we planned for the year. Did we do all we said we'd do? Did we meet our budgets? Did we do as good a job as we should have?

This Annual Report considers performance for the year 1 July 2009 to 30 June 2010. Performance is measured against what we planned for the year in the LTCCP.

LTCCP:

Sets out the Council's priorities for the next ten years and how the Council will work towards addressing issues facing the District.

Annual Plan:

Takes a fresh look at the Council's priorities for the coming year and lets you know how the work programme will be paid for.

Annual Report:

Lets you know whether the Council delivered what it said it would.

COUNCIL PURPOSE AND VISION

PURPOSE

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 storm water systems
- We deliver regulatory services focused on public health, safety and wellbeing
- We deliver 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 the 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.

Great Services, Excellent Delivery

ELECTED MEMBERS AS AT 30 JUNE 2010

The Council is made up of a Mayor who is elected by the community at large and ten Councillors who are elected from four wards. These include:

- Whakatane-Ohope Ward – 5 members
- Edgecumbe-Tarawera Ward – 3 members
- Galatea-Murupara Ward – 1 member
- Taneatua-Waimana Ward – 1 member

The following Elected Members were elected in October 2007 and were in term for the financial year ended 30 June 2010.

The next local elections were conducted in October 2010.

ELECTED MEMBERS - AS AT 30 JUNE 2010



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

Seated (left-right): 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 2010

The following committee structure was established in October 2007 following Council elections and was in place until the financial year ended on 30 June 2010. The Mayor is “ex officio” a member of all Committees and specifically appointed to the Hearings Committee.

Following Local Government Elections in October 2010 a new committee structure will be established.

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 (CA)

Mr K Iles (FCA)

IWI LIAISON COMMITTEE

Mayor CGH Holmes

Councillor G V Johnston

Councillor E R Byrne

P Ngaropo (Ngāti Awa ki Matata) (Chairperson)

H Pryor (Ngāti Rangitihī) (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)

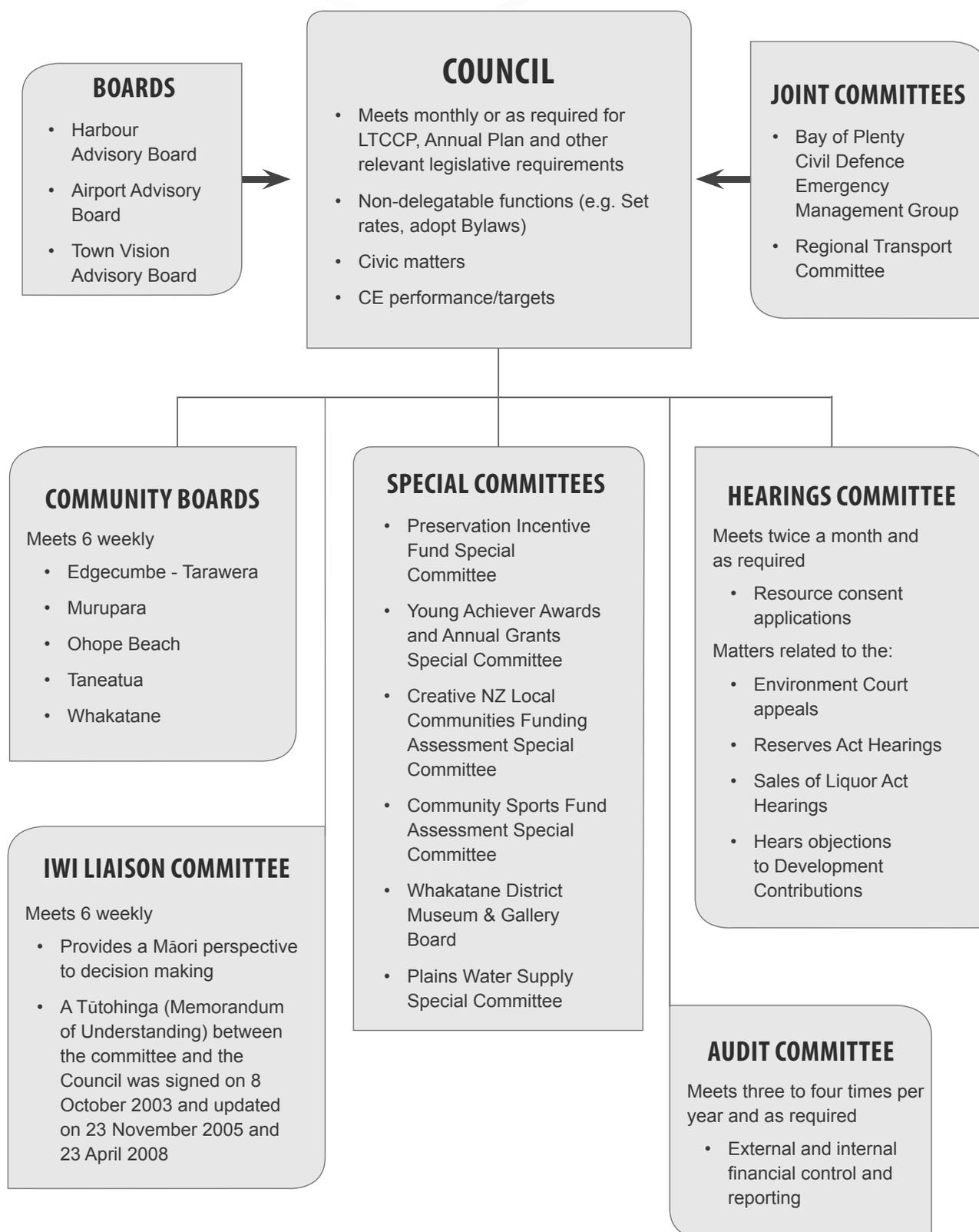
J Kalan (Tuhoe West)

C Te Pou (Tuhoe East)

R White/M White (Tuhoe ki Manawaru)

COUNCIL DECISION MAKING

COUNCIL STRUCTURE AS AT 30 JUNE 2010



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.

For the financial year ended 30 June 2010, the Iwi Liaison Committee was 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 provides 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 2009/10 eight 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.

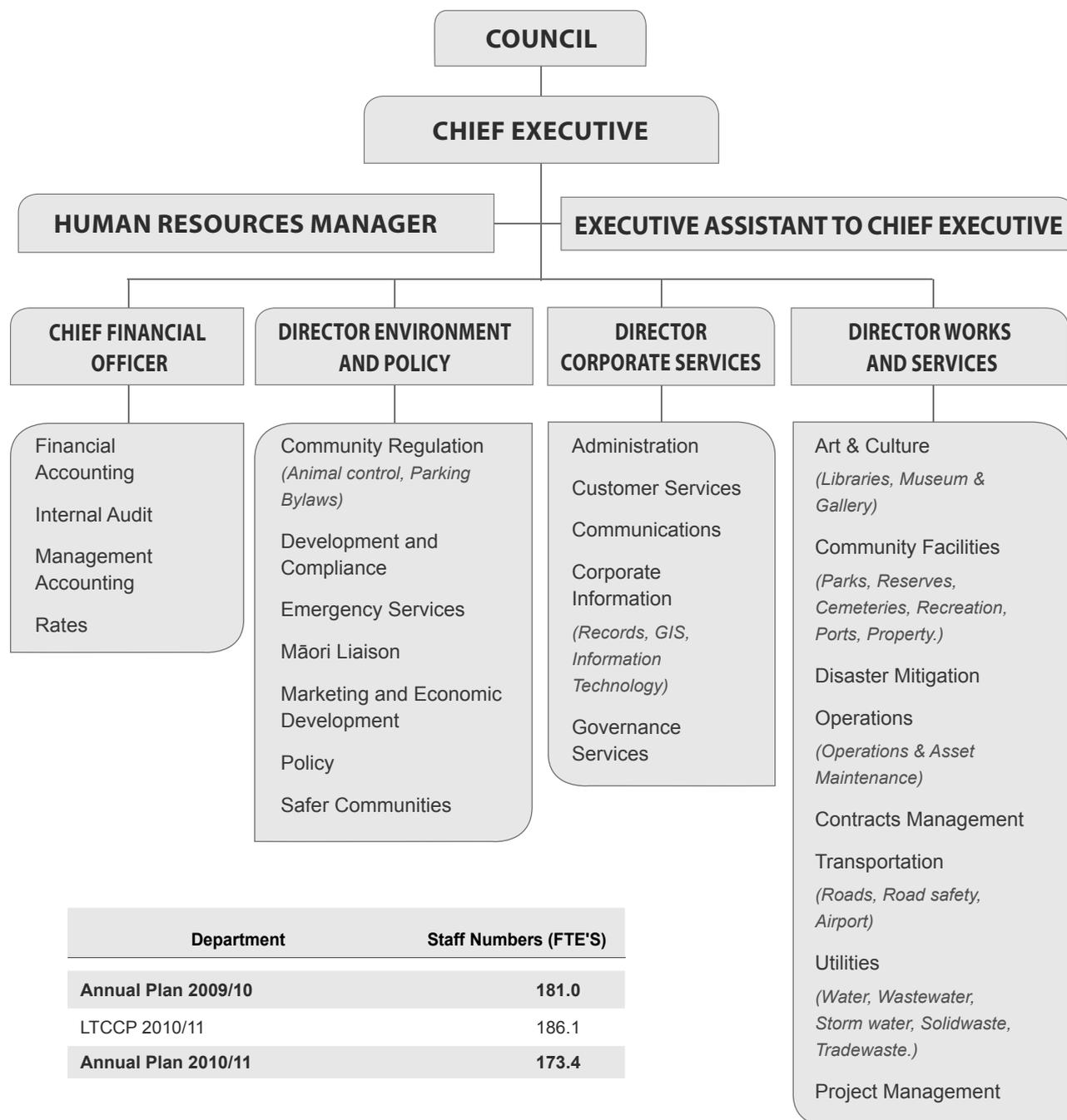
The Council undertakes many capital works projects each year, and develops strategic plans and policies. The Council relies on the Iwi Liaison Committee in the first instance, as a sounding board for what their respective iwi may think about a project or an issue; and what further consultation is deemed 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 organisational structure of the Whakatane District Council over the 2009/10 year was as follows:.

STAFF STRUCTURE AS AT 30 JUNE 2010



Department	Staff Numbers (FTE'S)
Annual Plan 2009/10	181.0
LTCCP 2010/11	186.1
Annual Plan 2010/11	173.4

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 2010

- | | | |
|----|--|----------|
| 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

WHAT ARE COMMUNITY OUTCOMES?

The community outcomes are high-level goals for the present and future, identified by our community. They are intended to reflect what the people of the District believe is important to their social, cultural, economic and environmental wellbeing.

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 the Bay of Plenty Regional Council, Kawerau District Council and Opotiki District Council. This project, named "Eastern Bay – Beyond Today", was undertaken during the 2004/05 year and involved substantial consultation with the community. Final community outcomes for the Whakatane District were acknowledged by the Council at its meeting on 29 June 2005.



IDENTIFYING OUR CONTRIBUTION TO COMMUNITY WELLBEING

Within this Annual Report we will identify how our work programme for the 2009/10 year promoted and contributed towards the community's wellbeing and achievement of our current community outcomes. Specifically, within the Groups of Activities section of this Annual Report, we have provided an indication of which community outcomes each Group of Activity contributes towards, reflecting the positive effect each Activity has on the community's wellbeing.

LOCAL GOVERNMENT REFORM AND THE FUTURE OF COMMUNITY OUTCOMES

At the time of writing this Annual Report the Local Government Act 2002 Amendment Bill was being considered by the select committee.

Currently, local authorities are required to work with their communities to identify, and subsequently report on progress towards achieving a set of community outcomes.

Under proposed new legislation it is expected that community outcomes in their current form would no longer be mandatory. This means that the Council would not be required to identify community outcomes with the community, or monitor and report on progress towards those outcomes on behalf of the community. Community outcomes are likely to be replaced with a requirement to identify the Council's own planned contribution to wellbeing of the District. As a result of this review the Council has not monitored progress towards the Community Outcomes during 2009/10.

The review of legislation around community outcomes did not substantially impact the Council's work programme for the 2009/10 year.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



**STRONG,
TRANSPARENT AND
OPEN LEADERSHIP**

GOVERNANCE

WHAT WE DO AND WHY

Governance of the Council is a key activity, supporting and guiding everything else that the Council does. The elected members of the Council provide direction to the Council, ensuring that it is able to offer value for money and prudent management contributing to community outcomes. 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.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



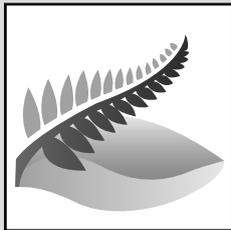
COST OF SERVICE

Annual Plan 2009/10	Actual 2009/10	Annual Plan 2009/10	Variance
\$000	\$000	\$000	\$000

Major Work Item Expenditure

COMMUNITY OUTCOMES OF THE WHAKATANE DISTRICT

The following pages outline the nine community outcomes of the Whakatane District. Listed against each community outcome are the specific goals that were identified by the community as being important to their wellbeing.



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



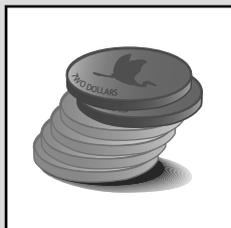
ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

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



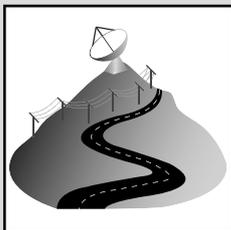
PROSPEROUS ECONOMY

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
- Roading 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

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



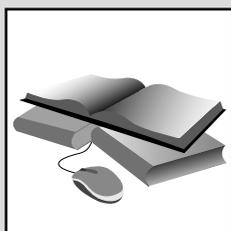
STRONG, TRANSPARENT AND OPEN LEADERSHIP

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



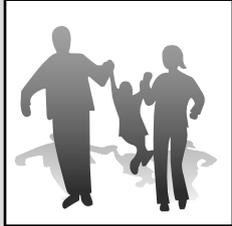
EDUCATION AND TRAINING OPPORTUNITIES FOR ALL

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



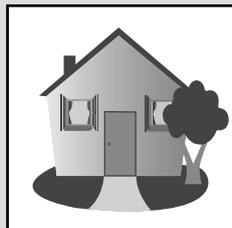
SAFE CARING COMMUNITY

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



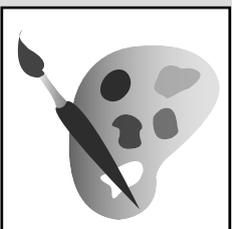
HEALTHY PEOPLE AND QUALITY HOUSING

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

Overview of 2009/10



OVERVIEW OF 2009/10

This section provides an overview of the Council's results for the year ended 30 June 2010.

This includes financial performance, levels of service and a time-line of highlights for the year.

For further detailed information please refer to the Groups of Activities, Financial Statements, and Notes to the Financial Statements sections in this Annual Report.

Core infrastructure including Transport, Water, Wastewater and Stormwater networks made up almost half of our total operating expenditure

FINANCIAL PERFORMANCE AT A GLANCE

The table below provides a summary of our comparative financial performance for the 2009/10 actual and budgeted results. The summary below details the revenue and expenditure of the Council, including Council's share in the Whakatane Airport. The financial performance is compared to the Annual Plan budget.

SUMMARY COST OF SERVICE	2010 Actual		2010 Budget	
	Expenditure \$000	Income \$000	Net Cost \$000	Net Cost \$000
Leadership	2,556	2,847	(291)	5
Community Safety	2,727	2,562	165	(100)
Environmental Sustainability	2,150	1,292	858	515
Hazard Management	887	1,848	(961)	(41)
Arts & Culture	2,590	2,512	78	(30)
Recreation & Community Facilities	6,738	6,901	(163)	(2,198)
Community Property	1,600	1,112	488	(56)
Waste	4,767	4,784	(17)	(313)
Transport Networks & Safety	13,929	13,268	661	(1,382)
Water	9,578	8,069	1,509	329
Council Controlled Organisations	1,145	1,119	26	127
Corporate Activities	2,956	3,364	(408)	(1,542)
OPERATIONAL COST/(SURPLUS) OF SERVICE DELIVERY	51,623	49,678	1,945	(4,686)

* Expenditure and Income in the table includes different reclassification from interdepartmental transfers compared to the Statement of Comprehensive Income

WHY DOES COUNCIL SHOW A DEFICIT FOR THE 2009/10 FINANCIAL YEAR?

Council's final operating result is a net deficit of \$1.95 m compared to a budgeted surplus of \$4.69 m. The following table details the major differences which have led to this \$6.6 m variation.

Major operating variances	Variance \$000
Operating Income	
Rates	(659)
Development Contributions	393
Grants and Subsidies	2,874
Statutory Adjustments	
Revaluation gains in investment assets and non current assets held for sale	(642)
Provisions	723
Derivatives	388
Operating Expenditure	
Depreciation	1,287
Other reconciling expenditure items -refer to individual Groups of Activities statements for detail	2,268
Variance from Operating Budget	6,632

Key Variances are as Follows:

Rates \$0.66 m Favourable

Rates revenues were higher than budgeted due to \$0.24m more penalties charged and \$0.36m more water targeted rates charged.

Development Contributions \$0.39 m Unfavourable

The Council budgets to receive development contributions from developers each year to contribute to the development of network infrastructure, community infrastructure and reserves to maintain acceptable levels of service as development increases in the District. The receipt of development contributions was \$393,000 less than that budgeted in the 2009/10 year, owing to the economic downturn, resulting in less building and development work proceeding.

Grants and Subsidies \$2.87 m Unfavourable

The Council receives a number of grants and subsidies from various organisations for projects undertaken. The Council plans on receiving subsidies based on projects expected to be completed each year. During 2009/10, \$3.85 m of grants and subsidies were not received as a result of a number of projects being delayed, as follows;

The NZ Transport Authority withdrew funding against some roading initiatives (\$0.38 m), funding for the Whakatane Pool is now anticipated in the 2011 year (\$2.0m) and funding for other capital projects was not received (\$1.47 m). Other than the Whakatane Pool, capital projects have not been undertaken where funding was not received. Subsidies were received for the Disaster Mitigation works at Awatapu and Edgecumbe (\$0.877 m), these were budgeted in 2009. Additionally, an unbudgeted grant was received from Eastern Bay Energy (\$0.1 m) for the crematoria project.

Revaluation Gain on Property Investments \$0.64 m Favourable

An unbudgeted gain on investment property held by Council of \$0.64 m from the revaluation at fair value by registered valuers has been realised.

Provisions \$0.72 m Unfavourable

During the year, a \$0.72 m expense variation more than budget occurred. A new provision has been established for Development Contribution Refunds for an amount of \$1.17 m.

Derivatives \$0.39 m Unfavourable

Derivatives moved from last year's position from a loss of \$0.08 m to a loss of \$0.47 m, a net movement of \$0.39 m. 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.

Depreciation \$1.29 m Unfavourable

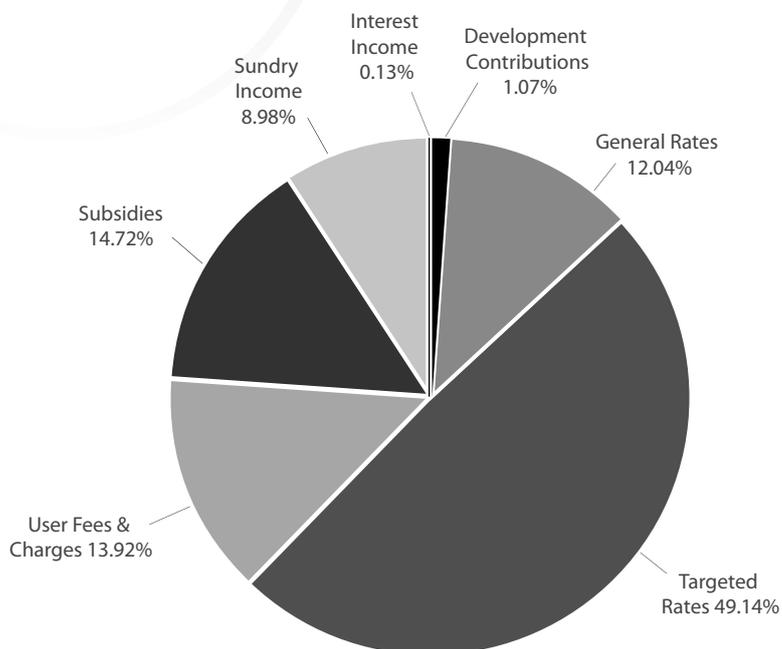
After budgets were set for 2009/10 a number of Council's assets were revalued. This led to an increase in the amount of depreciation needing to be put aside. While this is not a direct cost to the Council, it does represent a book cost operating expenditure of \$1.29 m.

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 the 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

WHERE OPERATING REVENUE CAME FROM

The total operating income for the year ending 30 June 2010 is \$48.89 m. Rates are the primary source of funding for Council's activities, and represent 61.18% 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 where the rates per rateable property fund Council-provided activities. It shows that over 83% of rates income (\$4.57 per day) is used to pay for essential infrastructure, community services and facilities.

GROUPS OF ACTIVITIES	Rate Income \$000	Rate Income Per Average Property \$	Rate Income Per Average Property Per Day \$
Leadership	2,427	163.24	0.45
Community Safety	582	39.14	0.11
Environmental Sustainability	514	34.57	0.09
Hazard Management	871	58.58	0.16
Arts & Culture	2,254	151.60	0.42
Recreation & Community Facilities	3,998	268.90	0.74
Community Property	323	21.72	0.06
Waste	3,607	242.60	0.66
Transport Networks & Safety	7,015	471.82	1.29
Water	7,589	510.43	1.40
Council Controlled Organisations	687	46.21	0.13
Corporate Activities	47	3.16	0.01
TOTAL RATE INCOME**	29,914	2,012	5.52

* The total number of Rateable Properties in the Whakatane District on the 11th February 2010 was 14,868

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

WHAT IT COSTS TO RUN THE DISTRICT

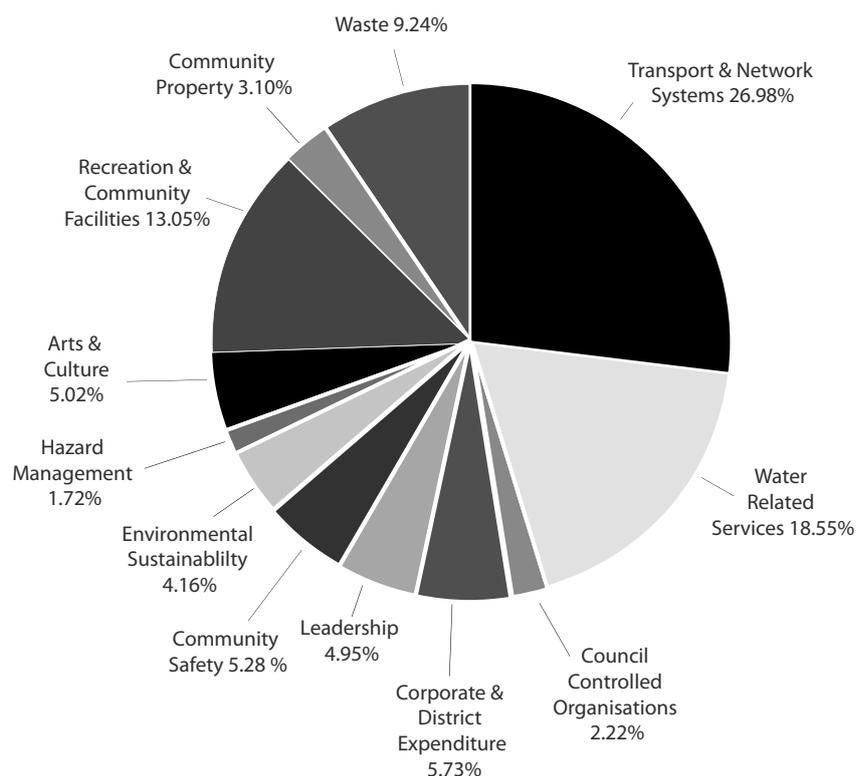
The following table shows what it costs per resident for Council-provided activities. It shows that most Council expenditure covers essential infrastructure, community services and facilities. The total cost is greater than the net cost in some cases because of user charges and other income or grants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

GROUPS OF ACTIVITIES	Total Cost \$000	Cost Per Resident/User \$	Cost Per Resident/User Per Day * \$
Community Leadership & Governance	2,556	74.30	0.20
Community Safety	2,727	79.27	0.22
Environmental Sustainability	2,150	62.50	0.17
Hazard Management	887	25.78	0.07
Arts & Culture	2,590	75.29	0.21
Recreation & Community Facilities	6,738	195.87	0.54
Community Property	1,600	46.51	0.13
Solid Waste Management	4,767	138.58	0.40
Transport Networks & Systems	13,929	404.91	1.11
Water Related Activities	9,578	278.43	0.76
Council Controlled Organisations	1,145	33.28	0.09
District Income & Expenditure	2,956	85.93	0.24
TOTAL EXPENDITURE	\$51,623	\$1,501	\$4.14

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

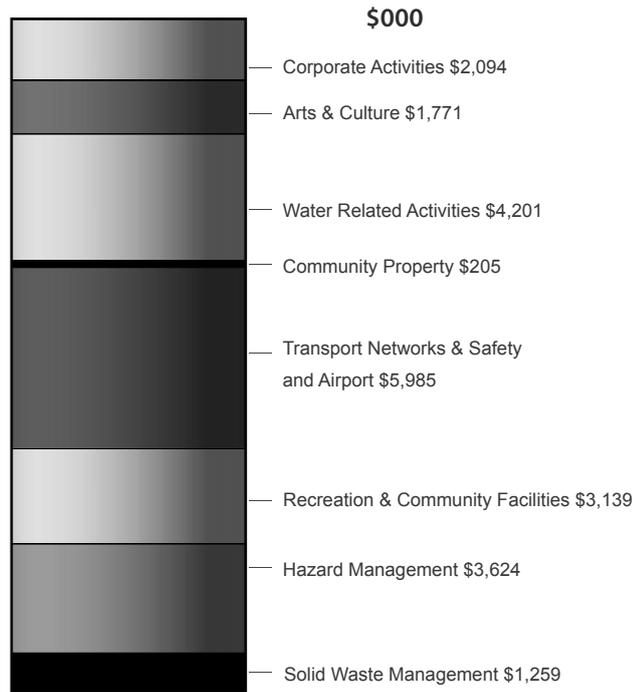
HOW OPERATING EXPENDITURE WAS SPENT

The total operating expenditure for the year ending 30 June 2010 is \$51.62 m. Core infrastructure such as Transport, Water, Wastewater and Storm water networks make up 45.53% 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 2009/10 year was \$22.28 m. 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 (LTNZ), funding from depreciation reserves, and development contributions charged to developers for their share of the costs associated with growth.

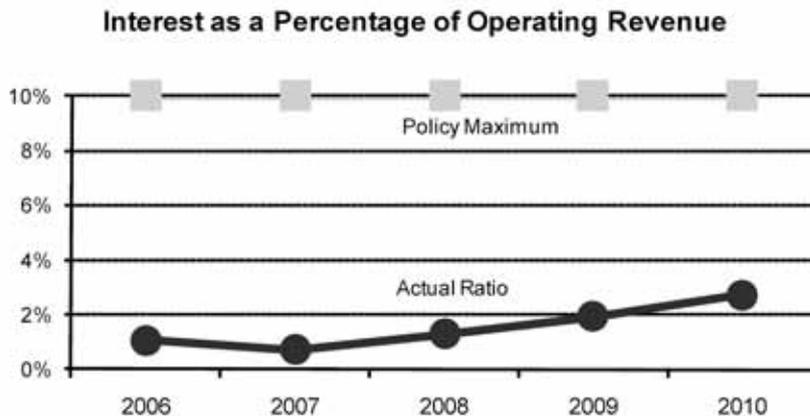


INTEREST AS A PERCENTAGE OF OPERATING REVENUE

The increase in Council’s level of borrowings reflects the utilisation of funds to complete the 2009/10 capital works programme. The Council borrows to fund the purchase of new or replacement assets.

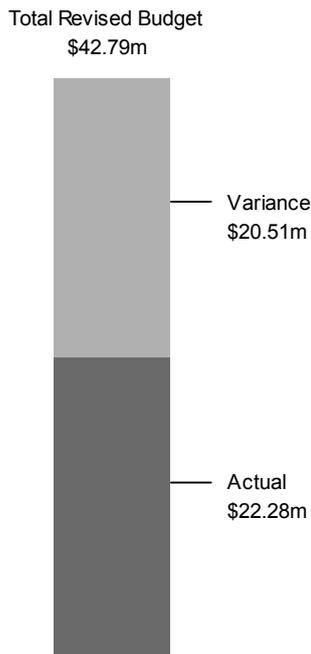
The Council’s external borrowings have increased from \$17.92 m at 30 June 2009 to \$26.72 m at 30 June 2010.

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%.



WHY DOES CAPITAL EXPENDITURE SHOW A VARIANCE?

This graph shows the level of expenditure on capital works, compared to what we intended to spend for the 2009/10 year. During the year the Council's total actual spend on capital works was \$22.28m against a revised budget* of \$42.79m.



* Revised budget is made up of the Annual Plan budget of \$24.04m plus projects carried forward from 2008/09 plus budget adjustments adopted by Council over the course of the 2009/10 year.

Of the projects identified in this Annual Report as major projects 45% were completed, 21% span multiple years and are ongoing and 34% were either delayed or not started.

In most cases where projects were delayed or did not start, they will be carried forward to be progressed in the next financial year. Of the \$20.51m variance, \$19.71m will be carried forward to 2010/11.

With less expenditure on capital works the Council has not needed to raise the expected level of loans budgeted for the 2009/10 year. The difference between budgeted and actual loans raised relating to these capital works was \$10.33m and this has resulted in favourable interest savings of \$473,300.

There are numerous reasons why projects may have been delayed or did not start. A number of projects are awaiting substantial subsidy funding from central government before commencing. In particular the Council receives funding from the New Zealand Transport Agency for roading projects and from the Ministry of Health for water related projects. Not receiving these subsidies has contributed towards the Council's operating deficit for the year but this is offset by not undertaking a number of capital works projects that were reliant on that funding.

Delays have also resulted from resource consent applications that have been lodged but are yet to be granted. A number of other projects have been deferred due to scope change, reprioritisation of the work programme or further investigations being required before they can proceed.

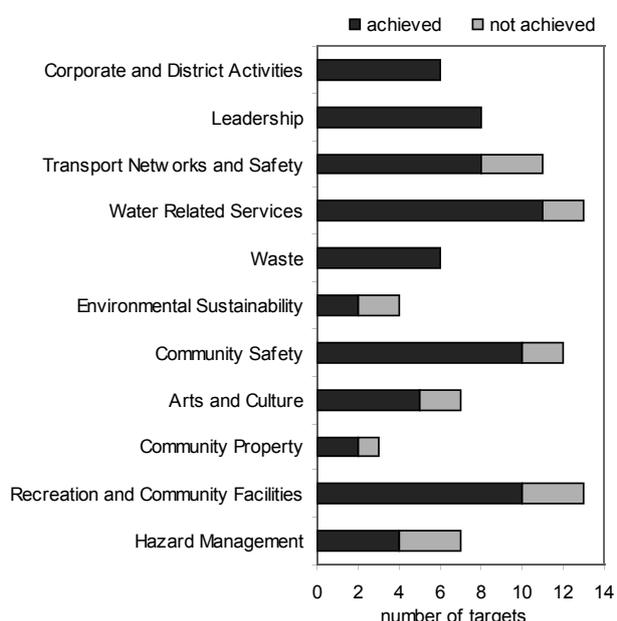
A key reason for the deferral of projects has been to try and keep rates at an affordable level for the community. This will not significantly change the level of service currently provided by the Council. As a result of work carried out in previous years on the Council's Asset Management Plans, the Council is in a better position to be able to defer capital works, with a good understanding of the impact that any delay will have. This includes a risk assessment that provides certainty that the deferral of projects will not create a risk to the community or the Council's assets, or have a negative impact in the future.

More information about progress on specific capital projects can be found in the groups of activity section of this Annual Report.

PERFORMANCE AGAINST LEVEL OF SERVICE TARGETS

The following graph illustrates our performance against the levels of service targets for each Group of Activities,

Performance targets are based on a range of technical and perception based measures. Technical measures include things such as the proportion of waste that goes to landfill, or the number of library issues per capita while perception measures are based on the Council's Residents Survey. This includes achievements from the 2008 Residents Survey where a more recent survey result has not been established.



The Long Term Council Community Plan 2009-19 (LTCCP) sets out the levels of service that the Council aims to provide to the community. For each of the Council's activities, performance is monitored against targets to show whether or not the intended levels of service have been achieved. For the 2009/10 year the LTCCP outlines 90 performance targets.

The graph illustrates performance at a group of activity level showing the number of performance measures that were achieved versus those that were not achieved. In total, of the 90 targets for the year, the Council achieved around 80% while 20% were not achieved. Information about the specific targets for each activity, including explanations for targets that were not achieved, can be found in the Groups of Activities section of this Annual Report.

About the Council's Residents Survey

The Residents Survey provides information on the community's views of Council performance. This Annual Report uses information from the Residents Survey to track progress against performance measures and targets set out for the year in the Long Term Council Community Plan.

The full Residents Survey is undertaken on a three yearly basis and was last undertaken during November and December 2008. For financial reasons the Council does not undertake a full survey annually. The Council did conduct a smaller Interim Survey in March 2010 to report back against perception measures that the Council had indicated would change (either improved or reduced level of service). For perception measures that were not expected to change, this Annual Report uses data from the full Residents Survey 2008.

The full Residents Survey 2008 included a sample size of 400 respondents while the Interim Survey 2010 had a sample size of 100. Respondents were selected from across the Council's four wards and from a range of demographics. It is worth noting that some survey questions related to specific services that may or may not have been used by the survey respondent such as customer services, boat ramps or building consent services. The survey results are based on those who used and were able to rate the service. Where less people were able to rate the service (in particular relevant to the Interim Survey) the margin of error for the result is greater.

The Residents Survey uses a Customer Satisfaction Index (CSI) to report survey results. The framework for interpreting the CSI scores is as follows:

CSI Score	Performance Interpretation
79 or higher	Exceptional performance
77-78	Excellent performance
73-76	Very good performance
68-72	Good performance, but potential for improvement
62-67	Fair performance, needs improvement
61 or lower	Needs significant improvement

The full Residents Survey 2008 is available on the Council's website www.whakatane.govt.nz

HIGHLIGHTS TIMELINE

AUGUST 2009

- Whakatane District Council's new website goes live.
- Molly Morpeth Canaday 3D art awards held at the Whakatane District Museum and Gallery.
- Grants Distributed to community groups and voluntary organisations.



SEPTEMBER 2009

- Council Purchase 49 Kakahoroa Drive (Former Briscoes Building) in the esplanade Mall for development of a new Library and Exhibition centre.
- Whakatane Air-show, featuring a race between a helicopter, Ferrari and motorbike, attracts over 5,000 spectators.
- Internet services made available in libraries through the Aotearoa Peoples Network Kaharoa.
- Whakatane District Council becomes one of the first Council's in NZ to pass Building Consent Authority Accreditation stage 1 together with stage 2.

MARCH 2010

- Whakatane District Aquatic centre closes to allow major repair project to proceed.



- Rangitaiki River Festival in Thornton celebrates the history of life on the river.

FEBRUARY 2010

- Hot Summer Nights Festival draws crowds to Whakatanes main street with great entertainment, food and wine.
- Consultation on the concept designs for the Arts and Culture building projects.
- Town Vision Advisory Board appointed to progress the Town Vision Development Plan.



APRIL 2010

- Council decide not to proceed with the sale of pensioner housing.
- Installation of Ohope Hill walkway/cycleway clip-ons completed.
- Consultation including open days on the Urban Growth Strategy and key issues for the District Plan Review.
- Consultation with hall committees and main hall users as part of the rural halls review process.



MAY 2010

- New Transfer Station in Minginui completed, using the Former Minginui Forestry Compound Buildings..



OCTOBER 2009

- Newly built Whakatane Crematorium opens for operation.
- New and improved after hours call service Implemented



NOVEMBER 2009

- Five year resource consent granted to retain the rock training wall on the western side of the Whakatane River.



- Electronic Content Management System (ECMS) goes live.

JANUARY 2010

- Moko the friendly dolphin arrives at our shores, entertaining swimmers at Ohope Beach and in the Whakatane Harbour.
- Mobility parks painted bright blue.
- Whakatane Dog Pound extension completed.



DECEMBER 2009

- Award winning Warren Cole Walkway, stretching from the Whakatane River Bridge to the Whakatane Gardens and Amphitheatre, officially opens.
- Stop-banks at Hinemoa St and Cutler Crescent raised increasing the level of flood protection for Awatapu.
- Kiwi and Weka Street water pipes upgraded.
- Burma Road Landfill closes with waste to be transferred out of the District to Tirohia landfill in the Waikato.
- Whakatane Transfer Station upgraded.

JUNE 2010

- New waste water pump station completed at Bunyan Road, Piripai.
- Intense weather and flooding causes damage to homes, businesses, roads, community facilities, and Council utilities.
- 1Gbps fibre optic network connects Whakatane District Council to other Councils in the Bay of Plenty.
- Youth Council Event – Video Superstar, held at Mataatua reserve.
- Te Kooti Road Bridge replaced.



Groups of Activities

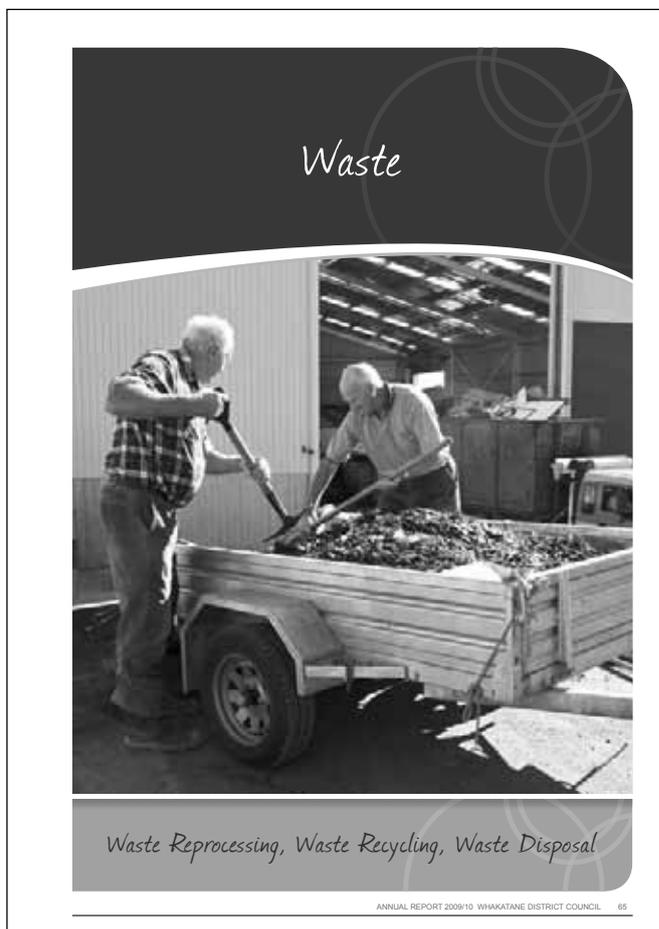


GUIDE TO THE GROUPS OF ACTIVITIES

The Groups of Activities section of the Annual Report provides a detailed overview of the activities that were undertaken by the Council. In the 2009/10 year the Council undertook the following groups of activities:

- Corporate Activities
- Leadership
- Transport Networks and Safety
- Water related services
- Waste
- Environmental Sustainability
- Community Safety
- Arts and Culture
- Community Property
- Recreation and Community Facilities
- Hazard Management

GUIDE TO THE LAYOUT & CONTENT OF THE GROUPS OF ACTIVITIES



Group of Activities

This (cover) page for each Group of Activities indicates the activities that are undertaken within the Group.

Groups of Activities - Waste

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides services for refuse collection, recycling and reprocessing of waste, and waste disposal. 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 contribute towards the implementation of the Council's Zero Waste Policy.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	5,083	4,767	(316)	F
Revenue	5,396	4,784	612	F
Net Cost of Service	(313)	(17)	296	F
Transfer from (surplus)/deficit	(313)	(17)	296	F
Capex	1,909	1,259	(650)	F
Payments to Reserves	146	609	463	F
Loan Repayments	216	216	-	-
Total Funding Requirement	1,958	2,067	109	F
FUNDED BY:				
Reserves	524	1,115	591	F
Loans Raised	1,434	952	(482)	F
Total Funding Applied	1,958	2,067	109	F

F = Favourable variance F = Unfavourable variance

What this group of activities includes

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

Group of Activity Cost of Service

This table outlines the cost of activities at a group level. The actual cost of the activities over the year is compared to the expected cost as set out in the LTCCP for the 2009/10 year. A key to the categories used in the table can be found later in this guide.

What we do and why

This provides a brief description of the types of functions that are undertaken within the particular activity and the reason for undertaking each activity. This paragraph also suggests the positive effects that undertaking this activity has on the community wellbeings.

Community outcomes

The activities undertaken by the Council contribute towards the achievement of the nine community outcomes for the Whakatane District. The community outcomes listed here are contributed to by this Activity, effecting the community wellbeings.

Cost of service

The Long Term Council Community Plan (LTCCP) for the 2009/10 financial year sets a budget for each activity that the Council undertakes. This table compares the expected cost of the activities, as set out in the LTCCP, with the actual cost of the activities over the year and any major variations are explained. A key to the categories used in the table can be found over the page.

Groups of Activities - Waste

WASTE RECYCLING

WHAT WE DO AND WHY

Recyclables are collected in tandem with general refuse and can also be dropped off, free of charge, to any of the Council's transfer stations. The materials currently being recycled via the domestic crate service include paper, cardboard, plastics (grades 1 and 2), glass (clear, green, brown), tin cans and aluminium cans. Larger items such as household appliances, steel, cars, timber, tyres etc can be taken to either the Murupara and Minginui Transfer Stations or the Whakatane Recycling Centre, where they are sorted for shipping.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	1,190	1,417	(227)	F Contract cost variation. Concrete recycling cost not yet recovered
Revenue	1,339	1,368	29	F -
Net Cost of Service (Surplus)	(149)	49	(198)	F
Capital Expenditure	25	5	20	F

F = Favourable variance F = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: Satisfaction with kerbside recyclable collection.

Target: Customer Service Index 81.2 or higher (exceptional performance).

Achieved in 2008: Customer Service Index 81.2 (exceptional performance).

Measure: Satisfaction with Council run recycling facilities in Whakatane and Murupara.

Target: Customer Service Index 82.4 or higher (exceptional performance).

Achieved in 2008: Customer Service Index 82.4 (exceptional performance).

Major capital projects

This table provides a commentary on the progress that was made against major capital projects. It outlines the reason for variances between the actual amount spent on the project for the year compared to what was budgeted, explaining any significant under or over spend. A key to the categories used in the table can be found over the page.

How did we perform against our targets?

This table outlines how the Council performed against the levels of service targets for the year and provides an explanation if they have not been met. The LTCCP 2009-19 outlines the levels of service that the Council aims to achieve. It details the measures and targets used to show whether or not the levels of service are being achieved.

These tables include both technical and perception based measures. Perception based measures rely on the Council's Residents Survey.

Groups of Activities - Waste

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Whakatane transfer station improvements.	367	837	736	✓	Completed.	Efficiencies
Construction of a transfer station at Minginui	-	100	80	✓	Completed	Efficiencies
Construction of a transfer station in Ruatāhuna	50	50	2	▶	Delayed: Meetings being held with Iwi to develop a satisfactory facility and service contract.	Carry Forward
Landfill retirement - Burma Road	531	1,101	412	▶	Delayed: Rehabilitation plan being worked through with Ngāi Awa.	Carry Forward
Proposed Landfill	250	336	16	▶	Delayed: Preliminary business case being developed before discussions with land owners.	Carry Forward
Construction of an organic waste composting plant.	686	686	8	▶	Delayed: Subsidy funding not secured. An alternative solution also being investigated.	Carry Forward

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/3

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: Provision of a landfill in the District.

Target: 1 until 31 December 2009 (Burma Road site). 0 from 1 January 2010 (waste disposed of outside of the District).

Achieved: A successful transition to shipping all appropriate waste outside the region to Tirohia in the Waikato has been completed. Access to collections has not been compromised.

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Groups of Activities - Waste

IN FOCUS

Closure of Burma Road Landfill: The Council's landfill at Burma Road closed its gates to the public on 31 December 2010. The Burma Road landfill is now undergoing a transformation that will see the site completely capped with clay, covered in topsoil and replanted in pasture and native bush. Before the landfill closed the Council provided a half price discount for waste disposal to ensure the landfill was as full as possible prior to closure and to avoid the need for this additional tonnage to be disposed of at Tirohia. Following the closure, non processed waste is being transported out of the District to the Tirohia landfill in the Waikato.

The Burma Road landfill had a very low operating cost and the move to the new solid waste operating environment has increased costs substantially. With six months experience in the 2009/10 year under the new arrangements the Council has gained a better understanding of the costs for solid waste activities.

This has resulted in increased budgets for solid waste activities in the 2010/11 year including higher fees and charges, as well as increases to the Refuse Removal Targeted Rates and the Refuse disposal Uniform Annual Charge. More information about these budgets can be found in the Annual Plan for 2010/11.

Responding to the Closure of the Landfill: To reduce costs for the future, the Council will be placing a major focus on reducing the amount of waste needing to be transported and disposed of outside the District. This will involve campaigns and projects to reduce, reuse and recycle waste.

The development of a Composting Plant for the District is expected to provide environmental and cost mitigation benefits by reducing the residual waste stream by 8,000 tonnes per year and produce compost for sale. During the 2009/10 year a suitable site for the Composting Plant was identified. Staff will continue investigations to develop the composting plant and work towards securing external funding to progress the project.

As a longer term solution, the Council continued to develop the proposal for a new District Landfill during the 2009/10 year. This project will continue into the 2010/11 year with further investigations being required to support the resource consent application process.

Whakatane Transfer Station Upgrade: Following the closure of Burma Road Landfill any residual waste (waste destined for the landfill) is now processed through the Council's transfer stations before being transferred to Tirohia landfill in the Waikato. To cope with this change in operating environment, the Whakatane transfer station at Te Tahi Street has been expanded and improved to enable increased diversion of waste for reuse and recycling. The new service commenced on 1 January 2010 and has run very successfully from the start.

New Minginui Transfer Station Completed: In April 2010 the Council completed construction of a waste transfer station and recycling park for Minginui. The transfer station makes use of the old Minginui forestry compound buildings. This provides for the controlled disposal of waste in an area where fly tipping has been a concern in the past.

NEGATIVE EFFECTS ON WELLBEINGS

Up until the close of the Whakatane landfill, the landfill was susceptible to odour, gas, leachate, litter, vermin and noise pollutions that can potentially have adverse effects on the wellbeing of the community. Within the constraints of the site and existing infrastructure, the operation was able to be managed as to minimise these effects. There were no other significant negative effects on the four wellbeings that occurred as a result of providing these activities.

In focus

This provides a description of the highlights or lowlights for this activity in the 2009/10 year.

Negative effects on wellbeings

This outlines any significant negative effects on the social, cultural, environmental or economic wellbeing of the community that have resulted from this activity. If this paragraph is not included then there were no significant negative effects for the activity. Positive effects are shown through the community outcomes against which this activity contributes and also through the section "What we do and why".



New Minginui Transfer Station Using Former Minginui Forestry Compound Buildings.

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Explanation of categories in the 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

Explanation of categories in the Major Capital Projects tables

Annual Plan 2009/10	The budget set aside in the Annual Plan 2009/10 for the project.																
Revised Budget	The budget set aside for the project in the Annual Plan 2009/10, plus budget carried forward from the 2008/09 year, plus any revisions to the budget adopted by Council during the year.																
Actual 2009/10	The amount actually spent on the project in the 2009/10 year.																
Project Status	<ul style="list-style-type: none"> ✓ The project was completed during the 2009/10 financial year. ▶ The project was not completed during the 2009/10 year. This includes projects that were not completed because they span multiple years as well as projects that were intended to be completed during the year but were not. ● The project was not completed during the 2009/10 year and has been cancelled. 																
Progress	<p>This describes progress that has been made against the project during the 2009/10 year. Progress categories include:</p> <table> <tr> <td>Completed:</td> <td>Project has been completed.</td> </tr> <tr> <td>Ongoing:</td> <td>Project is on track but is ongoing (spans multiple years).</td> </tr> <tr> <td>Delayed:</td> <td>Project has been delayed.</td> </tr> <tr> <td>Not started:</td> <td>Project was expected to start but has not started.</td> </tr> <tr> <td>Deferred:</td> <td>Project timeframes have been intentionally deferred by Council.</td> </tr> <tr> <td>Cancelled:</td> <td>Project has been cancelled from the work programme.</td> </tr> </table>	Completed:	Project has been completed.	Ongoing:	Project is on track but is ongoing (spans multiple years).	Delayed:	Project has been delayed.	Not started:	Project was expected to start but has not started.	Deferred:	Project timeframes have been intentionally deferred by Council.	Cancelled:	Project has been cancelled from the work programme.				
Completed:	Project has been completed.																
Ongoing:	Project is on track but is ongoing (spans multiple years).																
Delayed:	Project has been delayed.																
Not started:	Project was expected to start but has not started.																
Deferred:	Project timeframes have been intentionally deferred by Council.																
Cancelled:	Project has been cancelled from the work programme.																
Variance	<p>This describes the reason for variances between the actual amount spent on the project for the year compared to the revised budget, explaining any significantly under or over spent. For example did the costs overrun, were there efficiencies, were the costs affected by an increase or decrease in the scope of the project or was the project under-spent because the expected level of progress was not made. Variance categories if over budget include:</p> <table> <tr> <td>(If over budget)</td> <td>Scope of the project has been increased, requiring additional budget.</td> </tr> <tr> <td>Scope increase:</td> <td>The costs of the project were higher than expected (scope is unchanged).</td> </tr> <tr> <td>Cost overrun:</td> <td></td> </tr> <tr> <td>(If under budget)</td> <td>Scope of the project has decreased, requiring reduced budget.</td> </tr> <tr> <td>Scope decrease:</td> <td>The project has been completed at a reduced cost (scope is unchanged).</td> </tr> <tr> <td>Efficiencies:</td> <td>Expected level of progress was not made, requiring reduced budget.</td> </tr> <tr> <td>Carry Forward:</td> <td>The project has been cancelled and budget (or portion thereof) was not required.</td> </tr> <tr> <td>Cancelled:</td> <td></td> </tr> </table>	(If over budget)	Scope of the project has been increased, requiring additional budget.	Scope increase:	The costs of the project were higher than expected (scope is unchanged).	Cost overrun:		(If under budget)	Scope of the project has decreased, requiring reduced budget.	Scope decrease:	The project has been completed at a reduced cost (scope is unchanged).	Efficiencies:	Expected level of progress was not made, requiring reduced budget.	Carry Forward:	The project has been cancelled and budget (or portion thereof) was not required.	Cancelled:	
(If over budget)	Scope of the project has been increased, requiring additional budget.																
Scope increase:	The costs of the project were higher than expected (scope is unchanged).																
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Efficiencies:	Expected level of progress was not made, requiring reduced budget.																
Carry Forward:	The project has been cancelled and budget (or portion thereof) was not required.																
Cancelled:																	

Corporate & District Activities



*Communications, Finance, Customer Information, Corporate Information
Corporate Property, Human Resources, District Income and Expenditure*

WHAT ARE CORPORATE AND DISTRICT ACTIVITIES

Every organisation needs to develop, manage and maintain internal systems to provide effective and efficient external services. Corporate and District Activities are substantial functions of the Council and while they do not fall within the Groups of Activities they do impact on their budgets.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	200	2,956	2,756	\$
Revenue	1,025	3,364	(2,339)	\$
Net Cost of Service	(825)	(408)	(417)	\$
Transfer from (surplus)/deficit	(825)	(956)	(131)	\$
Capex	2,389	2,093	(296)	\$
Payments to Reserves	771	2,645	1,874	\$
Loan Repayments	1,359	54	(1,305)	\$
less Depreciation not Funded		(422)	(422)	\$
Total Funding Requirement	3,694	3,414	(280)	\$
FUNDED BY:				
Reserves	2,763	2,071	(692)	\$
Loans Raised	931	1,001	70	\$
Sale of Assets	0	342	342	\$
Total Funding Applied	3,694	3,414	(280)	\$

\$ = Favourable variance \$ = Unfavourable variance

CORPORATE AND DISTRICT ACTIVITIES

WHAT WE DO AND WHY WE DO IT

Corporate and District Activities support the delivery of the Council's projects, plans and activities. Corporate and District Activities include:

Communications: The Council provides the communications activity to inform, engage and enable the community to better understand what the Council does so they can be a part of decisions and projects. Community engagement is a major part of Council activities and some types of public communication are required by law. The Local Government Act 2002 requires the Council to consult with its community and facilitate public debate about matters being considered by the Council.

Finance: This internal activity provides financial and rating services to support the Council's activities. It is responsible for developing and providing effective mechanisms to monitor and report on Council's financial performance.

Customer Services: The Council needs efficient and consistent customer services to meet the continually changing expectations of its customers. This activity manages these expectations and ensures the agreed appropriate service is provided in accordance with the customer service standards and charter.

Corporate Property: Corporate property includes assets that provide essential services to the community and those that are supported by the local community. There are 20 properties in total, which include the Civic Centre, Museum and Gallery, the Whakatane Airport Terminal Building, Workshops, Depots, Libraries, and the Dog Pound.

Corporate Information: This activity delivers information services to internal and external customers. Providing the right tools and information at the right time and place enables efficient, effective, and prudent management. The Corporate Information activity is the guardian of Council's data, information and knowledge assets which must be securely managed for current and future generations. The Council must also comply with relevant legislation such as the Public Records Act 2005 (PRA) and the Electronic Transactions Act 2002 (ETA) regarding the creation, collection, retention, and archiving of information.

Human Resources: The purpose of this activity is to attract, retain, up skill, motivate and reward high calibre employees capable of having a positive impact in their areas of responsibility and delivering on the Annual and Long Term Council Community Plans work programmes for which they are responsible. As at the 30 June 2010 the Council employed 173.9 full time equivalent employees (including casuals).

District Income: District Income is applied to reduce the general rate requirement in other Council activities. This revenue is sourced from commissions, petrol tax, interest and other sundry revenue.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

Achieved 6/6

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The community is provided with up-to-date, factual information about Council's current and planned activities.

Measure: Satisfaction with Council's provision of information.

Target: Customer Satisfaction Index score 64.2 or higher (Fair: needs improvement).

Achieved in 2008: Customer Satisfaction Index score 64.2 or higher (Fair: needs improvement).

Measure: Byways is produced and distributed quarterly to every household and non-resident ratepayer.

Target: Byways produced and released quarterly.

Achieved: Six editions of Byways were published and distributed to all households in the District. Copies are emailed to non-resident ratepayers on the Byways mailing list. Byways is also available on the Council's public website.

Level of Service: The community and the Council have access to accurate and timely financial information.

Measure: Rates assessments are issued to ratepayers within a timely manner and contain accurate information.

Target: Ratepayers are given at least two weeks notice to pay a rates instalment.

Achieved: Ratepayers provided at least two weeks notice of rates instalments.

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure*	200	2,956	2,756	\$	Development contribution refunds, Doubtful Debts, Loss revaluation adjustments, Salaries and wages
Revenue*	1,025	3,364	(2,339)	\$	Vested assets
Net Cost of Service (Surplus)	(825)	(408)	417	\$	
Capital Expenditure	2,389	2,093	(296)	\$	

\$ = Favourable variance \$ = Unfavourable variance

* The operational costs associated with Corporate and District Activities are generally funded by charging overheads on other activities. The Cost of Service table above captures the costs that are not charged as overheads.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Cost Variance due to
Telephony	28	28	18	✓	Completed: Annual ongoing programme of replacing and expanding the communications systems. Balance of budget will be carried forward to 2010/11	Carry Forward
Network Hardware	75	75	80	✓	Completed.	-
IT Infrastructure Central Hardware	225	225	217	✓	Completed.	-
Information Management	250	250	137	▶	Ongoing: Includes multiple projects to improve security and reliability of information systems - majority completed, some ongoing or not started.	Carry Forward
Electronic Content Management System	0	706	537	✓	Completed: Implementation phase completed. System functionality to be implemented in 2010/11 as planned using remaining budget.	Carry Forward
Ozone Development	427	583	218	▶	Ongoing: Includes roll out of multiple Ozone modules, programme to continue in 2010/11.	Carry Forward
OBU Systems Development and Data Collection	400	400	11	▶	Delayed: Project manager and project team established, to be progressed in 2010/11.	Carry Forward

Achieved 6/6

HOW DID WE PERFORM AGAINST OUR TARGETS?

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

Measure: Satisfaction with overall service from Customer Service/Front Desk staff.

Target: Customer Service Index score 75.2 or higher (Very good service).

Achieved in 2008: Customer Service Index score 75.2 or higher (Very good service).

Measure: Percentage of non direct dial telephone calls (calls to customer service) answered within 30 seconds.

Target: 85% **Achieved:** 85.7% on track with our target

Measure: Customer service efficiency is maximised through staff access to high quality information systems.

Target: 99% of users have access during business hours.

Achieved: 100% availability of Active Directory in working hours, 99.84% availability of email, 98.98% availability of files, 99.87% availability of printing, 99.59% availability of Ozone.

IN FOCUS

New Website Goes Live: The Council has developed a new, more attractive and functional website. The website went live in August 2009 and has been achieving increased traffic since its inception. This represents a better service for the community to access Council information. The annual website awards, evaluating all 85 city, district and regional councils, placed Whakatane's new website 39th overall compared to 52nd with the previous website.

Improved After Hours Service: In October 2009, the Council transitioned to a new after-hours call centre service provider. There were immediate benefits for customers due to an increase in the capacity of the new provider. The Council now receives detailed analysis of call volumes, call types and other information that can be used to continually improve our service.

ECMS Implementation: During the year the Council completed phase one of a major project to implement and transition into a new Electronic Content Management System (ECMS). The new system has been implemented to reduce the reliance on paper based records, provide more security for Council's information and allow far more efficient access to records by staff. This will enable staff to operate more efficiently and to respond quickly to community requests. Phase two, which is aimed at automating more of the Council's manual paper based processes will continue in the next year.

Resource Consent Systems Development: The Council have implemented new electronic information management systems to improve the processing and management of resource consent applications. This replaces the previously more manual processes and allows the Council to more easily monitor and meet regulatory requirements. This will enable staff to process resource consents for the public more quickly.

New Rates System Implemented: Through the development of the LTCCP 2009-19 the Council adopted a new rating system based on a user pays philosophy. This was a significant process and changed the way rates are calculated and charged. This has resulted in increased use of Uniform Annual Charges, Targeted Rates, and remoteness differentials with a reduced reliance on rates set according to property value. A major project was completed early in the 2009/10 year to implement this new system.

This new rating system will mean that the proportion of rates that each rate payer pays will more accurately reflect the services and infrastructure available to each property.

Fibre Optic Network Links Councils: A 1Gbps fibre optic network now links the Whakatane District Council with the other Councils of the Bay of Plenty region. See BOPLASS CCO section for more information about this project. This project will have great benefits for improving how the Council operates for the community

Staff can now access Council records and information quicker and easier with a new electronic content management system

Leadership



Governance, Community Support, Strategy and Policy

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.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	2,731	2,556	(175)	\$
Revenue	2,725	2,847	(122)	\$
Net Cost of Service	6	(291)	(297)	\$
Transfer from (surplus)/deficit	5	(292)	(297)	\$
Payments to Reserves	-	286	286	\$
Loan Repayments	6	6	-	-
Total Funding Requirement	11	-	(11)	\$
FUNDED BY:				
Reserves	11	-	(11)	\$
Total Funding Applied	11	-	(11)	\$

\$ = Favourable variance \$ = Unfavourable variance

GOVERNANCE

WHAT WE DO AND WHY

Governance of the Council is a key activity, supporting and guiding everything else that the Council does. The elected members of the Council provide direction to the Council, ensuring that it is able to offer value for money and prudent management contributing to community outcomes. 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.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,886	1,839	(47)	\$	Overheads
Revenue	1,875	1,962	(87)	\$	Increased district income
Net Cost of Service (Surplus)	11	(123)	(134)	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 5/5

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The Council makes decisions in an open and transparent manner.

Measure: Meetings are publicly notified and agendas of the Council, its committees and community boards are available.

Target: 100% of meetings notified and agendas made available.

Achieved: 100% of meetings notified and agendas made available.

Measure: Satisfaction with the opportunities Council provides for community involvement in decision making scores 58.5 or higher (Needs significant improvement) in Council's Perception Survey.

Target: Customer Service Index 58.5 or higher

Achieved in 2008: Customer Service Index 58.5 (Needs significant improvement).

Level of Service: Elections and representation reviews are conducted in accordance with the Local Electoral Act 2001 and participation is encouraged.

Measure: Compliance with the Local Electoral Act 2001 for triennial elections and representation reviews.

Target: Representation review and any by-elections conducted in accordance with the Local Electoral Act.

Achieved: By-elections (Community Boards) and a representation review conducted in accordance with the Local Electoral Act.

IN FOCUS

Representation Review: The representation review was completed without any public submissions within the timeframes of the Local Electoral Act 2001. Minor changes were made to the Community Board boundaries. Maraetotara Road was included in the Ohope Beach Community Board boundary and Omega Place and the industrial zoned area north of Whakatane were included in the Whakatane Community Board area. The Edgecumbe Tarawera Ward was renamed the Rangitaiki Ward and the Edgecumbe Tarawera Community Board was renamed as the Rangitaiki Community Board. There were no changes to the number of Councillors or Community Board members.

Successful Appeal of the Regional Council's Decision to Relocate: The Whakatane District Council have been successful in their appeal of the decision by the Bay of Plenty Regional Council to relocate its head office from Whakatane to Tauranga. The Court of Appeal declared that the Regional Council did not comply with the Local Government Act 2002 (LGA). In particular, the judgement specified that the Regional Council had not complied with the obligations to consider community views and preferences under section 78 of the Act. The Council has been awarded costs associated with the appeal. The overall outcome of this process has yet to be determined and will still depend on the Regional Council's decisions.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 5/5

Level of Service: Māori have the capacity and the opportunity to contribute to Council decision making.

Measure: *Number of Iwi Liaison Committee meetings held per year*

Target: Eight or more Iwi Liaison Committee meetings held during the year.

Achieved: Eight meetings held during the year.

Measure: *Māori satisfaction with the opportunities Council provides for community involvement in decision making*

Target: Customer Service Index 58.4 or higher (Needs significant improvement).

Achieved in 2008: Customer Service Index 58.4 (Needs significant improvement).

COMMUNITY SUPPORT

WHAT WE DO AND WHY

The Council provides community support by providing 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.'

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	186	136	(50)	\$ Annual Grants lease subsidies under spent
Revenue	192	201	(9)	\$ -
Net Cost of Service (Surplus)	(6)	(65)	(59)	\$

\$ = Favourable variance \$ = Unfavourable variance

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Community groups, voluntary organisations and landowners are supported in contributing to the social, environmental, cultural and economic wellbeing of the Whakatane District.

Measure: Availability and distribution of community funding in accordance with Council policy.

Target: Community funding distributed in accordance with Council policy

This includes the following community funds: Community Boards discretionary funds, Iwi Liaison Committee discretionary fund, Annual Grants, Multiple Year Funds, and Lease Subsidies.

Achieved: \$271,000 was allocated for community funding under the Council's Community Funding Policy. This is a significant investment in community projects and services.

IN FOCUS

Grants Distributed Under New Community Funding

Policy: Every year the Whakatane District Council provides grants to community groups and volunteer organisations to enable or assist them to contribute to the wellbeing of the District. The 2009/10 round of community funding was the first year that grants were provided under the new Community Funding Policy adopted in March 2009. Under the new policy, organisations have been able to apply for funding on a three yearly basis and subsidies for market based leases have also been incorporated into the grants system.

The Policy was developed to improve the levels of transparency, equity and consistency in the Council's community funding processes.

Major Community Grants Allocated: The Council provided over \$200,000 in grants to community groups and voluntary organisations in the 2009/10 year. Some examples of grants provided include:

- Bay of Plenty Surf Lifesaving: \$49,266 to provide life guard services at Thornton, Mahy Reserve and Ohope Motor Camp
- Citizens Advice Bureau: \$15,000 to assist with Manager's wages, insurance and rates
- Neighbourhood Support: \$5,000 to assist with salary costs
- Whakatane Community Patrol: \$4,000 to cover costs of training courses and
- RSPCA: \$4,500 for salaries, vehicle costs, vet and disposal fees.

These all represent worthy investments in organisations that are delivering valuable services to the community.

STRATEGY AND POLICY

WHAT WE DO AND WHY

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. This activity also includes developing and consulting on planning and accountability mechanisms as required under the Local Government Act 2002, such as the Long Term Council Community Plan and the Annual Plan.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

COST OF SERVICE?

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	658	580	(78)	☒	Delay in replacing vacancies.
Revenue	658	685	(27)	☒	Increased district income.
Net Cost of Service (Surplus)	-	(105)	(105)	☒	

☒ = Favourable variance ☒ = Unfavourable variance

Achieved 2/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

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

Measure: Perception that the Council makes good long term decisions.

Target: Customer Service Index score 47.4 or higher

Achieved in 2008: Customer Service Index score 47.4.

IN FOCUS

Policy Framework: A major project to stocktake all Council policies and develop a framework around maintaining them has been completed. A register of major policies known as the "policy A-Z" can now be accessed on the Council's website. This will improve transparency for the community as they are able to access the policies under which the Council operates. As part of the project, a schedule for the review or replacement of policies has been developed, which will be worked through over the coming years.

Annual Report Summary Competition: The Council placed jointly first place in the Society for Local Government Managers' Annual Report Summary Competition for the Annual Report 2009/10. Criteria for the competition was; telling the performance story, audience focus, and creativity. This is a great result as the Council always strives to provide information to the community in a user friendly and informative manner.

Sustainability Initiatives: The Council has become a member of the Sustainable Business Network, a not-for-profit organisation that supports businesses to become more sustainable, and is getting involved in several initiatives including the Get Sustainable Challenge.

During the year the Council also took part in, and won a competition run by Sustainable Business Network to reduce kilometres travelled. This was an exciting competition, with over 30 staff involved in actively trying to reduce our organisational travel. The external profile of the project was also raised, with Bay-wide press highlighting the positive work taking place at Whakatane District Council. The prize for winning the competition is for the Council to have our vehicle emissions for the year offset through local tree-planting.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Measure: *Status of the Council's policy framework.*

Target: Policy framework drafted and review schedule completed. A third of policies reviewed as per schedule.

Achieved: Framework and review schedule completed. This is now available for the community from the Council's website.

Transport Networks & Safety



Transport Networks, Road Safety, Parking Enforcement

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 transport services that will, where necessary, conform to national funding criteria, prudent use of resources and expectations of safety, sustainability and comfort.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	12,570	13,929	1,359	\$
Revenue	13,952	13,268	684	\$
Net Cost of Service	(1,382)	661	2,043	\$
Transfer from (surplus)/deficit	(1,382)	1,354	2,736	\$
Capex	6,296	5,783	(513)	\$
Payments to Reserves	410	385	(25)	\$
Loan Repayments	889	378	(511)	\$
Less Depreciation not Funded *	(2,689)	(4,132)	(1,443)	\$
Total Funding Requirement	3,524	3,768	244	\$
FUNDED BY:				
Reserves	3,275	2,363	(912)	\$
Loans Raised	224	1,405	1,181	\$
Sale of Assets	25	-	(25)	\$
Total Funding Applied	3,524	3,768	244	\$

\$ = Favourable variance \$ = Unfavourable variance

* Non Funded Depreciation

Non Funded Depreciation is the portion of depreciation expense that Council does not fund from Revenue. The Council funds depreciation on the average of the next 25 years renewal requirements. Additionally, because the Council receives subsidies for a large portion of the renewals work in this Activity, it does not need to fully fund depreciation through rates revenue. The Council funded \$2.458 million of depreciation in 2010 against a budgeted amount of funded depreciation of \$2.458 million.

TRANSPORT NETWORKS

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 kilometres travelled on the network each year with approximately 72% of this traffic being on the arterial and collector roads.

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	11,629	13,243	1,614	\$	Storm damage reinstatement, Increased depreciation following asset revaluation
Revenue	12,973	12,554	419	\$	NZTA Subsidies
Net Cost of Service (Surplus)	(1,344)	689	2,033	\$	
Capital Expenditure	6,296	5,783	(513)	\$	

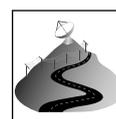
\$ = Favourable variance \$ = Unfavourable variance

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



PROSPEROUS
ECONOMY



HIGH-QUALITY
AFFORDABLE
INFRASTRUCTURE

56km of roads were resurfaced during the 2009/10 year at a cost of \$1.8m

Achieved 5/7

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide a reliable, safe and maintained transport network.

Measure: Satisfaction with the surface of the roads being maintained (e.g. lack of potholes, cracks, bumps etc).

Target: Customer Service Index 65.4 (Fair Performance, Needs improvement)

Not achieved: Customer Service Index 55.9 (Needs significant improvement) - March 2010 survey results.

The level of service provided under this activity has not changed since the baseline survey was undertaken in 2008. Under a new maintenance contract in 2009/10, the surface of roads are being maintained at a more consistent level than previous years. The survey result showing a reduced level of satisfaction may have been influenced by differences in the survey design such as timing or sample size. The Council will continue to provide the current level of service and will reassess the measure through the development of the Long Term Council Community Plan 2012-22.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Cost Variance due to
Transportation Strategy	-	259	-	▶	Delayed: Proposed study pending NZTA approval. NZTA looking to integrate with other State Highway form/function and route security studies.	Carry Forward
Landing Road reconstruction	75	75	-	▶	Not Started: Pending completion of the Transportation study.	Carry Forward
Gorge Road widening and cycleway improvements - design 2009/10	143	143	38	▶	Delayed: Project delayed as a result of reduced subsidy funding available for walking and cycling projects from NZTA. Project to be reassessed during development of next LTCCP.	On Hold
Sealed road resurfacing	1,950	1,950	1,813	✓	Completed: The resurfacing of sealed roads is an annual ongoing programme of work. Some sites have been deferred from 2009/10 to 2010/11 and therefore the remaining budget will be carried forward.	Carry Forward
Pavement rehabilitation - McCracken Rd	56	56	54	✓	Completed.	-
Minor improvements programme	644	644	295	▶	Ongoing: The minor improvements programme is an annual ongoing programme of work. Some projects have been deferred from 2009/10 to 2010/11.	Carry Forward
Te Kooti Road Bridge Replacement	130	130	139	✓	Completed.	-
Matahi Road Improvements	132	132	112	✓	Completed	-
Ohope Hill Clip-ons	292	292	282	✓	Completed	-

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 5/7

Measure: Percentage of customer service requests responded to appropriately and within timeframes in maintenance contract.

Target: 95%

Achieved: 100%, all requests were responded to within contract timeframes.

Measure: Percentage of road crashes identify the road as a contributing factor (measured as a 5 year average 2005-2010).

Target: Less than 14%.

Achieved: 12.7%. There were 1,240 crashes (of which 157 have a road factor). This is a positive reflection of the road conditions in the District.

Measure: Percentage of road network compliant with New Zealand Transport Agency average road roughness limits.

Target: The above measure and related targets were changed during the year. The new measure is the NZTA Smooth Travel Exposure which measures the proportion (%) of vehicle kilometres travelled in a year that occurs on 'smooth' sealed roads. This indicates the ride quality experienced by motorists.

The targets are: rural roads 95%, urban roads 80%. The urban target is lower because the measuring device is negatively affected by vehicle stopping at intersections.

Achieved: Rural 97%, urban 86%. Suggesting the ride quality experienced by motorists in the District is just above average, reflecting a good level of investment.

IN FOCUS

Matahi Road Improvements: In April 2010 the Council completed seal widening and reconstruction of the Matahi Road. This project recognised the increased volume of traffic on the road as a result of logging in the area. This will improve the safety and quality of the road,

Te Kooti Road Bridge Replacement: The Council completed construction of a new bridge across the Wainui stream during May 2010, replacing the old culvert crossing. The old culvert had sunk over a number of years, restricting water flow and increasing the risk of flooding the roadway. The new bridge will provide the community with a more secure crossing.

Ohope Hill Clip-ons Completed: The Council installed clip-ons along the Ohope Hill Road berm to allow sufficient continuous width for the Whakatane to Ohope walkway/cycleway. Unfortunately, with the reprioritisation of funding from NZTA, the Council was not able to secure funding to pave a concrete pathway alongside the road in the 2009/10 year. However completion of this projects has lead to greater pedestrian safety providing a continuous path alongside the road, and provides for future cycle facilities to be added at a later stage.

Safety Improvement Projects Prioritised: In November 2009 the Council completed a Road Safety deficiency Assessment and Prioritisation Policy. The purpose of the policy is to outline how the Council will identify safety deficiencies and prioritise minor improvement projects. As part of this project the Council has identified and ranked hazards and deficiencies and prioritised them in the safety work programme. A copy of the Policy is available on the Council's website www.whakatane.govt.nz. This will lead Councils work programme in the future and provide more certainty to the community that works are well prioritised.

Sealed Road Resurfacing: With \$1.8m spent in the 2009/10 year, sealed road resurfacing is a major programme of work for the Council. This is an ongoing annual programme required to renew the surfaces of roads as they deteriorate through use. In the 2009/10 year, 56km of roads were resurfaced. This important maintenance programme improves the safety and drive quality for motorists while maintaining the integrity of the road to prolong its life for future years.

Impact of the May/June Floods: A number of slips, washouts and flooding affected roading infrastructure around the Whakatane District. The event forced many roads to be closed or to be reduced to one lane. This included major arterial routes connecting Whakatane to Opotiki and Tauranga as well as local roads.

Up to 14 road crews worked on the cleanup during and after the event, including some from out of town. Road crews worked through the night to clear slips and debris and pump water from roads. Ohope hill, Stanley Road, Valley Road and the Matata Straights were the most significantly affected. In summary the repair costs for damage to roading infrastructure was approximately \$860,000 in initial response costs and a further \$1.03m for permanent reinstatement costs.

Repair work is still underway to reinstate roads to pre-flood levels. Core roading infrastructure has been repaired, with access available on all routes, but there is still some ongoing infrastructure damage that is restricting full width access. Work will continue to repair roads to full access into 2010/11.

Achieved 5/7

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide a quality roading network compliant with all statutory and regulatory requirements.

Measure: Compliance with transport related statutory and regulatory requirements according to procedural audits (3 yearly).

Target: 100% compliance

Awaiting Results: The procedural audit has been undertaken but at the time of writing this Annual Report the result was not yet available.

Level of Service: Route security is maintained.

Measure: Percentage of road closure incidents where access is restored within timeframes in maintenance contract.

Target: 100%

Achieved: 100%. This was a particularly good achievement given the incidents due to flooding during 2009/10

Measure: Number of bridges spanning the Whakatane River providing access to Whakatane urban area.

Target: 1 (2 by 2017)

Achieved: 1

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. NZTA, ACC, Bay of Plenty Regional Council and the Police are key stakeholders along with local agencies who belong to the Eastern Bay of Plenty 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. NZTA are a major funder of the cost of the road safety activity with funding also coming from the three Eastern Bay of Plenty District Councils and the Bay of Plenty Regional Council. ACC are also 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.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



SAFE CARING COMMUNITY



HIGH-QUALITY AFFORDABLE INFRASTRUCTURE

Following the change of government and new priorities for the New Zealand Transport Agency, a reduced level of subsidy funding was available for the delivery of local road safety programmes in 2009/10

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/2

Level of Service: Provide programmes that help reduce the incidence and severity of crashes in the District and help to reduce road travel demand.

Measure: Satisfaction with the safety of our roads

Target: Customer Satisfaction Score 68.4 or higher (good service with potential for improvement).

Achieved in 2008: Customer Satisfaction Score 68.4 (good service with potential for improvement) - November 2008 survey result.

Measure: Number of annual road safety and travel demand programmes delivered.

Target: 30 programmes.

Not achieved: 23 programmes delivered, as agreed and funded by NZTA. Following the change of government and new priorities for the New Zealand Transport Agency, a reduced level of subsidy funding is available for the delivery of these programmes.

The Council will reassess this performance target to align with the new NZTA priorities through development of the 2012-22 LTCCP.

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	610	367	(243)	Ⓢ	Reduced programme as approved by NZTA
Revenue	610	268	342	Ⓢ	Reduced subsidy funding from NZTA
Net Cost of Service (Surplus)	-	99	99	Ⓢ	

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

IN FOCUS

The Council was involved in delivering a number of Road Safety Programmes in the community to try and make the roads safer for everyone. Changing young peoples' attitudes to drinking in particular will have a positive impact on road safety for future years.

Choice Challenge Programme: The Choice Challenge Programme for repeat drink drivers was held monthly, circulating through Opotiki, Kawerau and Whakatane. The programme includes group activities and provides powerful messages from those affected by drink driving. Participants are referred to the programme through the Probation Service with around 100 attending over the past year.

Powerful Message Delivered on the Marae:

Inspirational speaker Tamati Paul visited the Puawairua Marae to deliver his message at our Marae based youth work programme. Tamati Paul is a survivor of a serious car crash and his powerful message provided students with insight into their use of alcohol/drugs and driving. This programme, supported also by the Police, is gaining momentum and there is keen interest from the Police in taking it to other areas.

Road Safety Message Taken to High Schools: Well known New Zealand musician Billy TK Junior visited two secondary schools in the District to spread messages about youth road safety issues such as drink driving, speeding, peer pressure and responsibility. His Driving to the Future, Holden sponsored programme includes music, shared stories from survivors of drink driving crashes and the Tamiti Paul video 'Shattered Dreams'. A number of older students were also able to learn and practice safe driving skills through a computer based driver training programme developed by ACC and NZTA.

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 Limits 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.

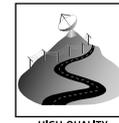
This activity supports safety on the road by identifying vehicles that do not comply with regulations around road worthiness. Associated processes include prosecutions and court appearances as well as responding to complaints. The Council is proactive in promoting Whakatane's parking regulations and promotes the message of responsible driver behaviour towards parking requirements. This service ensures a turnover of vehicles in key areas to manage traffic flow.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



PROSPEROUS ECONOMY



HIGH-QUALITY AFFORDABLE INFRASTRUCTURE

IN FOCUS

Mobility Parking Spaces Painted Bright Blue: The Council has painted approximately 70 mobility parking spaces bright blue resulting in a 75% reduction in tickets being issued for mobility parking infringements. This initiative follows a successful trial of five mobility car parks around the Civic Centre and has received very positive community feedback. This initiative ensures greater availability of essential parking spaces for mobility card holders, while also reducing the community's likelihood of accidentally receiving parking infringements.

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	331	319	(12)	\$	Less Court costs than expected
Revenue	369	447	(78)	\$	Higher than expected revenue from fines
Net Cost of Service (Surplus)	(38)	(128)	(90)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Level of Service: Parking enforcement maximises the availability of parking and ensures that vehicles are safe.

Measure: Satisfaction with Council parking in Whakatane.

Target: Customer Service Index 69.9 or higher (Good service with potential for improvement).

Achieved in 2008: Customer Service Index 69.9 (Good service with potential for improvement).

Measure: Number of regular patrols that are carried out in Whakatane and Kopeopeo for parking and road worthiness:

Target: Whakatane; 3 patrols per day.
Kopeopeo; 5 patrols per week.

Achieved: The targets above were achieved through regular patrols except when unplanned staff absences prevented full coverage.

Water-Related Services



Water, Wastewater, Stormwater, Trade Waste

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 Council undertakes the activities in this group because of statutory obligations and public demand. Under section 130(2) of the Local Government Act 2002, the Council must continue to provide these water services to those communities that have been serviced.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	9,635	9,578	(57)	\$
Revenue	9,306	8,069	1,237	\$
Net Cost of Service	329	1,509	1,180	\$
Transfer from (surplus)/deficit	329	1,509	1,180	\$
Capex	6,340	4,204	(2,136)	\$
Payments to Reserves	230	534	304	\$
Loan Repayments	756	756	-	-
Less Depreciation not Funded *	(2,146)	(2,238)	(92)	\$
Total Funding Requirement	5,509	4,765	(744)	\$
FUNDED BY:				
Reserves	2,717	2,043	(675)	\$
Loans Raised	2,792	2,723	(69)	\$
Total Funding Applied	5,509	4,765	(744)	\$

\$ = Favourable variance \$ = Unfavourable variance

* Non Funded Depreciation

Non Funded Depreciation is the portion of depreciation expense that Council does not fund from Revenue. The Council funds depreciation on the average of the next 25 years renewal requirements. The Council funded \$1.531 million of depreciation in 2010 against a budgeted amount of funded depreciation of \$1.531 million.

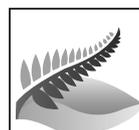
WATER

WHAT WE DO AND WHY

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 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 130(2) of the Local Government Act 2002, the Council must continue to provide water services to those communities that have been serviced.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	5,263	5,159	(104)	\$	Less interest due to 2008/09 capital expenditure less than projected, Reduced overheads
Revenue	4,942	4,682	260	\$	MoH subsidy not received
Net Cost of Service (Surplus)	321	477	156	\$	
Capital Expenditure	3,173	2,325	(848)	\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Small Rural Water Scheme Improvements: During the 2009/10 year the Council has completed a number of projects to improve Taneatua, Matata, Murupara and Waimana water schemes with the use of subsidy funding from the Ministry of Health and the Housing New Zealand Corporation. Projects included the fencing of treatment plants, installation of water quality monitoring equipment and installation of UV treatment reactors. The Council has also secured further subsidies to continue its programme of improving small water treatment plants in the 2010/11 year.

Monitoring Equipment Upgraded: New water quality monitoring equipment has been installed, improving the Council's ability to continuously monitor water quality. The system will allow the levels of chlorine, turbidity and pH to be measured with results being sent back to the base station every minute. This will enable the Council to respond more quickly to abnormal readings and provide more assurance around the supply of water.

Achieved 3/4

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide a continuous, safe, uninterrupted, and cost effective water system throughout the District's urban, residential and commercial areas that complies with drinking water and fire standards.

Measure: Satisfaction with the overall quality and reliability of the mains water

Target: Customer Service Index 73.7 or higher (very good service).

Achieved in 2008: Customer Service Index 73.7 (very good service).

Measure: Number of incidences leading to complaints regarding taste and odour of water.

Target: 50 complaints.

Not Achieved: 59 complaints received. Most complaints were around the taste of the water. There were two main reasons for this. High algae growth in the river has affected the taste of the water. The Council has taken action to increase treatment levels and increase activated carbon dosing which improves the taste of the water.

The Council is also looking to improve filtration through a project planned for 2010/11. High turbidity from heavy rain fall is also causing movement in the river that affects the taste of the water.

The Council is investigating alternative water sources including a feasibility study into a ground water source to supply Whakatane and Ohope, and alternative sources that can be relied on in extreme cases.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Whakatane water treatment plant install duty standby UV treatment	441	441	-	▶	Delayed: Additional samples and testing is now required to be completed before this project can be progressed.	Carry Forward
Whakatane water salinity issues	-	87	85	✓	Completed: Temporary intake installed upstream of permanent intake, investigations for long-term solution will continue in 2010/11	-
Whakatane water treatment plant filter media replacement	-	262	36	▶	Delayed: Investigations and design completed, works scheduled for 2010/11.	Carry Forward
Whakatane Mains renewals	200	200	162	✓	Completed	Efficiencies
Whakatane connection replacement and meter replacement	100	100	100	✓	Completed	-
Edgumbe connection replacement and meter installation	300	300	2	▶	Delayed: Pending confirmation of subsidy from MoH.	Carry Forward
Matata replacement of water connection	150	150	-	▶	Not Started: Pending confirmation of subsidy from MoH.	Carry Forward
Ruatoki extension of supply	80	80	-	▶	Not Started: Pending confirmation of subsidy from MoH.	Carry Forward
MoH Rural water treatment plant upgrade projects	-	67	300	✓	Completed	Subsidies yet to be applied
Ohope water fire flow upgrades	-	206	199	✓	Completed	-
Whakatane Semi-rural reticulation upgrade	230	230	226	✓	Completed	-
Coastlands stage 2 reticulation upgrades	265	265	1	▶	Delayed: On hold until a development proposal is finalised for Piripai block.	Carry Forward
Plains Water Paul Road Bore Wells	-	347	347	✓	Completed. Agreement with landowner made, Bore installed, pump testing being carried out.	-

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/4

Measure: Percentage of water supply systems with adequate pressure to fill a 15 litre bucket in one minute.

Target: 90% **Achieved:** 97%. This is a positive reflection of the water supply across the Council's systems.

Measure: Number and level of water supply gradings received. (MoH grades water quality between A-E for water source and a-e for water reticulation. A indicates the highest standard and E the lowest. U stands for ungraded)

Not Achieved: Failure to meet this target does not indicate poor drinking water quality. The Council maintains a robust monitoring programme in accordance with the NZ Drinking Water Standards to ensure the safety of all drinking water. Parameters that are regularly monitored include: Turbidity, Free Available Chlorine, pH, and E.coli. The Council consistently complied with required standards for these parameters in the 2009/10 year.

The MoH gradings (shown in the table) require monitoring of a number of additional parameters beyond those listed above. Failure to meet this target is a result of not meeting

other requirements in the MoH grading system which are not related to drinking water quality.

Measures are in place to meet the requirements in the grading system to achieve the water grading targets in future.

Scheme	Target:	Result (2007/08):
Whakatane	Bb	Ee
Ohope	Bb	Ed
Edgumbe	Dc	Ee
Matata	Bb	Ee
Murupara	Bb	Ed
Taneatua	Bb	Ee
Ruatoki	Dc	Ee
Waimana	Bb	Ee
Plains	Dc	Ee
Te Mahoe	Bb	Ec

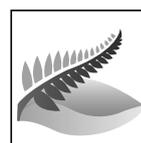
WASTEWATER

WHAT WE DO AND WHY

The Council is responsible for the provision and management of six wastewater schemes situated at Whakatane, Ohope, Edgecumbe, Taneatua, Murupara, and Te Mahoe. The Council's key focus is to ensure wastewater is managed in an appropriate way. The Council maintains a number of assets to provide this service including treatment plants, pump stations, trunk mains, mains and service lines.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	2,728	2,559	(169)	\$	Reduced maintenance programme and less interest due to 2008/09 capital expenditure less than projected
Revenue	3,110	2,165	945	\$	MoH subsidy not received as planned
Net Cost of Service (Surplus)	(382)	394	776	\$	
Capital Expenditure	2,687	1,418	(1,269)	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 5/5

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: To provide high quality, efficient and reliable wastewater systems that are affordable and meet the reasonable needs of the urban and commercial communities

Measure: Satisfaction with having a reliable disposal of waste water and sewerage

Target: Customer Service Index score of 77 or higher (excellent service).

Not Achieved: Customer Service Index score of 72.9 (good service, with potential for improvement) - March 2010 survey result.

Measure: Percentage of blockages and breakages affecting the system in Whakatane are responded to within one hour. (Note: Actual works required to remedy breakages and blockages will vary according to the extent of fault).

Target: 90%

Achieved: 97% reflecting quick response times through system efficiencies.

Measure: Percentage of blockages and breakages affecting the system in other urban areas are responded to within three hours. (Note: Actual works required to remedy breakages and blockages will vary according to the extent of fault).

Target: 90%

Achieved: 97%, well above our target, providing a quick response for the community.

MAJOR CAPITAL PROJECT

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Coastlands Wastewater upgrade	-	950	747	▶	Ongoing: Pump-station has been completed, negotiations continue with one landowner to purchase land for laying pipes.	Carry Forward
Murupara Ponds desludging	45	45	16	▶	Delayed: Investigations completed, awaiting resource consent to undertake works in 2010/11	Carry Forward
Matata Wastewater treatment plant and reticulation construction	1,025	1,025	71	▶	Delayed: Pending confirmation of subsidy from MoH	Carry Forward
Whakatane Sewer reticulation renewal	250	250	126	▶	Delayed: CCTV investigations completed, works scheduled for 2010/11.	Carry Forward
Murupara Reticulation investigation and replacement	105	105	100	✓	Completed	-

IN FOCUS

Pipe Replacement Investigations Completed: The Council has completed a condition assessment of concrete pipes in Whakatane which are susceptible to problems, to lead into replacement works in 2010/11. For the Murupara scheme, a comprehensive pipe condition rating has been completed which will also guide works in 2010/11. These works will reduce the number of problems experienced in the wastewater systems in future years.

New Pump-Station at Bunyan Road: A major new pump-station has been completed to serve residential expansion in the Eastern Coastlands/Piripai area. The extension to wastewater reticulation to the eastern side of Bunyan Road will cater to properties up to the Council owned Piripai Block. Negotiations continue with one landowner to purchase land for laying pipes, in order to connect with the existing pipe network. This work will benefit future growth in the area.

Impact of the May/June Floods: The May/June floods had a substantial impact on wastewater assets with most running at capacity and some overflowing during the event. Staff attended public complaints as soon as possible but due to the extremity of the event, some issues could only be tended after flooding subsided.

Following the floods a sewer main on Hinemoa Glade was repaired after slumping caused collapse of the pipe. Large amounts of silt were removed from the Bridge Street pump station as a result of this collapse. The Ohope oxidation pond banks were required to be raised to contain overflowing caused by the flood events.

A wastewater pipe line crossing the Maraetotara stream was also damaged in the floods and was replaced to ensure continuity of wastewater services in the affected catchment. Wastewater infrastructure has all been restored to its pre-flood state.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 5/5

Measure: High quality and effective reticulated waste water systems are provided

Target: In Whakatane, Ohope, Edgecumbe, Murupara, Taneatua, and Te Mahoe

Achieved: Whakatane, Ohope, Edgecumbe, Murupara, Taneatua and Te Mahoe.

Measure: Number of wastewater related resource consent infringement and abatement notices received by the regional council.

Target: 0

Achieved: 0

STORMWATER

WHAT WE DO AND WHY

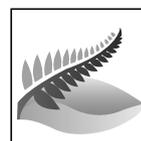
The Council manages stormwater systems in Whakatane, Taneatua, Otarawairere, Matata, Te Mahoe, Edgecumbe, Te Teko, Ohope, Murupara and Taiwhakaea. Each of these locations has its own issues and geographical challenges to ensure stormwater is effectively and efficiently managed and causes little disruption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

The design standard for Whakatane's urban stormwater reticulation system is to cope with a one in 10 year event with no surface flooding and a one in 50 year event with surface flooding drained away using overland flow paths. Low-lying parts of the Whakatane urban area have stopbanks as protection from the Whakatane River.

The river and stopbanks are managed by the Bay of Plenty Regional Council. Through the town there are channels and open drains that link to pumps. The higher parts of the urban area channel high volumes of stormwater to the lower areas of town.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

Rainfall intensity during the June flood peaked at 90mm per hour, this is far greater than a 1 in 100 year event of 63mm per hour

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,586	1,776	190	\$	Increased depreciation due to revaluation, Interest cost incorrectly budgeted
Revenue	1,197	1,137	60	\$	Development contributions less than budgeted,
Net Cost of Service (Surplus)	389	638	250	\$	
Capital Expenditure	480	462	(18)	\$	

Ⓜ = Favourable variance Ⓢ = Unfavourable variance

Achieved 3/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Provide a quality, continuous, safe, uninterrupted, and cost effective urban stormwater system accessible throughout Whakatane (including Otarawairere), Ohope, Edgecumbe, Matata, Murupara, Taneatua, Te Mahoe and Te Teko.

Measure: Satisfaction with the overall effectiveness of the stormwater systems

Target: Customer Service Index score 64.0 or higher (Fair: needs improvement)

Achieved in 2008: Customer Service Index score 64.0 (Fair: needs improvement).

Measure: Percentage of blockages affecting the system in Whakatane are responded to within one hour.

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

Target: 90%

Achieved: 95%. This was a particularly important achievement given the heavy rainfall during 2009/10

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Ohope outfall improvements	250	250	11	▶	Delayed: Investigations and design completed, works scheduled for 2010/11	Carry Forward
Te Teko storm water drain extension	80	80	85	✓	Completed.	-

IN FOCUS

Te Teko Storm Water Drain Extension: Glen's Drain in Te Teko was previously an open drain. Due to disposal of waste into the drain this has at times become contaminated. This project has replaced the previously open drain with pipes, improving community safety into the future.

Impact of the May/June Floods: The May/June rainfall events and subsequent floods exceeded the capacity of Whakatane's stormwater systems, with most designed to accommodate a 1 in 10 year (45mm per hour) rain fall event. A 1 in 10 year rainfall event describes the probability of a rainfall intensity of that magnitude occurring, or being exceeded, on average once every 10 years. The intensity of rainfall during the June floods peaked at 90mm per hour, this is far greater than a 1 in 100 year event of 63mm per hour.

Staff worked through the flood events to ensure systems remained operational where possible. This included monitoring of pump station performance, attending to faults in a few pump stations and attending public complaints wherever possible.

Following the floods a substantial amount of remedial work was required to ensure systems were ready for any further rains. Some of the works included:

- Reinstating and repairing of Wainui Te Whara Stream banks;
- Realigning and reinstating of Maraetotara Stream banks with the assistance from the Bay of Plenty Regional Council;
- Reinstatement of Wharekura Stream banks;
- Repairing of Mahy Stream banks;
- Reinstating of a culvert in the access track to the Whakatane main water reservoirs;
- Dredging and cleaning storm affected streams in Whakatane and Ohope.
- CCTV inspection and jet cleaning of stormwater pipes in the flooded areas;
- Stabilisation of Millers Stream in Ohope to protect the No.4 wastewater pump station.

These works have repaired the stormwater systems to pre-flood levels, while some improvements have been made to stream stability for future heavy rain events.

HOW DID WE PERFORM AGAINST OUR TARGETS ?

Achieved 3/3

Measure: Percentage of blockages affecting the system in all other urban areas are responded to within three hours.

(Note: Actual works required to remedy blockages will vary according to the extent of fault).

Target: 90%

Achieved: 95% response within 3 hours shows a very responsive service across urban areas.

Measure: Percentage of storm-water systems built to meet one in ten year rainfall event.

Target: 75%

Achieved: 81%, a good level for our District.

TRADEWASTE

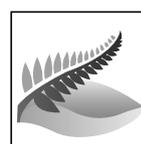
WHAT WE DO AND WHY

Tradewaste 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 operates this activity according to the revised Tradewaste Bylaw which came into affect on 1 October 2008. Under the revised Bylaw the charging structure is based on the quantity and quality of discharged water, rather than a uniform charge.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	57	84	27	\$	New software implemented
Revenue	57	84	(27)	\$	Additional revenue achieved due to new software
Net Cost of Service (Surplus)	-	-	-	\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Invoicing Improvements for Tradewaste: During the year software was implemented to support the invoicing of trade waste under the new Trade Waste Bylaw. Under the new Bylaw and with improved invoicing, additional revenue has been able to be achieved. This additional revenue offsets the rate requirement of this activity, therefore ensuring that people who discharge waste pay for the increase in pressure on the Council's systems, and those who do not are not unfairly burdened.

Tradewaste refers to waste discharged into the Council's wastewater system from industrial and commercial premises

Waste



Waste Reprocessing, Waste Recycling, Waste Disposal

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities, the Council provides services for refuse collection, recycling and reprocessing of waste, and waste disposal. 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 contribute towards the implementation of the Council's Zero Waste Policy.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	5,083	4,767	(316)	\$
Revenue	5,396	4,784	612	\$
Net Cost of Service	(313)	(17)	296	\$
Transfer from (surplus)/deficit	(313)	(17)	296	\$
Capex	1,909	1,259	(650)	\$
Payments to Reserves	146	609	463	\$
Loan Repayments	216	216	-	-
Total Funding Requirement	1,958	2,067	109	\$
FUNDED BY:				
Reserves	524	1,115	591	\$
Loans Raised	1,434	952	(482)	\$
Total Funding Applied	1,958	2,067	109	\$

\$ = Favourable variance \$ = Unfavourable variance

WASTE REPROCESSING

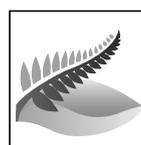
WHAT WE DO AND WHY

This activity involves diverting and reprocessing of materials out of the waste stream allowing them to be reused rather than wasted. This activity helps to reduce waste, reduce reliance of fresh raw materials and reduce the dependence on landfills as a waste management option.

The activity includes the provision of kerbside greenwaste collection services, green waste services at transfer stations and concrete reprocessing. The Waste Reprocessing activity is expected to grow with the development of a composting plant to divert further organic waste out of the waste stream.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	781	736	45	Ⓢ	Contract cost variation
Revenue	781	630	(151)	Ⓢ	Less revenue from fees and charges than budgeted following landfill closure.
Net Cost of Service (Surplus)	-	106	(106)	Ⓢ	

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

IN FOCUS

Green Waste Diverted from Waste Stream: Green waste continues to be diverted away from the residual waste stream including from the waste parks and from collections. In the 2009/10 year greenwaste represented around 20% of the total waste stream. This is currently being stockpiled to cap the Burma Road landfill in the final phase of the landfill rehabilitation in the 2010/11 year.

By diverting waste from the landfill, we are reducing the cost of disposing of waste and reducing the cost of capping the landfill.

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: The proportion of waste to landfill.

Target: 65% or less to landfill.

Achieved: Only 62.16% of all waste was sent to the landfill, which is better than our target.

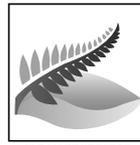
WASTE RECYCLING

WHAT WE DO AND WHY

Recyclables are collected in tandem with general refuse and can also be dropped off, free of charge, to any of the Council's transfer stations. The materials currently being recycled via the domestic crate service include paper, cardboard, plastics (grades 1 and 2), glass (clear, green, brown), tin cans and aluminium cans. Larger items such as household appliances, steel, cars, timber, tyres etc can be taken to either the Murupara and Minginui Transfer Stations or the Whakatane Recycling Centre, where they are sorted for shipping.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,190	1,417	(227)	\$	Contract cost variation, Concrete recycling cost not yet recovered
Revenue	1,339	1,368	29	\$	-
Net Cost of Service (Surplus)	(149)	49	(198)	\$	
Capital Expenditure	25	5	20	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: Satisfaction with kerbside recyclable collection.

Target: Customer Service Index 81.2 or higher (exceptional performance).

Achieved in 2008: Customer Service Index 81.2 (exceptional performance).

Measure: Satisfaction with Council run recycling facilities in Whakatane and Murupara.

Target: Customer Service Index 82.4 or higher (exceptional performance).

Achieved in 2008: Customer Service Index 82.4 (exceptional performance).

WASTE DISPOSAL

WHAT WE DO AND WHY

The Council's waste disposal services contribute to community wellbeing by providing facilities and opportunities that enable the community to dispose of their waste so as to protect public health and minimise harmful environmental effects.

The Council provides kerbside refuse collection services to approximately 12,700 households in the District and operates waste transfer stations in Whakatane and Murupara. With the closure of the Burma Road landfill in December 2009 there are no operational landfills within the District. Residual waste (non reusable or recyclable) will be transported and disposed of outside the District until another disposal option is finalised.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	3,112	2,613	499	Ⓢ	Reduced depreciation cost as landfill depreciation budgeted into previous year.
Revenue	3,276	2,786	(490)	Ⓢ	Less revenue from fees and charges than budgeted following landfill closure.
Net Cost of Service (Surplus)	(164)	(173)	9	Ⓢ	
Capital Expenditure	1,884	1,254	630	Ⓢ	

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

Achieved 3/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: Satisfaction with residential refuse collection scores.

Target: Customer Service Index score 83.6 or higher (exceptional performance)

Achieved in 2008: Customer Service Index score 83.6 or (exceptional performance).

Measure: Number and location of transfer stations

Target: Transfer stations are provided in:

Murupara (1)

Whakatane (1)

Achieved: Transfer stations are available in Murupara and Whakatane.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Whakatane transfer station improvements,	367	837	736	✓	Completed.	Efficiencies
Construction of a transfer station at Minginui	-	100	80	✓	Completed	Efficiencies
Construction of a transfer station in Ruatahuna	50	50	2	▶	Delayed: Meetings being held with Iwi to develop a satisfactory facility and service contract.	Carry Forward
Landfill retirement - Burma Road	531	1,101	412	▶	Delayed: Rehabilitation plan being worked through with Ngati Awa.	Carry Forward
Proposed Landfill	250	336	16	▶	Delayed: Preliminary business case being developed before discussions with land owners.	Carry Forward
Construction of an organic waste composting plant.	686	686	8	▶	Delayed: Subsidy funding not secured. An alternative solution also being investigated.	Carry Forward

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/3

Level of Service: The community has access to kerbside collection, disposal and recycling facilities, including disposal of special waste, (hazardous waste).

Measure: Provision of a landfill in the District.

Target: 1 until 31 December 2009 (Burma Road site). 0 from 1 January 2010 (waste disposed of outside of the District).

Achieved: A successful transition to shipping all appropriate waste outside the region to Tirohia in the Waikato has been completed. Access to collections has not been compromised.

IN FOCUS

Closure of Burma Road Landfill: The Council's landfill at Burma Road closed its gates to the public on 31 December 2010. The Burma Road landfill is now undergoing a transformation that will see the site completely capped with clay, covered in topsoil and replanted in pasture and native bush. Before the landfill closed the Council provided a half price discount for waste disposal to ensure the landfill was as full as possible prior to closure and to avoid the need for this additional tonnage to be disposed of at Tirohia. Following the closure, non processed waste is being transported out of the District to the Tirohia landfill in the Waikato.

The Burma Road landfill had a very low operating cost and the move to the new solid waste operating environment has increased costs substantially. With six months experience in the 2009/10 year under the new arrangements the Council has gained a better understanding of the costs for solid waste activities. This has resulted in increased budgets for solid waste activities in the 2010/11 year including higher fees and charges, as well as increases to the Refuse Removal Targeted Rates and the Refuse disposal Uniform Annual Charge. More information about these budgets can be found in the Annual Plan for 2010/11.

Responding to the Closure of the Landfill: To reduce costs for the future, the Council will be placing a major focus on reducing the amount of waste needing to be transported and disposed of outside the District. This will involve campaigns and projects to reduce, reuse and recycle waste.

The development of a Composting Plant for the District is expected to provide environmental and cost mitigation benefits by reducing the residual waste stream by 8,000 tonnes per year and produce compost for sale. During the 2009/10 year a suitable site for the Composting Plant was identified. Staff will continue investigations to develop the composting plant and work towards securing external funding to progress the project.

As a longer term solution, the Council continued to develop the proposal for a new District Landfill during the 2009/10 year. This project will continue into the 2010/11 year with further investigations being required to support the resource consent application process.

Whakatane Transfer Station Upgrade: Following the closure of Burma Road Landfill any residual waste (waste destined for the landfill) is now processed through the Council's transfer stations before being transferred to Tirohia landfill in the Waikato. To cope with this change in operating environment, the Whakatane transfer station at Te Tahi Street has been expanded and improved to enable increased diversion of waste for reuse and recycling. The new service commenced on 1 January 2010 and has run very successfully from the start.

New Minginui Transfer Station Completed: In April 2010 the Council completed construction of a waste transfer station and recycling park for Minginui. The transfer station makes use of the old Minginui forestry compound buildings. This provides for the controlled disposal of waste in an area where fly tipping has been a concern in the past.

NEGATIVE EFFECTS ON WELLBEINGS

Up until the close of the Whakatane landfill, the landfill was susceptible to odour, gas, leachate, litter, vermin and noise pollutions that can potentially have adverse effects on the wellbeing of the community. Within the constraints of the site and existing infrastructure, the operation was able to be managed as to minimise these effects. There were no other significant negative effects on the four wellbeings that occurred as a result of providing these activities.

Environmental Sustainability



Resource Management - Consents, Resource Management - Policy

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group the Council processes resource consent applications to use, develop and subdivide land and monitors compliance with the conditions of consent. Within this group of activities the Council is also involved in resource management planning. This includes development and monitoring of the District Plan, associated strategies and policy, as well as assessing the state of the environment.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	2,219	2,150	(69)	\$
Revenue	1,704	1,292	412	\$
Net Cost of Service	515	858	343	\$
Transfer from (surplus)/deficit	515	858	343	\$
Total Funding Requirement	515	858	343	\$
FUNDED BY:				
Reserves	-	463	463	\$
Loans Raised	515	395	(120)	\$
Total Funding Applied	515	858	343	\$

\$ = Favourable variance \$ = Unfavourable variance

RESOURCE MANAGEMENT - CONSENTS

WHAT WE DO AND WHY

The Council has a statutory obligation to administer the Resource Management Act 1991 (RMA). The RMA requires all councils to be responsible for the provisions of the Act relating to the subdivision, use and development of land. In order to meet its obligations under the RMA, the Council processes and determines resource consent applications to use, develop and subdivide land and then monitors compliance with the conditions of consent to ensure negative effects on the environment are avoided, remedied or mitigated.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT



PROSPEROUS ECONOMY

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	1,133	1,165	32	\$ Environment Court appeals.
Revenue	1,133	634	499	\$ Less consent applications than expected. \$ Some costs incorrectly budgeted to be recovered by fees and charges rather than other sources.
Net Cost of Service (Surplus)	-	531	531	\$

\$ = Favourable variance \$ = Unfavourable variance

Achieved 2/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Resource Management Act (RMA) administrative services are provided to facilitate environmentally sustainable development within the Whakatane District.

Measure: Satisfaction with Council's resource consent process.

Target: Customer Service Index score 45.2 or higher (needs significant improvement).

Achieved in 2008: Customer Service Index score 45.2 or higher (needs significant improvement).

Measure: Average working days for processing resource consents.

Target: 14.3 days for land-use consents, 20 days for subdivision consents.

Not Achieved: 20.8 days for land-use consents, 19.5 days for subdivision consents.

Delays in processing times for land use consents were due to timing difficulties for independent commissioners and/or consultants, and linkages to District Plan appeals (that have now been settled).

The Council consider that this is an atypical result and will continue to work towards the performance targets set out in the LTCCP.

IN FOCUS

Environment Court Appeals Upheld: During the 2009/10 year six resource consent decisions were appealed to the Environment Court and two of these cases are ongoing. However, where an outcome has been determined on the remaining appeals, no decision made by the Council has been overturned. This provides the community with the assurance that decisions being made by the planning department are in line with the Council's District Plan.

Development and Compliance Focus Group: Feedback from Development and Compliance Forums in 2009/10 has resulted in procedural and cultural changes that have brought in a higher client focus from staff and reduced processing times for building and resource consents. This will continue to have a positive impact on the resource consent and building consent services in the future.

The Development and Compliance Focus Group is a voluntary stakeholder group including representatives from the Council and regular users of building and planning services. The group was established in 2008 to provide high level feedback on the services provided by the Building and Planning sections of the Council. Feedback is used to enable the Council to adjust procedures and methodologies to increase levels of service and assist the business community to minimise compliance costs.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/3

The Council is also undertaking steps to improve the services provided under this activity such as through the Development and Compliance Focus Group.

Measure: *Number of resource consent decisions overturned by the Environment Court.*

Target: 0

Achieved: 0 decisions overturned - 6 decisions appealed in 2009/10 of which one was withdrawn, 2 are awaiting mediation, 1 was mediated, and the Court upheld the Council's decision on the other 2.

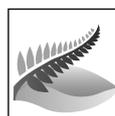
RESOURCE MANAGEMENT - POLICY

WHAT WE DO AND WHY

The Resource Management Act 1991 (RMA) requires the Council to have a District Plan setting out objectives, policies and rules with regard to the subdivision, use and development of land. This activity involves preparing the plans and policies that implement the RMA, such as the District Plan, while also providing input to regional and national resource management frameworks. In addition there is a need to ensure that resource management planning processes are firmly supported by long term objectives and direction.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT



PROSPEROUS ECONOMY

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,086	985	(101)	☒	Costs expected late in 2009/10 have been incurred early in the following year.
Revenue	571	658	(87)	☒	Subsidies and contributions received.
Net Cost of Service (Surplus)	515	327	(188)	☒	

☒ = Favourable variance ☒ = Unfavourable variance

Achieved 0/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The proposed Whakatane District Plan is made operative.

Measure: Status of the Whakatane District Plan

Target: District Plan partially operative and review underway.

Not Achieved: At the end of the 2009/10 financial year, there was one outstanding appeal on the District Plan. While the Council could have made the District Plan partially operative to meet this target, the final decision on the appeal was received on 29 July 2010. Following receipt of the decision of the Environment Court on the final appeal, the Council made the whole plan operative in September 2010.

IN FOCUS

Environment Court Appeals Mediated: All outstanding appeals to the proposed Whakatane District Plan were successfully resolved by mediation or by decisions of the Environment Court. These appeals included matters relating to goat and deer farming, coastal subdivision, coastal hazards, esplanade reserves and height issues in the Whakatane Town Centre and the Reef Site (Muriwai Drive).

The Whakatane District Plan has now been made fully operative in September 2010. This huge piece of work has been a very long project for the Council and it is a great achievement to have completed the District Plan.

Consultation on Whakatane Integrated Urban Growth Strategy: During April to May 2010 the Council sought feedback from landowners, ratepayers and residents on the Draft Whakatane Integrated Urban Growth Strategy. This Strategy sets out the future growth options for the Whakatane urban areas including Piripai, Coastlands, Whakatane and Ohope. It combines a number of previous studies and projects considering how and where growth can be accommodated in the future. The Strategy aims to provide a framework for growth based on a population of 25,000 by the year 2050 - an increase of 8,000 people over the next 40 years. The Draft Strategy identifies the amount of land required for a population of 25,000 to be:

- Residential Growth: an additional 200 hectares
- Industrial Growth: focus industrial development around Kawerau, but provide 40 hectares close to the Whakatane urban area for local demand
- Commercial (office and retail): an additional 20 hectares

The Strategy aims to proactively manage and plan for growth so necessary infrastructure is provided in a timely way. To ensure people have a choice about where they live and the type of accommodation they live in, a range of locations and housing forms has been identified.

The Whakatane Integrated Urban Growth Strategy was adopted by the Council on 18 August 2010 following the hearing of submissions to the Draft Strategy on 17 June 2010.

District Plan Review: During March to April 2010 the Council consulted with the community on the key issues to progress in the District Plan review. This has included consultation with the community and with key stakeholders such as Iwi across the District. Feedback from consultation is being used to develop policy options for the District Plan (known as section 32 reports).

Some of the questions the Council has been asking the community during the review are:

- How should we manage and provide for growth of the urban area?
- How do we balance the demand for lifestyle lots while protecting high quality land for rural production?
- How can we maintain indigenous biodiversity - native plants and animals - and the places they live?
- Are there places, sites and things that we value that need protection?
- How can we improve the management of special landscapes and heritage sites?
- Should there be more controls on industrial and commercial development?
- Which business activities should be able to operate in certain areas and under what guidelines?
- How can we balance the rights of private landowners with the rights of the community?

The District Plan Review is a three year project that will manage the land use and development within the District. It is responding to changes and pressures impacting on the environment.

Whakatane Land Transferred to the Kawerau District:

The Whakatane District Council has agreed to initiate the transfer around 60 hectares of land to the Kawerau District Council.

This proposal recognises that more land is needed in Kawerau for industrial expansion and that expanding this centre of heavy industry will provide opportunities and benefits for the entire Eastern Bay of Plenty.

A Joint Committee has been formed consisting of Kawerau and Whakatane representatives to provide a draft reorganisation proposal and call for submissions as required under the Local Government Act 2002.

Community Safety



*Licensing (Liquor and Gambling), Environmental Health
Regulation Monitoring, Safer Communities, Building, Animal Control*

WHAT THIS GROUP OF ACTIVITIES INCLUDES

The activities within this group are undertaken by the Council in response to various aspects of community safety and wellbeing. In most cases the Council is obligated by legislation to provide these services to the community. Within this group of activities the Council provides a variety of consents, licenses and certificates and also conducts monitoring and inspections to safeguard the community. The Council also provides information and complaints services under this group of activities.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	2,612	2,727	115	\$
Revenue	2,712	2,562	150	\$
Net Cost of Service	(100)	165	265	\$
Transfer from (surplus)/deficit	(100)	165	265	\$
Capex	15	-	(15)	\$
Payments to Reserves	100	100	-	-
Total Funding Requirement	15	265	250	\$
FUNDED BY:				
Reserves	15	(265)	(280)	\$
Total Funding Applied	15	(265)	(280)	\$

\$ = Favourable variance \$ = Unfavourable variance

LICENSING (LIQUOR & GAMBLING)

WHAT WE DO AND WHY

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 a District Licensing Agency. The Gambling Act 2003 requires councils to develop and administer policies for class four venues (gaming machine venues excluding casinos) and for board venues (TABs).

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:

SAFE CARING
COMMUNITYHEALTHY PEOPLE AND
QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	123	102	(21)	\$	-
Revenue	123	111	12	\$	-
Net Cost of Service (Surplus)	-	(9)	(9)	\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Submission on Review of Sale of Liquor Act: During the course of the year the Council submitted on the Law Commission Review of the Sale of Liquor Act. The submission covered points such as: increasing the purchasing age; reducing hours for off-licenses; introducing a minimum pricing scheme; opposing alcohol advertising and promotion and; increasing powers to enforce alcohol related issues. Many of the Council's concerns were supported by the Law Commission.

Achieved 1/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Alcohol sales and gaming machines are available only at licensed premises managed by qualified people.

Measure: Inspection of all licensed premises for compliance with the Sale of Liquor Act, at least once per annum, with enforcement action initiated against any non complying premises.

Target: 100%

Achieved: 100% (88 of 88 Premises inspected)

Measure: Controlled purchase operations are undertaken in conjunction with Police and Toi Te Ora Public Health with enforcement action initiated against noncomplying premises.

Target: At least one operation annually.

Not Achieved: Due to the timing of three operations conducted in the previous financial year, no controlled purchase operations were undertaken in the 2009/10 year. The Council is reliant on partner agencies, in particular the Police, to conduct controlled purchase operations and intends to deliver further operations in 2010/11.

ENVIRONMENTAL HEALTH

WHAT WE DO AND WHY

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. The Environmental Health activity includes the following: licensing of all registered premises (food, camping grounds, mortuaries, hairdressers, offensive trades), monitoring the state of the environment (includes public and private water supplies, environmental noise and contaminated land), and responding to nuisance complaints (excessive and unreasonable noise, unsanitary living conditions, refuse, odour from neighbouring properties).

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	243	200	(43)	\$	Reduced expenditure on salaries and wages and consultants.
Revenue	243	283	(40)	\$	Increased Fees and Charges Revenue
Net Cost of Service (Surplus)	-	(83)	(83)	\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Noise Complaints in CBD Resolved: Following complaints of excessive noise from licensed premises within the Central Business District by residents of apartments, the Council's Environmental Health Officer undertook night-time sound level surveys during February 2010. The survey confirmed that, at times, amplified music from the licensed premises was in excess of the noise levels prescribed in the District Plan for this area.

The survey also verified that the apartments had met the acoustic standards required as part of the building and resource consent process.

Staff have subsequently met with the licensed premises business owners and developed a plan to resolve this issue. Business owners were appreciative of the collaborative and objective approach adopted by the Council in the investigation and intended resolution of this issue.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Level of Service: The environmental health of the community is maintained or enhanced

Measure: Satisfaction that Environmental Health Services are making the environment a healthier place to live.

Target: Customer Service Index score 69.6 or higher (good service but potential for improvement).

Achieved: Customer Service Index score 69.6 (good service but potential for improvement) - November 2008 survey results

Level of Service: Food premises operating in the Whakatane District comply with relevant regulations/legislation.

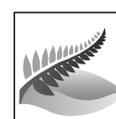
Measure: Food premises are inspected at least once per annum and registrations are issued in accordance with regulations of relevant legislation. Enforcement action is initiated against non complying premises.

Target: 100%

Achieved: 100% (231 of 231 premises inspected, requisitions served on non-complying premises and follow up inspections conducted)



SAFE CARING
COMMUNITY



CLEAN PROTECTED
ENVIRONMENT

REGULATION MONITORING

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. The main duties include monitoring: public places (licensing of street stalls, the removal of obstructions in public places (e.g. overgrown trees on footpaths), and considering applications for parades), environmental nuisances such as accumulation of rubbish and urban rubbish fires, prevention of the spread of fires involving vegetation, responding to complaints about long grass in urban areas, barbecue permit conditions, prohibition of fires in urban areas during periods of high fire risk, and removing vehicles parked in the wrong place, and dealing with abandoned cars.

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	92	84	(8)	\$	-
Revenue	92	95	(3)	\$	-
Net Cost of Service (Surplus)	-	(11)	(11)	\$	

IN FOCUS

Bylaws Review: During the 2009/10 year the Council reviewed and made changes to three Bylaws. They were the Fire Prevention in Urban Areas Bylaw and the Food Administration Bylaw, which were consulted on from April-May 2010, and the Traffic and Speed Limits Bylaw which was consulted from June-July 2010. A full list of Bylaws is available on the Council's website www.whakatane.govt.nz. The Bylaws prescribe specific actions or laws that must be adhered to and will often involve a public safety issue. These Bylaws are produced to provide a safer community.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

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

Measure: *Response times to complaints and infringements.*

Target: 100% of complaints and infringements responded to within 24 hours.

Achieved: 100% of complaints and infringements responded to within 24 hours.

SAFER COMMUNITIES

WHAT WE DO AND WHY

The Council provides this service to offer support, coordination and direction to the 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.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	224	251	27	\$	Increased staff and contract costs offset by revenue.
Revenue	224	245	(21)	\$	Early receipt of subsidy funding.
Net Cost of Service (Surplus)	-	6	6	\$	
Capital Expenditure	15	-	(15)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Level of Service: Community safety is fostered through a range of subsidised programmes and coordinated projects.

Measure: Safer communities programmes and projects are developed and implemented according to local needs.

Target: At least 4 programmes and projects delivered annually.

Achieved: Youth Council, CCTV, Tag Off, I Saw, Crossroads.

Measure: Number of Whakatane District Youth Council meetings per year.

Target: 4 or more meetings per year.

Achieved: 8 formal meetings held plus additional meetings as required. This is a reflection of the great level of involvement by the youth of Whakatane.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project complete	Progress	Variance due to
CCTV maintenance	15	15	-	▶	Not Started: Review of CCTV system underway. To be carried forward under Corporate Information activity.	Carry Forward

IN FOCUS

Youth Council Event - Video Superstar: A highly successful youth event at the Mataatua Reserve was held in June 2010.

The free event was organised by the Whakatane District Youth Council and featured head lining musicians Maisey Rika and Tiki Taane and top BMX rider Jed Mildon. The event also included a mass haka, various sports events and a pizza eating competition.

The drug and alcohol free event attracted around 500 people and was backed by sponsorship from the Ministry of Youth Development and the Alcohol Advisory Council of NZ.

Tagging, Not in Our Town: The Council delivered the "I Saw" programme in the 2009/10 year which aims to combat graffiti by changing behaviour. The programme, subsidised by the Department of Justice, is predominantly a media campaign that educates and informs youth about graffiti. During the year the Council ran around 500 radio slots with the catch phrase "tagging - not in our town".

"TAGGING - NOT IN OUR TOWN"

CCTV Upgrade: During the year the Council approved a major upgrade for the CCTV system in the central business area of Whakatane. The system is designed to improve community safety and reduce crime. Tenders were sought and specifications of the camera system have been drawn up. The Council will seek external funding to support this project, to be completed in 2010/11.

Cross Roads/Te Aratika: This after-school mentoring programme supports youth offenders to make positive changes to their lives. In the 2009/10 year the programme had three successful intakes with students from Edgecumbe, Trident and Whakatane High Schools.



BUILDING

WHAT WE DO AND WHY

The Council has statutory responsibilities under the Building Act 2004 and its regulations to ensure that buildings are safe for users and that they have attributes that contribute appropriately to the health, physical independence, and wellbeing of people who use them. Buildings also need to be designed, constructed, and able to be used in ways that promote sustainable development. The building activity includes the processing of building consents and project information memoranda, inspections of building work, issuing of code of compliance certificates and compliance schedules, and monitoring and enforcing of building warrants of fitness.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	1,396	1,583	187	Increased costs for Consultants, Legal fees, Earthquake Prone Buildings identification, and Building Warrants of Fitness monitoring.
Revenue	1,496	1,264	232	Less consent applications than expected.
Net Cost of Service (Surplus)	100	319	419	

☒ = Favourable variance ☒ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/3

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

Measure: Satisfaction with the Council's building consent process.

Target: Customer Service Index score 51.2 or higher (needs significant improvement).

Not achieved: Customer Service Index score 26.9 (needs significant improvement) - March 2010 survey results.

The level of service provided under this activity has not reduced since the baseline survey was undertaken in 2008. In terms of average processing times for building consents the Council has performed particularly well in the 2009/10 year.

The survey result showing a reduced level of satisfaction

may have been influenced by differences in the survey design such as timing and it is noted that a very small number of survey respondents (9) had applied for a building consent. The Council is taking steps to improve the services provided under this activity, in particular through the Development and Compliance Focus Group. This performance target will be reassessed through the development of the Long Term Council Community Plan 2012-22.

Measure: Average working days for processing building consents.

Target: 17.1 days.

Achieved: 10.0 days. This is a great result for the Council and reflects a focussed effort by staff. This is particularly encouraging on top of the extra workload on staff as a result of the May/June floods.

IN FOCUS

Building Consent Authority Registration: The Council has completed its building consent authority accreditation reassessment by IANZ (International Accreditation New Zealand). This involved a 3 day assessment for compliance with the Stage 1 accreditation criteria, plus assessment of compliance with the Stage 2 accreditation criteria. This focused on having a documented continuous improvement programme in place with evidence that the programme was operating successfully. The Whakatane District Council is one of the few councils in New Zealand to have passed the Stage 1 reassessment together with the Stage 2 assessment. The accreditation provides the community with greater assurance of the quality of new buildings.

Building Warrant of Fitness: The Building Act requires councils to issue compliance schedules to owners of buildings that contain systems that are essential to the safe use of the building such as lifts, fire alarms and mechanical ventilation.

The monitoring programme for 2009/10 has found a high proportion of noncompliance. Most premises do not comply on first inspection. The Council has sought compliance through co-operation in the first instance. Further enforcement action will be required where building owners continue to not comply. The warrant of fitness provides the community with assurance that buildings with public access are safe. Through the compliance process, buildings are being made safer for the public.

Response to the May/June Floods: Over 250 dwellings in the District were affected by the flooding on 1 June. With the help of building inspectors from outside the District, all affected properties were assessed to determine if they were safe for re-occupation. The Council also introduced a special building consent application package to owners of flood damaged property to assist with their repairs.

Earthquake Prone Buildings Project: During the 2009/10 year the Council has been implementing Stage 1 of the Council's Earthquake-prone Buildings Policy. This work has identified that a significant percentage of commercial and industrial buildings within the Whakatane District are potentially earthquake-prone because of design, type of construction and/or site characteristics. The Council has agreed to bring forward the review of the Council's Earthquake-prone Buildings Policy to allow for an extension to compliance timeframes. The Council will identify earthquake-prone buildings in the CBD during the 2010/11 year and incorporate Council owned-buildings within the programme. The Council has agreed to provide increased funding over five years to support the programme.

Undertaking this project will raise awareness in the commercial and industrial sector, of risks associated with their buildings in the event of an earthquake. This will lead to increased compliance with the Policy through greater information and therefore improved safety.

The average length of time for processing building consents was only 10.0 days in the 2009/10 year

Achieved 2/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: New buildings and buildings with public access are healthy and safe.

Measure: New buildings and buildings with public access comply with the building code or enforcement action is taken.

Target: 100% either comply or followed up with enforcement action.

Achieved: 100%, providing reassurance to the community that buildings with public access are safe.

ANIMAL CONTROL

WHAT WE DO AND WHY

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.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	534	507	(27)	\$	Various minor operational savings.
Revenue	534	563	(29)	\$	Increased revenue from fines.
Net Cost of Service (Surplus)	-	(56)	(56)	\$	

\$ = Favourable variance \$ = Unfavourable variance

IN FOCUS

Extension to the Whakatane Dog Pound: The Council has extended the Whakatane dog pound increasing the number of pens from 9 to 18. The necessity of increasing the number of pens came about, in part, by the need to keep Pit-bull Terrier dogs separated from others due to their violent temperament. Prior to the extension there have been times when dogs have had to be housed together occasionally resulting in aggression between dogs. All dogs are now individually penned.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/2

Level of Service: Public safety and comfort is protected and the public are aware of their rights and responsibilities.

Measure: Response times for animal complaints.

Target: Response initiated to aggressive dog complaints within 1 hour, response initiated to roaming stock complaints within 1/2 hour, and response initiated for other complaints within 24 hours.

Achieved: Response times achieved in line with the targets set.

Measure: Satisfaction with Council's dog control service.

Target: Customer Service Index score 66.6 or higher (Fair: needs improvement).

Achieved in 2008: Customer Service Index score 66.6 or higher (Fair: needs improvement).

Arts & Culture



Library (District Libraries), Museum & Gallery

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 accommodates a collection, displays, and genealogical and general archival research. The gallery offers communal space for a changing range of exhibitions. Activities include acquisition and collection management, developing and maintaining archives, public programmes and provision of information.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	2,510	2,590	80	\$
Revenue	2,540	2,512	28	\$
Net Cost of Service	(30)	78	108	\$
Transfer from (surplus)/deficit	(30)	78	108	\$
Capex	3,509	1,771	(1,738)	\$
Payments to Reserves	5	18	13	\$
less Depreciation not Funded	-	(56)	(56)	\$
Total Funding Requirement	3,484	1,811	(1,673)	\$
FUNDED BY:				
Reserves	118	279	161	\$
Loans Raised	3,366	1,532	(1,834)	\$
Total Funding Applied	3,484	1,811	(1,673)	\$

\$ = Favourable variance \$ = Unfavourable variance

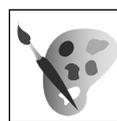
LIBRARY

WHAT WE DO AND WHY

There is one main library and three community libraries in the Whakatane District. These are located in Whakatane, Edgumbe, Ohope and Murupara. The Council provides library services because of public advocacy and demand, and endorses the educational, leisure and community value that libraries provide. The services provided in libraries allow access to print, audio and visual materials, online databases, internet access and a social meeting space/place. The library collection includes approximately 65,000 items available for issue.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



EDUCATION AND TRAINING OPPORTUNITIES FOR ALL

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	1,468	1,497	29	\$ Depreciation.
Revenue	1,468	1,486	(18)	\$ Increased book and DVD rentals.
Net Cost of Service (Surplus)	-	11	11	\$
Capital Expenditure	1,234	980	(254)	\$

\$ = Favourable variance \$ = Unfavourable variance

Achieved 3/4

HOW DID WE PERFORM AGAINST OUR TARGETS?

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

Measure: Satisfaction with the library.

Target: Customer Service Index 79.4 or higher (Exceptional performance).

Achieved in 2008: Customer Service Index 79.4 or higher (Exceptional performance).

Measure: Percentage of population holding membership.

Target: 44% of population are registered users.

Not achieved: 34% of population are currently registered as users of the libraries. Whilst 1,784 new users were added, 902 users have been deleted due to non-use for more than two years. This is in line with policies to maintain current records and an effective IT system and is completed annually.

Families tend to prefer to have one card per household rather than individual membership. This performance measure will be reassessed in the Council's next LTCCP to reflect this trend.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Library systems	-	21	20	✓	Completed: Security system tags for library books purchased.	-
Facility retrofit and refurbishment (also see capital projects under Museum and Gallery activity)	1,116	1,116	829	▶	Ongoing: Building purchased as future site, building design and plans being progressed by architect and staff.	Carry Forward
Renewal of library collection	118	118	103	✓	Completed: This is an Annual ongoing programme of renewal.	Carry Forward

IN FOCUS

Arts and Culture Project: In September 2009 the Council purchased property in the Esplanade Mall (former Briscoes) for redevelopment into a new District library and exhibition space.

The Centre, in the Esplanade Mall, will provide improved library services and gallery facilities to showcase the District's history, exhibit work by leading local and visiting artists and allow increased public programmes across the Arts and Culture sector.

During January and February 2010 the Council consulted on a series of design concepts for the Arts and Culture project. This included designs from three different architectural firms for the redevelopment of the Esplanade Mall property into the Whakatane District Library & Exhibition Centre and the redevelopment of the current Museum into the Research, Storage and Archive Facility. Concept plans are being developed further by selected architectural firm Irving Smith Jack and construction is

expected to commence 1 July 2011. This project will result in a greatly improved facility for the community and will see improved services into the future.

Further information about the Arts and Culture project is provided under the Museum and Gallery activity.

Library Mix Collection Renewal: 6916 items have been added to the libraries collection since July 2009. These replace 7631 old and un-borrowed items that have been withdrawn over the same period.

Internet Services in Libraries: The central government funding provided through the Aotearoa Peoples Network Kaharoa has allowed for the provision of five computers in the Whakatane Library and four in the Murupara Library with internet access. The introduction of this service from September 2009 has resulted in an increased diversity in the demographics of library users. It has also increased the number of visitors to the library and the amount of items issued, particularly in Murupara.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/4

Measure: Number of issues per capita.

Target: 7.5 or more issues per capita.

Achieved: 7.9 issues per capita. This is a good rate of issues and represents a healthy demand for the library.

Measure: Average age of lending collection.

Target: 56% of lending collection is aged 0-5 years.

Achieved: 57.2% of the lending collection is aged between 0-5 years, ensuring current and up to date material.

MUSEUM AND GALLERY

WHAT WE DO AND WHY WE DO IT

The Museum and Gallery collects, preserves/conserves, records, researches and showcases our cultural heritage to our community and visitors to our community. The Council provides this activity in response to public advocacy and demand, and endorses the cultural, educational, leisure and community value of these facilities.

The Museum collection is estimated to hold in excess of 60,000 items including:

- Objects (social and natural history, taonga Māori, ethnology)
- Pictorial (fine arts and photography)
- Museum and community archives and research collections

The Whakatane Museum and Art Gallery is a major repository for artefacts, museum and community archives in the Whakatane District. The artefacts and archives held within the museum have grown to become an important national collection incorporating a wide variety of heritage material and reflects important aspects of Whakatane's cultural and social history.

Significant work is ongoing to inventory the entire collection so that accurate information can be provided, an accurate valuation can be established, researchers have access to more digital material and items can be easily identified and located. Currently items are being gifted to the Museum and Gallery faster than they can be accessioned into the collection.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



EDUCATION AND TRAINING OPPORTUNITIES FOR ALL

In September 2009 the council purchased Council Purchase 49 Kakahoroa Drive (Former Briscoes Building) in the esplanade Mall for development of a new Library and Exhibition centre.

Achieved 2/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

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

Measure: Number of Museum & Gallery admissions.

Target: Museum & Gallery admissions 10,316 or higher.

Achieved: 11,671 to 31 May 2010, representing a high demand for the Museum and Gallery facility.

Measure: Satisfaction with Museum and Gallery facility & amenities in Boon Street.

Target: Customer Service Index 71 or higher (good service with potential for improvement).

Achieved in 2008: Customer Service Index 71 or higher (good service with potential for improvement).

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,042	1,093	51	Ⓢ	Increased overheads and depreciation associated Arts & Culture building purchase (49 Kakahoroa Drive), partially offset by new staff appointments not made.
Revenue	1,072	1,027	45	Ⓢ	Lower than expected revenue from fees and charges and product sales.
Net Cost of Service (Surplus)	(30)	66	96	Ⓢ	
Capital Expenditure	2,275	791	(1,484)	Ⓢ	

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Vernon museum system	-	31	17	▶	Ongoing: Software updated, digital images added, digitisation of collections continues.	Carry Forward
Arts and Culture Centre Stage 1	-	59	45	▶	Ongoing: Packing and temporary rehousing of collections to museum standards continues.	Carry Forward
Arts and Culture Centre Stage 2	-	50	16	▶	Ongoing: Building project plan submitted for PIM, External funding applications being prepared.	Carry Forward
Collection Shelving	25	25	10	▶	Ongoing: Shelving requirements and floor loadings reviewed, subsidy confirmed from Lottery Grants Board and half of the required shelving purchased.	Carry Forward
Facility Retrofit and refurbishment (also see capital projects under Library activity)	2,250	2,250	703	▶	Ongoing: Building purchased as future site, building design and plans being developed.	Carry Forward

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/3

Measure: Status of the heritage collections, archives and research facility and dedicated library facility.

Target: Construction of a heritage collections, archives and research facility. Investigation/retrofit of building for library facility.

Not achieved: The project has achieved the following: purchase of the former Briscoes site for retrofitting into Library & Exhibition Centre; appointment of Irving Smith Jack Architects Ltd as project architect. Project consultation has also occurred over the development of the Library and Exhibition Centre as well as the Research, Storage and Archive Facility.

IN FOCUS

Arts and Culture Project Stage 1: During the 2009/10 year the Council has made good progress on a major project to pack all collection objects and relocate these to a temporary storage facility in preparation for the new Arts and Culture facilities to be constructed.

Over the past year, 1763 items from the Taonga Maori and Te Kohika collections have been packaged to agreed international museum standards. The Council also successfully applied to the New Zealand Lottery Grants Board for subsidy funding of over \$230,000 in support of the rehousing of the collection in acid free museum standard packaging. These measures will ensure the preservation of valuable community assets for generations to come.

Further information about the Arts and Culture project is provided under the Library activity.

Jonathan White, Heart in the Wilderness Exhibition: Heart in the Wilderness exhibited a collection of new and selected works by leading representational artist Jonathan White. The work reflects his lifelong interest in New Zealand's unique flora and fauna and featured landscapes from Fiordland and Te Urewera. The exhibition was opened by MP Eric Roy.

The Molly Morpeth Canady 3D Award - Glass 2009:

This scintillating exhibition held in August 2009 was a highlight of our arts calendar. The exhibition recognised the quality of creativity found in the area of three-dimensional art and showcased the expertise of those working in the medium of glass. The Overall winner of the award for 2009 was Jim Dennison and Leanne Williams with their piece entitled Quill.

Vernon Museum System: The Council has made excellent progress in the 2009/10 year with the cataloguing of museum collections using the Vernon collections management system. This system provides for the digital capture and recording of the museum's collections. This will enable the community better access to the museum collection.

Community Property



Pensioner Housing, Halls, Commercial Property

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council is responsible for the prudent management of community property. Properties are held either for the delivery of services to the community, including halls and pensioner housing, or for strategic and investment purposes.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	1,066	1,600	534	\$
Revenue	1,122	1,112	10	\$
Net Cost of Service	(56)	488	544	\$
Transfer from (surplus)/deficit	(56)	488	544	\$
Capex	196	202	6	\$
Payments to Reserves	2,387	55	(2,332)	\$
Loan Repayments	277	26	(251)	\$
less Depreciation not Funded	(76)	(490)	(414)	\$
Total Funding Requirement	2,728	281	(2,447)	\$
FUNDED BY:				
Reserves	403	278	(125)	\$
Loans Raised	-	3	3	\$
Sale of Assets	2,325	-	(2,325)	\$
Total Funding Applied	2,728	281	(2,447)	\$

\$ = Favourable variance \$ = Unfavourable variance

PENSIONER HOUSING

WHAT WE DO AND WHY

Currently the Council owns six housing complexes for the elderly. There are four housing developments in Whakatane which provide 79 rentable units, and two properties in Murupara which provide a further seven rentable units. The Council has provided this activity in response to public demand.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



HEALTHY PEOPLE AND QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	322	508	186	\$	Depreciation, Consultants
Revenue	372	381	(9)	\$	-
Net Cost of Service (Surplus)	(50)	127	177	\$	
Capital Expenditure	107	66	(41)	\$	

\$ = Favourable variance \$ = Unfavourable variance

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Disabled access to Council Facilities	20	20	11	✓	Completed	-
Annual refurbishments	60	60	35	✓	Completed	Scope Decrease

IN FOCUS

Sale of Pensioner Housing: At its meeting on 28 April 2010 the Council resolved not to proceed with the divestment of the pensioner housing portfolio following strong community interest in the issue.

With a decision not to proceed with the sale of pensioner housing, the total impact over a ten year period of not retiring debt as intended is an increased rate requirement of 12.06% above what was planned in the LTCCP 2009-19. The decision will need to be finalised through an LTCCP amendment process which includes consultation with the community. It is expected that this will be undertaken in the 2010/11 year alongside the development of the 2011/12 Annual Plan.

Flood Damage to Allandale Flats: The May/June floods resulted in damage to five of the Allandale pensioner housing units. Tenants were temporarily relocated while remedial works were undertaken including the removal and replacement of fittings, carpet and vinyl. The costs for repair work has been covered by insurance claims.

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Affordable pensioner housing provided to people who meet the Whakatane District Council eligibility criteria

Measure: Number of Council provided pensioner units.

Target: 79 units.

Achieved: 79 units

HALLS

WHAT WE DO AND WHY

There are a number of urban and rural community based halls in the Whakatane District including the Whakatane War Memorial Hall. 11 of these halls are Council-owned and are located in Whakatane, Edgecumbe, Murupara, Ohope, Manawahe, Galatea, Te Teko, Waimana, Otakiri, Awakeri and Taneatua. There is no legislative requirement for the Council to be involved in the provision of community halls.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



HEALTHY PEOPLE AND QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	497	743	246	\$	Depreciation
Revenue	521	532	(11)	\$	-
Net Cost of Service (Surplus)	(24)	211	235	\$	
Capital Expenditure	89	88	(1)	\$	

\$ = Favourable variance \$ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/2

Level of Service: High quality, affordable and available facilities will be provided throughout the district to engender community spirit and encourage recreational and learning activities

Measure: Satisfaction with public halls.

Target: Customer Service Index score 72.2 or higher (good service with potential for improvement).

Not achieved: Customer Service Index score 72.0 (good service with potential for improvement) - March 2010 survey result.

The level of service provided under this activity has not changed however public perception may have been influenced by the hall review which included potential divestment within the review scope.

The development of a Community Halls Strategy in the 2010/11 year will guide the setting of future levels of service for this activity and these will be set and consulted on through the development of the 2012-22 Long Term Council Community Plan.

Measure: Number of Council provided public halls.

Target: 4 Urban Halls, 6 Rural Halls.

Achieved: 4 Urban Halls, 6 Rural Halls

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project complete	Progress	Variance due to
Urban Halls Maintenance	81	81	46	✓	Completed.	Scope Decrease
Hall review/study	-	33	4	▶	Ongoing: Draft Community Hall strategy being developed, to be finalised and implemented in 2010/11.	Carry Forward

IN FOCUS

Rural Halls Review: The Council has completed a review of Rural Halls. A key driver for review was to reduce the costs to rate payers of halls, many of which are under utilised.

The review included consultation with the hall committees, main hall users and the community through public notices in the newspapers and on radio. The consultation focused on options for the future of the halls and asked "does the community still need the hall and if so, what is the fairest and most affordable way to fund it?". The feedback received from the community indicated that rural halls are valued and used and that the communities want their halls and want them to be retained.

This work will feed into the development of a Community Halls Strategy in the 2010/11 year covering both Urban and Rural halls. This will set out the Council's principles and objectives for community halls. The strategy will provide a framework and action plans that ensures greater ownership of halls by their communities thereby reducing costs to ratepayers.

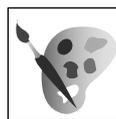
COMMERCIAL PROPERTY

WHAT WE DO AND WHY

The Whakatane District Council owns a number of properties that are held for strategic and or investment purposes. These assets include rental housing, commercial tenancies and the nursery property.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



DIVERSE, CREATIVE AND
ACTIVE COMMUNITY



PROSPEROUS
ECONOMY

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	247	348	101	\$	Depreciation
Revenue	229	199	30	\$	Lower level of lease subsidies resulting in reduced income from community grants system.
Net Cost of Service (Surplus)	18	149	131	\$	
Capital Expenditure	-	48	48	\$	

☐ = Favourable variance ☐ = Unfavourable variance

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Piripai land development	-	527	3	▶	Delayed: Development options are being investigated.	Carry Forward
Property divestment proposal	-	23	45	▶	Ongoing: More work undertaken than anticipated to progress divestment opportunities.	Scope Change

IN FOCUS

Sale of Commercial Property: In the 2009/10 year the Council sold a property at 143 King Street to the Whakatane Disabilities Resource Centre, the existing land tenants. The Council has also identified a number of further commercial properties, or portions of those properties, for potential divestment including: 2 Oregon Drive, Murupara; 3 Foxglove Drive Whakatane; 65 Keepa Road, Whakatane and 40 Te Tahi Street Whakatane.

Recreation & Community Facilities



*Park and Reserves, Cemeteries & Crematorium,
Public Conveniences, Aquatic Centres,
Ports & Harbour, Recreation & Sports Fields*

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council provides a range of public facilities, spaces and services, primarily in response to the recreational and social needs of the community. This includes parks and open spaces, harbour and port assets, cemeteries and crematorium, public conveniences and swimming pools.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	6,230	6,738	508	\$
Revenue	8,428	6,901	1,527	\$
Net Cost of Service	(2,198)	(163)	2,035	\$
Transfer from (surplus)/deficit	(2,198)	(163)	2,035	\$
Capex	3,153	3,075	(78)	\$
Payments to Reserves	2,319	307	(2,012)	\$
Loan Repayments	930	370	(560)	\$
less Depreciation not Funded	(331)	(580)	(249)	\$
Total Funding Requirement	3,873	3,009	(864)	\$
FUNDED BY:				
Reserves	2,693	1,571	(1,122)	\$
Loans Raised	433	1,438	1,005	\$
Sale of Assets	747	-	(747)	\$
Total Funding Applied	3,873	3,009	(864)	\$

\$ = Favourable variance \$ = Unfavourable variance

PARKS AND RESERVES

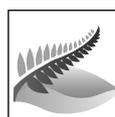
WHAT WE DO AND WHY

The Council is responsible for the maintenance and development of community reserves, esplanades, conservation reserves, coastal reserves, local reserves, significant sites and utility and road reserves throughout the District.

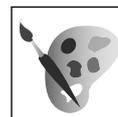
Active and passive reserves contribute to the health and vitality of the District by enhancing individual health and well being, including personal development and quality of life, increasing social cohesion and people's sense of belonging and promoting healthy communities. Recreation facilities attract visitors and therefore provide economic benefits to the District. Reserves are also provided to support the maintenance of sites with historical, cultural or environmental significance.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



DIVERSE, CREATIVE AND ACTIVE COMMUNITY



ENVIRONMENTALLY RESPONSIBLE DEVELOPMENT

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	2,660	2,742	82	\$	
Revenue	2,391	2,423	(32)	\$	Lease renewals/review
Net Cost of Service (Surplus)	269	319	50	\$	
Capital Expenditure	581	1,067	486	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Providing parks and reserves to promote opportunities for education, maintaining wildlife habitats and protecting sacred sites for current and future residents and visitors to the District.

Measure: Satisfaction with parks and reserves in the Whakatane District.

Target: Customer Service Index 75.9 or higher (very good service).

Achieved in 2008: Customer Service Index 75.9 or higher (very good service).

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Whakatane Gardens Pathway	-	64	31	✓	Completed	Scope Decrease
Warren Cole Walk and Cycleway Total Project Cost*	-	564	1,074	✓	Completed	Subsidies yet to be applied
Radio Antennae Otarawairere	-	9	11	✓	Completed	-
Coastlands Piripai Reserve Acquisition	-	527	3	▶	Delayed: Acquisition pending outcome of Land Valuation Tribunal proceedings.	Carry Forward
Rural reserves carpark upgrades (Taneatua and Matata)	-	139	146	✓	Completed.	

*Note: The Warren Cole Walk and Cycleway is budgeted as a capital project across both the Parks and Reserves activity and the Transport Networks activity. This table shows the total cost of the project which is shared between these two activities

IN FOCUS

Golden Foot Award for Warren Cole Walk and Cycleway: The Warren Cole Walk and Cycleway facility has won best practise walking facility for 2009/10. The project was one of 33 entrants at the National Golden Foot Walking Awards run by Living Streets Aotearoa, the New Zealand organisation for people on foot and walking-friendly communities.

The innovative Warren Cole Walkway was officially opened in December 2009 and stretches from the Whakatane River Bridge to the Whakatane Gardens and Amphitheatre. The project was implemented as part of the Council's Walking and Cycling Strategy adopted in 2007 to promote and provide for alternative methods of transport.

Opus International Consultants designed the walkway and managed the physical works. A number of local contractors were also involved, including Tracks Concrete Ltd, Horizon Energy, FX Network Ltd, Sissan Engineering and Ngati Awa Master Carvers.

The project cost \$1.1 million, funded by The Whakatane District Council, NZ Transport Agency and the Eastern Bay Energy Trust.

Carpark Upgrades for Reserves in Taneatua and Matata: The Council has completed projects to upgrade the parking facilities for Mitchell Park in Taneatua and for the Richmond Reserve and Tennis Club Reserve in Matata. Upgrading of the carparks provides easier and safer access to existing reserves where in the past, reserve users have had to park along the roadway.

CEMETERIES AND CREMATORIUM

WHAT WE DO AND WHY

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

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	378	423	45	\$ Overheads
Revenue	413	445	(32)	\$ Bay Energy Trust grant received
Net Cost of Service (Surplus)	(35)	(22)	13	\$
Capital Expenditure	25	645	620	\$

\$ = Favourable variance \$ = Unfavourable variance

Achieved 2/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Appropriate and sufficient cemetery and crematorium services are available to residents

Measure: Satisfaction with cemeteries.

Target: Customer Service Index score of 81.2 or higher (exceptional performance).

Achieved in 2008: Customer Service Index score of 81.2 (exceptional performance).

Measure: Provision/operation of a crematorium facility in the District.

Target: 1

Achieved: 1 - Operational from 1 October 2009.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Whakatane Cemetery berms	11	11	10	✓	Completed	-
Hillcrest Crematorium	-	590	562	✓	Completed	Efficiencies

IN FOCUS

Whakatane Crematorium Officially Opens:

Construction of the first crematorium in the District was completed in August 2009. The project was supported by a grant from the Eastern Bay Energy Trust and was completed under budget.

The Crematorium was officially opened in October 2009. The service has been well received and is meeting the forecast level of demand.

The facility's modern design is centred around the theme of a waka and incorporates a 50 seat chapel. The crematorium is located in a peaceful, well landscaped area of the Hillcrest Cemetery on Ohope Road, between Whakatane and Ohope. The facility was the category winner of the Commercial Projects - Industrial and Infrastructure Project at the Registered Master Builders awards for the Whakatane District in 2010.

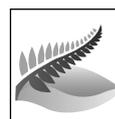
PUBLIC CONVENIENCES

WHAT WE DO AND WHY

The Council maintains thirty-six public conveniences at various reserves and recreational locations. Provision of public conveniences is a statutory responsibility.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



HEALTHY PEOPLE AND QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	497	565	68	\$	Depreciation
Revenue	594	619	(25)	\$	-
Net Cost of Service (Surplus)	(97)	(54)	43	\$	
Capital Expenditure	154	43	(111)	\$	

\$ = Favourable variance \$ = Unfavourable variance

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Establish new public convenience facilities at Eivers Road Reserve	137	137	19	▶	Ongoing: Project spans over two financial years and is planned for completion early in 2010/11.	Carry forward

IN FOCUS

New Facility for Eivers Road: In the 2009/10 year the Council made a decision to construct a new public convenience at the end of Eivers Road rather than at Landing Road adjacent to the Rowing Club. The intention is that it will service users of the Warren Cole Walkway and the planned Waka Ama ramp. Construction started late in the 2009/10 year and is planned for completion early in 2010/11.

Achieved 1/1

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Adequate public conveniences will be provided where required by the community

Measure: Satisfaction with public toilets.

Target: Customer Service Index score 69.2 or higher (good service with potential for improvement).

Achieved in 2008: Customer Service Index 69.2 (good service with potential for improvements).

AQUATIC CENTRES

WHAT WE DO AND WHY

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

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	701	936	235	\$ Depreciation, Contributions to Whakatane pool contractor for income losses, Unexpected maintenance costs for pool compressor.
Revenue	2,782	829	1,953	\$ Subsidy not received for Whakatane Aquatic Centre repair (pending outcome of litigation)
Net Cost of Service (Surplus)	(2,081)	107	2,188	\$
Capital Expenditure	2,093	1,023	(1,070)	\$

Ⓜ = Favourable variance Ⓢ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 1/2

Level of Service: High quality, affordable and safe aquatic facilities will be provided in Whakatane and Murupara

Measure: Satisfaction with swimming pools.

Target: Customer Service Index score 60 or higher (needs significant improvement).

Not achieved: Customer Service Index 59.5 (needs significant improvement) - March 2010 survey result. While the expectation was that customer perceptions would decrease alongside closure of the Whakatane Aquatic Centre, the decrease was very slightly greater than expected by the performance target in the LTCCP. Customer perception is expected to increase following the opening of the completion of the repairs on the Whakatane Aquatic Centre.

Measure: Council provided aquatic centres open to the public:

Target: Murupara Swimming Pool, Whakatane District Aquatic Centre available part of year only (closed from April – November 2010).

Achieved: The Whakatane Aquatic Centre was closed from April 2010.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/109 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Whakatane Aquatic Centre repair project	2,000	2,000	457	▶	Ongoing: Aquatic Centre closed in March 2010 and will be closed for approximately 8 months	Carry Forward

IN FOCUS

Whakatane District Aquatic Centre Repair Project:

The District Aquatic Centre closed in March 2010. It will be closed for approximately eight months to complete major repair works.

These works are a result of design errors that have caused damage within the wall and roof cavities. There are numerous aspects of the design that have allowed surface water to penetrate into areas which should be kept dry. However the main issues affecting the Centre is the lack of an effective vapour barrier to prevent water reaching the roof.

The cost of the repair project is in excess of \$5.4 million (\$1.2m increase to the estimated cost in December 2008). The Council is still pursuing costs from the architects.

Murupara Swimming Pool works: A major upgrade to the filtration plant was completed prior to the pool opening for the 2009/10 season. In addition work was undertaken to determine the location of a leak in the pool or circulation system and maintenance work on the pool surrounds was carried out. Further significant maintenance work is scheduled to be completed before next season.

The contract for operation of the Murupara pool was also successfully renewed during the year.

PORTS AND HARBOUR

WHAT WE DO AND WHY

The Council undertakes this activity in consideration of public advocacy and demand as well as statutory responsibilities. A total of 45 sites form part of the harbour assets of Whakatane. These assets include: wharves, jetties, access ways, launching ramps, and navigational aids at Whakatane; 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 commercial fishing. The port income supports waterfront enhancement development and navigational channel maintenance at Whakatane.

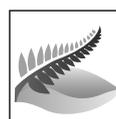
COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	1,572	1,607	35	\$	Increased overheads
Revenue	1,812	2,105	(293)	\$	Increased revenue from leases and rentals due to reviewed rents.
Net Cost of Service (Surplus)	(240)	(498)	(258)	\$	
Capital Expenditure	81	233	152	\$	

\$ = Favourable variance \$ = Unfavourable variance

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED
ENVIRONMENT



HEALTHY PEOPLE AND
QUALITY HOUSING

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 2/4

Level of Service: Provide safe access to rivers and coastal water within the general vicinity of the Whakatane CBD, Ohiwa Harbour and Thornton domain.

Measure: Satisfaction with harbour facilities in Whakatane CBD including the port and surrounding environment scores.

Target: Customer Service Index 77.5 or higher (exceptional performance).

Not achieved: Customer Service Index 73.4 (very good service) - March 2010 survey results. The level of service provided under this activity was expected to increase due to completion of the Heads Development Project during the 2009/10 year. However, this project was delayed during the resource consent process and is now expected to be completed by November 2010.

Measure: Satisfaction with boat ramps in Whakatane town.

Target: Customer Service Index 79 or higher (exceptional performance).

Not achieved: Customer Service Index 69.1 (good service, but with potential for improvement) - March 2010 survey result. The level of service provided by these facilities has not changed since the baseline survey was undertaken in 2008. The survey result (reduced level of satisfaction) may have been influenced by differences in the survey design such as timing. The Council will continue to provide the current level of service and will reassess the measure through the development of the Long Term Council Community Plan 2012-22.

Measure: Satisfaction with boat ramp, playground, toilets and wharf facilities at Port Ohope.

Target: Customer Service Index score 74.1 or higher (very good service).

Achieved: Customer Service Index score 76.2 (very good service) - March 2010 survey result. This result shows a greater improvement than expected and is a positive achievement.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Waka Ama/Rowing Club ramp	-	35	24	▶	Ongoing: Awaiting resource consent, works to be completed in 2010/11	Carry Forward
Main wharf eastern infill	-	454	-	▶	Not Started: Pending completion of Ports Operation Plan	Carry Forward
Development of Heads Reserve	-	412	54	▶	Delayed: Consent granted, tender completed, works to be completed in 2010/11	Carry Forward
Refurbishment of Game Wharf	-	681	23	▶	Delayed: Consent process underway, works to be completed in 2010/11	Carry Forward
Western training wall resource consent	-	126	97	✓	Completed	Efficiencies

IN FOCUS

Open Days for Ports Operational Plan: Open days were held in Thornton, Ohope and Whakatane as part of the development of a Ports Operational Plan. The Plan brings together proposals already approved by the Council that impact on the harbour assets or activities included in the Long-Term Council Community Plan, the Town Vision Plan and the Port Ohope Concept Plan. The review itself will focus on the port and harbour assets. The draft Plan was adopted by the Council for consultation in September 2010.

Harbour Maintenance: During the 2009/10 year Whakatane Harbour access has been very consistent with restrictions placed on the bar for a total of only 30 days. This result follows improvements to the Western Spit-wall completed in August 2009 and an improved maintenance regime by discing of the bar (a method of dredging the river entrance).

Consent Granted for Heads Reserve Upgrade: The Resource consent for this project was granted in April 2010. The consent application was for the provision of a formed public access, carparking facilities and landscape enhancements on the Council reserve at the end of Muriwai Drive. Physical works are expected to be completed by November 2010. This will greatly enhance the appeal and use of the area for future generations.

Renewed Consent for Western Spit Wall: In December 2009 an Independent Hearing Commissioner jointly appointed by the Bay of Plenty Regional Council and Whakatane District Council granted resource consents to retain the rock training wall on the western side of the Whakatane River entrance. The resource consents provide for maintenance of the 85m long wall, including reconstruction following storm or flood damage for five years. The short term of the consent recognises that the western spit wall may be a short-term solution to maintaining safe and reliable vessel access through the river entrance. Further investigations are required to determine an appropriate long-term solution.

Town Vision Advisory Board: The Town Vision Advisory Board was appointed in February 2010 and has begun planning for the future of the Whakatane Town Centre. The Board's role is to progress the Whakatane Town Vision Development Plan, which was developed with substantial community consultation and input, to provide a vision and strategic direction for the development of the Whakatane Town Centre. The Board aims to work with the community and Council to ensure development enhances Whakatane's natural and cultural heritage which is highly valued by the community.

Achieved 2/4

HOW DID WE PERFORM AGAINST OUR TARGETS?

Measure: Satisfaction with facilities at Thornton domain.

Target: Customer Service Index score of 73.4 or higher (very good service).

Achieved in 2008: Customer Service Index score of 73.4 (very good service).

RECREATION AND SPORTS FIELDS

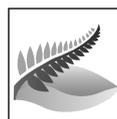
WHAT WE DO AND WHY

The Council provides the activity in response to public advocacy and demand. The activity contributes to the health vitality and wellbeing of the District, enhances social cohesion, increases people's sense of belonging and healthy communities. The Council has adopted the strategies associated with the Active Eastern Bay - physical activity report which provided a clear set of priorities for the enhancement and development of existing and new recreation and leisure services in the Whakatane District.

The Council is a large investor in physical activity through recreation and sporting assets. As stewards of public assets the Council wants these assets to be used to the maximum community benefit. These resources can be used for structured recreation and provide opportunities for "daily life" physical activity.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



HEALTHY PEOPLE AND QUALITY HOUSING

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	423	465	42	Ⓢ	Increased consultant and contract costs associated with Netball Court resurfacing and Rugby Park Grandstand upgrade investigations.
Revenue	437	480	(43)	Ⓢ	-
Net Cost of Service (Surplus)	(14)	(15)	(1)	Ⓢ	
Capital Expenditure	219	63	(156)	Ⓢ	

Ⓢ = Favourable variance Ⓢ = Unfavourable variance

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/3

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

Measure: Satisfaction with sports grounds.

Target: Customer Service Index score 77 or higher (excellent service).

Achieved in 2008: Customer Service Index score 77 (excellent service).

Measure: Percentage compliance with contract specifications for sports-fields within the Whakatane District based on monthly audits.

Target: 100% compliance based on monthly audits.

Achieved: 100% compliance with audits.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Rex Morpeth Park facilities upgrade	143	143	0	▶	Delayed: Works underway, to be completed in early 2010/11.	Carry Forward
Cricket wicket irrigation system	0	5	5	✓	Completed.	-

IN FOCUS

Partnership with Sport Bay of Plenty: In the financial year the Council renewed its contract with Sport Bay of Plenty to provide recreation and activity services. This includes the School Holiday Programme, delivery of advice and activity programmes to schools and clubs, and the Pathway 2 Health/Lets Go Whanau programmes that target inactive communities.

Pathway 2 Health has run for 5 years in the Eastern Bay of Plenty successfully delivering programmes for increased activity to targeted groups. The programme is primarily funded by SPARC with support from councils and health authorities and is winding down as funding ends. This will be followed by a new programme "Lets Go Whanau" that is set to build on the lessons learnt from Pathway 2 Health and increase engagement with Maori communities through Whanau and Hapu based activities.

Improvements to Rex Morpeth Park: During the year the Council completed improvements to Rex Morpeth Park in Whakatane. This included the installation of a cricket wicket irrigation system, an extension to the athletics track irrigation system and improvements to fencing at Rex Morpeth Park and Rugby Park. These improvements will improve the integrity of the fields and ensure they are better able to withstand increased use while retaining their condition and ease of maintenance.



Achieved 3/3

HOW DID WE PERFORM AGAINST OUR TARGETS?

Percentage compliance with turf grass field recommendations provided by the New Zealand Turf Grass Institute through annual assessments.

Target: 83%

Achieved: 100% compliance. This result is a reflection of work undertaken on a Sports Ground Study which provided recommendations for future maintenance and improvements.

Hazard Management



Emergency Management, Disaster Mitigation

WHAT THIS GROUP OF ACTIVITIES INCLUDES

Within this group of activities the Council undertakes projects to mitigate the effects of natural hazards and raise the level of protection from future hazard events. The Council also maintains preparedness for civil defence emergencies, responds to events, assists with the recovery and educates the community.

GROUP OF ACTIVITY COST OF SERVICE

The table below provides an overview of what this Group of Activities cost and how it was funded. Costs for specific Activities can be found on the following pages.

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	U/F
Expenditure	852	887	35	\$
Revenue	893	1,848	(955)	\$
Net Cost of Service	(41)	(961)	(920)	\$
Transfer from (surplus)/deficit	(41)	(961)	(920)	\$
Capex	-	3,602	3,602	\$
Payments to Reserves	-	341	341	\$
Loan Repayments	283	643	360	\$
Total Funding Requirement	242	3,625	3,383	\$
FUNDED BY:				
Reserves	242	885	643	\$
Loans Raised	-	2,740	2,740	\$
Total Funding Applied	242	3,625	3,383	\$

\$ = Favourable variance \$ = Unfavourable variance

EMERGENCY MANAGEMENT

WHAT WE DO AND WHY

The emergency management activity is made up of three functions:

Civil Defence: 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. Civil Defence planning is undertaken on a regional basis through the Bay of Plenty Civil Defence Emergency Management Group (CDEMG). 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.

Rural Fire: The Whakatane District is a Rural Fire Authority. 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.

Hazardous Substances: The Council attends incidents involving hazardous substances in an advisory capacity to the New Zealand Fire Service and the Police.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



STRONG,
TRANSPARENT AND
OPEN LEADERSHIP

Achieved 3/5

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: The Council is able to effectively respond to, manage and recover from, emergency management incidents.

Measure: *Maintenance of emergency management and rural fire plans.*

Target: Local Civil Defence Emergency Management Plan is updated annually.

Not achieved: The local plan has not been updated this year (although the Controller details are still correct). The plan is to be reviewed in 2010/11 but it is awaiting the Civil Defence Emergency Management (CDEM) Group plan to be accepted and a template produced to ensure consistency across the whole Bay of Plenty.

Measure: *Maintenance of civil defence and rural fire equipment.*

Target: Civil defence and rural fire equipment is maintained on a fortnightly basis.

Achieved: Rescue equipment used for training and service was checked on a fortnightly basis.

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000	Major Variance Explanations
Expenditure	378	398	20	\$ -
Revenue	378	395	(17)	\$ -
Net Cost of Service (Surplus)	-	3	3	\$

☐ = Favourable variance ☐ = Unfavourable variance

IN FOCUS

Flood Response: The Eastern Bay of Plenty Emergency Operations Centre (EOC) was activated during the heavy weather and flooding on 25 May 2010 and again on 1 June 2010 to organise response and relief efforts. The EOC operates out of the Whakatane District Council Civic Centre and is comprised of multiple agencies including emergency services, welfare services, Council services and the Urban Search and Rescue crew (USAR) working together to coordinate efforts.

Tsunami Response: On two occasions during the year the EOC and USAR were placed on alert due to possible tsunami risk. The Ministry of Civil Defence advised of the risk to the Bay of Plenty following earthquakes in Tonga (magnitude 7.7) and Vanuatu (magnitude 7.8). The community was advised to stay clear of beaches and out of the water as well as refrain from boating activities due to expected strong currents until a cancellation was issued.

HOW DID WE PERFORM AGAINST OUR TARGETS?

Achieved 3/5

Measure: *Regular and ongoing training is undertaken by the civil defence and rural fire team.*

Target: Team training undertaken weekly with the focus alternating between civil defence and rural fire response.

Achieved: Training is provided weekly for either civil defence or rural fire response. An audit is being undertaken by the CDEM group of the civil defence teams to ensure that both training and the equipment are appropriate, adequate and focused towards the risks that we face in our area.

Measure: *Participation in simulated events or training exercises.*

Target: Participation in one or more simulated events or training exercises held each year.

Achieved: While the Council did not arrange a simulated event this financial year, it has had two full activations of the Emergency Operations Centre (EOC) in actual events.

Also a large number of staff have undertaken a two day introduction to the EOC training and a one day course specific to their position. Each of these courses involved a short tabletop exercise.

Measure: *Status of the tsunami warning system project being progressed by combined councils under Civil Defence Emergency Management Group.*

Target: Development of proposal and implementation plan.

Not achieved: CDEM Group are still in the developmental stage of their tsunami warning project and no decisions have been made on what systems may be used or when implementation will begin.

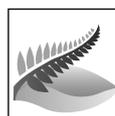
DISASTER MITIGATION

WHAT WE DO AND WHY

The Council undertakes disaster mitigation works to protect the community from the risk of future natural hazards. Current mitigation works were proposed following the flooding, debris flow and landslip events in 2004 and 2005. Without these works, residents would continue to be exposed to future disasters. Several projects involve working with Ontrack, NZTA and the Bay of Plenty Regional Council, each of which is responsible for project costs within their area of responsibility.

COMMUNITY OUTCOMES

This activity contributes to the achievement of the following Whakatane District community outcomes:



CLEAN PROTECTED ENVIRONMENT



STRONG, TRANSPARENT AND OPEN LEADERSHIP



SAFE CARING COMMUNITY

COST OF SERVICE

	Annual Plan 2009/10 \$000	Actual 2009/10 \$000	Annual Plan Variance \$000		Major Variance Explanations
Expenditure	474	489	15	\$	-
Revenue	515	1,453	(938)	\$	Unbudgeted revenue from Transpower for Edgumbe flood mitigation project.
Net Cost of Service (Surplus)	(41)	(964)	(923)	\$	
Capital Expenditure	-	3,602	3,602	\$	

\$ = Favourable variance \$ = Unfavourable variance

Achieved 1/2

HOW DID WE PERFORM AGAINST OUR TARGETS?

Level of Service: Identified natural hazards will be considered and prioritised to reduce risk to public safety.

Measure: Natural hazards are identified, considered and prioritised through resource management policy.

Target: Undertake gap analysis of natural hazard information held by the Council.

Not achieved: During the 2009/10 year the Council identified key issues and options as part of the District Plan Review project. The analysis of Natural Hazards is included in the scope of this project but the gap analysis has not yet been undertaken. This work has been carried over to be progressed during the next financial year as part of the three year District Plan review project.

Measure: Prioritised actions are undertaken to reduce risk to public safety.

Target: All prioritised actions are undertaken with the specified timeframes, including Waitepuru catchment, Awatarariki catchment, Edgumbe/Rangitaiki Plains.

Achieved: The Matata Disaster Mitigation Regeneration work is made up of five projects and the majority of these have now been completed. The Awatarariki Debris Structure will begin during the 2010/11 year pending finalisation of the resource consent process. Construction of the Edgumbe/Rangitaiki flood mitigation works began in the 2009/10 year and will be completed in 2010/11.

MAJOR CAPITAL PROJECTS

Project	Annual Plan 2009/10 \$000	Revised Budget \$000	Actual 2009/10 \$000	Project Status	Progress	Variance due to
Matata flood hazard mitigation	-	4,669	2,424	▶	Ongoing: Four of five projects completed. Resource consent application for the Awatarariki debris detention structure has been lodged. Work will continue when consent is granted.	Carry Forward
Awatapu flood hazard mitigation	-	34	79	✓	Completed.	Cost Overrun
Edgecumbe flood hazard mitigation	-	2,781	884	▶	Delayed: Stop banks raised, negotiation ongoing with property owner in relation to installation of second pump.	Carry Forward

IN FOCUS

Matata Regeneration Projects: The debris flow and flood that occurred in May 2005 threatened lives and property in the small community of Matata. It has been a long process of regeneration including the construction of hazard mitigation measures to prevent future events of a similar nature. The Council can now report that four out of five of the Matata regeneration projects have been completed. A resource consent application has been lodged for the fifth project; the Awatarariki debris detention structure.

The Flood Mitigation infrastructure in the Waitepuru and Awatarariki catchments provided a high level of protection to the Matata community during the flood events of May and June 2010, approximately 15,000m³ of silt was contained at the two sights, this silt would have caused significant damage to Matata without the protection infrastructure. There was isolated damage to property along the stream particularly in the Waitepuru catchment this was primarily a result of the recent completion of significant construction works and redirection of stream water immediately prior to the floods. The success of the flood mitigation infrastructure in Matata provides the Matata community with greater assurance during severe weather events in the future.

Edgecumbe - High Priority Work Completed: During the 2009/10 year the majority of the works on raising the stopbanks were completed, providing an increased level of flood protection for the Edgecumbe community. The installation of pumps has commenced and is expected to be completed in the 2010/11 year. An opportunity to raise the level of Eastbank Road is also currently being investigated.

Awatapu Works Completed: The Council has completed the final part of a project to increase the level of flood protection for the Awatapu area. In December 2009, raising of stopbanks was completed at the south end of Hinemoa Street and Cutler Crescent. The project was initiated following heavy rain in 2004 that led to the Awatapu Lagoon overflowing into the Awatapu residential area causing serious flooding which lasted for several days. The raised stopbanks will provide greater protection to the Awatapu community in the future.

Council Controlled Organisations



COUNCIL CONTROLLED ORGANISATIONS

A Council Controlled Organisation (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 the following three CCOs:

- Whakatane Airport,
- Toi Economic Development Agency (Toi EDA) and the
- Bay of Plenty Local Authority Shared Services Limited (BOPLASS Ltd).

The following pages summarise the information required under the Local Government Act 2002 relating to CCOs.

WHAKATANE AIRPORT

ABOUT THIS CCO

The Whakatane Airport is a council-controlled trading organisation (CCTO) under the Local Government Act 2002. The airport is seen as a valued community asset, which contributes to residents' quality of life and it is considered crucial to the economic well-being of the District.

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

SHAREHOLDERS

The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatane District Council with each party owning a 50% share. Responsibility for the level of maintenance and operation of the airport rests with the Whakatane District Council.

POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

The following policies and objectives were implemented over the 2009/10 year:

- 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 facility is maintained at its present level and increased wherever practicable and economic.
- To ensure that the airport is administered efficiently and effectively to the benefit of scheduled flight operations.

***Air New Zealand Link provides
a daily return service to
Auckland and Wellington***



NATURE AND SCOPE OF ACTIVITIES

The nature and scope of services provided over the 2009/10 year included:

Aviation Services: The airport was maintained as a non-certified aerodrome in accordance with the Civil Aviation Authority Aerodrome design for aircraft at or below 5700kg Maximum Combined Take Off Weight (MC TOW). Air New Zealand Link provided daily return services to Auckland and Wellington

Leases: Land surplus to the airport's present operational requirements was leased for grazing. Areas of the terminal building were leased for activities compatible with the operation of an airport. Lease of airport land was also available to commercial operators and associated industry.

HIGHLIGHTS

Whakatane Airshow: In September 2009 the Whakatane Airport hosted its biggest ever airshow. The airshow featured modern, vintage and air force aircraft, flight manoeuvres by military student pilots and a race between a motorbike, a Ferrari and a helicopter. The airshow attracted a crowd of over 5,000 spectators.

Airport Expansion Land Negotiations: The Airport Master Plan identifies a number of land acquisitions which are required to support the future growth of the airport and its aviation activity. In particular the Council is looking to secure land to support future new terminal complex and to support recreational and general aviation expansion. The Annual Plan for 2009/10 included provision for the purchase of additional land around the airport and during the year the Council held a number of meetings with the land owner. Negotiations will continue in 2010/11 to reach a sale price acceptable to both parties.

Hangar Development: The Council is pleased to have been able to approve an application from Frontier and Vulcan Helicopters for the construction of a helicopter hangar and training facility at the airport.

The Eastern Bay of Plenty Aviation Sports Club has also been actively pursuing options with the Council for the construction of hangars. This includes an extension to their existing hangar as well as the construction of up to ten new hangars. The Club has indicated that they have an immediate demand for this number and could fill them immediately.

HOW DID WE PERFORM AGAINST OUR TARGETS ?

	Measure	Targets/ achievements	
Cost Performance	Operate and maintain the airport's assets within an operational expenditure budget (excluding corporate overheads and depreciation)	Whakatane total budget surplus / (deficit)	(\$197,275)
		Pavement resurfacing	\$98,000
		Runway lighting and navigational aids renewal	\$8,000
		Airport designations	\$75,000
Function Performance	Target The airport is maintained as a non-certified aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5700 kg MC TOW.		

Achieved: Maintenance target met for aircraft at or below 5700 kg MC TOW.



TOI ECONOMIC DEVELOPMENT AGENCY (TOI EDA)

ABOUT TOI EDA

Toi EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by three territorial authorities (Kawerau, Opotiki and Whakatane) and Te Runanga o Ngati Awa on behalf of the Mataatua Iwi Forum.

The primary objective of the Toi EDA is to make a positive difference to the Eastern Bay of Plenty economy by supporting sustainable business and industry and increasing productivity by focusing on the region's natural and human resources. Toi EDA provides goods or services for the community of social benefit rather than making a financial return. Accordingly, it is designated as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

For the purpose of this Annual Report, Visitor Information is included under Toi EDA, because the LTCCP 2009-19 erroneously included Visitor Information in this CCO. The Annual Plan 2010/11 has Visitor Information included as one of the Council's Activities.

TOI EDA AS AN EXEMPT CCO

On 24 February 2010 the Council resolved that Toi EDA would become an exempt Council Controlled Organisation (CCO) under the Local Government Act 2002. As a CCO, Toi EDA was required by legislation to meet a number of reporting requirements that were considered onerous and expensive in relation to its size. Exemption from these requirements allows Toi EDA to focus more of its limited resources on economic

development. As an exempt CCO the reporting requirements of Toi EDA are similar to those of other Council activities.

This change has not affected the nature or delivery of the services delivered by Toi EDA.

TRUSTEES

Toi EDA operates under a Trust Deed. Toi EDA's trustees are experienced business people and community leaders who play a vital role in leading and guiding the organisation. They bring with them a wealth of experience and skills spanning commercial, finance, governance and business development, as well as entrepreneurial skills.

The Trustees' role is to:

- Provide strategic leadership and oversee strategy.
- Meet and network with key stakeholders.
- Provide advocacy.
- Ensure sustainable economic development.
- Monitor progress.
- Provide governance.
- Generate ideas / foster growth.
- Influence the community and stakeholders.
- Support staff.
- Take positions / prepare submissions on major developments.
- Perform a custodial role over resources.

HOW DID WE PERFORM AGAINST OUR TARGETS ?

	Measure	Target	Achievements
Cost Performance	To attract more people to visit and live in the region by developing and implementing a co-ordinated marketing strategy	\$50,000	\$53,262
	To identify, support and grow events that attract visitors and promote the Eastern Bay of Plenty	\$50,000	\$38,387
	To implement Toi-EDA economic development strategy goals:	\$45,000	\$45,484

SIGNIFICANT POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

The following policies and objectives were implemented over the 2009/10 year:

- To attract people to work, live and play in the Eastern Bay of Plenty.
- To encourage alignment with Maori economic development and Toi-EDA activity.
- To support and develop industry.
- To align training and education with employment needs.
- To advocate for improved infrastructure and transportation.
- To foster communication with the community and partners.
- To secure and diversify the Toi-EDA funding base.

NATURE AND SCOPE OF ACTIVITIES

The nature and scope of services provided over the 2009/10 year included:

- Developing and implementing a co-ordinated marketing strategy.
- Attracting more people to visit and live in the region.
- Identifying, supporting and growing events that attract visitors and promote the Eastern Bay of Plenty.
- Advocating for new facilities and event resources.
- Promoting conference opportunities.
- Providing a range of business support programmes.
- Delivering a range of economic development projects.

HIGHLIGHTS

New Events in the Eastern Bay: Three successful new events entertained crowds during February and March 2010. Hot Summer Nights Street Fiesta had a crowd of 5,000 enjoying some fantastic evening food and entertainment. The Matata Picnic Day brought a steam train load of visitors to the seaside town for vintage car and plane displays and a picnic. The Rangitaiki River Festival saw kayak and waka ama events using the whole river with a festival on Thornton domain. The worlds first kina eating contest was held.

Promoting Our Paradise: Promoting kiwi family holidays, good fun and life-long memories has been the theme of Eastern Bay of Plenty marketing over the summer. Hosting travel writers has resulted in excellent stories in Kia Ora magazine, NZ Adventure Magazine, Lets Travel magazine, NZ Herald on Sunday and NZ Kayak magazine. Destination TV also visited the Eastern Bay to film their 4th series of Hit the Road. Four days of filming provided the footage for an entire programme devoted to the Eastern Bay of Plenty including Whakatane, White Island and Opotiki.

Proposal for Coastal Cycleway: In December 2009 Toi-EDA lodged a concept proposal for a coastal cycle way with the NZ Cycle Trail Project. The proposal was not successful in gaining funding from the national project however the national team had identified it as a strong proposal and encouraged the community to continue with the project. Toi-EDA has done some background research on other cycleway projects and there is interest from local funding bodies in a community-wide project. Toi-EDA is continuing to work on the feasibility and intends to initiate a meeting of interested organisations with the intention to form a Cycleway Project Committee to progress the project.

Enterprise Training Programmes: During the 2009/10 year ToiEDA continued to deliver the Enterprise Training Programme (ETP). This programme is aimed at up-skilling the owners and operators of small and medium enterprises to help them develop and grow their businesses. In the Eastern Bay of Plenty ETP focuses on key industry sectors including horticulture, manufacturing and tourism. In the past year workshop series have include Lean Manufacturing, Better Business skills for horticultural industry and a range of marketing workshops.

Forestry and Wood Processing: Toi-EDA has developed a promotional package focusing on the key attributes of Kawerau as a site for new manufacturing industry. This has been widely promoted in the forestry industry.



BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES LIMITED (BOP LASS)

ABOUT THIS CCO

The Whakatane District Council is a one-ninth shareholder in BoP LASS Limited. BoP LASS Limited was formed on 15 October 2007 to support councils that operate within the boundaries of the Bay of Plenty region.

The principal activities of BoP LASS Limited are to investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some or all of the councils.

GOVERNANCE

BoP LASS Limited will conduct itself in accordance with its constitution, its annual statement of intent agreed with shareholders, the provisions of the Companies Act 1993 and the Local Government Act 2002.

The company is governed by its directors. To ensure total synergy between the company's activities and its council shareholders' activities, the directors are also the chief executives of their respective council shareholders.

BoP LASS Limited has nine directors appointed by its shareholders. Unless otherwise agreed by the Board, each appointee is the current (or acting) chief executive of the council shareholder including:

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

In addition, the Board may appoint up to three professional directors to supplement the directors'/chief executives' expertise.

POLICIES AND OBJECTIVES IN REGARD TO OWNERSHIP AND CONTROL

The objectives of BoP LASS Limited as stated in its statement of intent for the 2009/10 year included:

"Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation."

These will be achieved primarily through:

- Joint Procurement: Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BoP LASS or individually by participating councils.
- Shared Services: Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

***Bop LASS Vision:
"Councils partnering for
value and service"***

NATURE AND SCOPE OF ACTIVITIES

The principle nature and scope of the activity of BoP LASS Limited over the 2009/10 year included:

Using Joint Procurement to add value to goods and services sourced for its constituent councils.

- Facilitate Shared Services that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursuing best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrating fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, Council contributions, or government funding where available.
- Allowing other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Representing the collective views of its shareholders in matters with which it is associated.

HIGHLIGHTS

Fibre Optic Network Links Councils: BoP LASS Ltd delivered a highly valuable service to its shareholding councils with the completion of a fibre optic network. In June 2010, the 1Gbps fibre optic network linked the Whakatane District Council with the other councils of the Bay of Plenty region. The leased fibre is part of a new fibre link provided by FX Networks Ltd (under the One Government contract) and connects councils in Tauranga, Rotorua, Whakatane and Taupo. Until FX Networks entered the market this service was unavailable to the councils at a price that was affordable. In addition a microwave link is planned from Whakatane to Opotiki and future links are planned for Kawerau and Gisborne. It is hoped that all councils in the group will be linked within six months.

HOW DID WE PERFORM AGAINST OUR TARGETS ?

The following is some of the key targets and results for BoPLASS in 2009/10. A copy of the full Annual Report is available from www.bopllass.co.nz.

Target: Ensure the umbrella company continues to operate effectively in both governance and management terms. Management reporting, accounting systems and financial reports provided.

Achieved: Targets met.

Target: Maintain operational principles regarding development and approving shared services. Policy statement reviewed annually. Business cases provided and approved for services prior to initiation.

Achieved: Targets met. Policy reviewed in February for the Statement of Intent.

Target: Develop and sustain communication lines with each shareholding council at appropriate levels. Management team meetings with constituent councils.

Achieved: Target met. Directors advised meetings to be by invitation. Meetings were held with Western Bay and other council staff members.

Target: Investigate at least potential five shared services to identify saving and/or benefits. Advisory groups established and feasibility studies completed.

Achieved: Target met. Investigations included rates, geographical information services, Council regional network platform, unimarket and antivirus software.

Target: Achieve effective operation of at least three shared services with each service contributing appropriately to the costs of the umbrella vehicle. Service levels agreed and implemented. Cost recovery/ levy applied.

Achieved: Target met. Shared services include Council regional network platform, Office Max, Sophos antivirus software and internal audit.

Financial Statements



STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2010

Actual 2009 \$000			Actual 2010 \$000	Budget 2010 \$000
	INCOME			
28,441	Rates revenue	Note 2	30,305	29,646
16,791	Other revenue	Note 3	17,839	21,248
78	Finance income	Note 6	63	211
300	Gains	Note 7	685	-
45,610	Total Income		48,892	51,105
	EXPENDITURE			
10,214	Personnel costs	Note 4	10,250	9,764
16,417	Depreciation and amortisation	Note 5	13,460	12,173
26,576	Other expenses	Note 5	25,330	22,988
2,343	Revaluation Losses	Note 5	388	-
956	Finance costs	Note 6	1,409	1,493
56,506	Total Operating Expenditure		50,837	46,418
(10,896)	Surplus/(deficit) before tax		(1,945)	4,687
-	Income Tax Expense	Note 8	-	-
(10,896)	Surplus/(deficit) after Tax		(1,945)	4,687
	OTHER COMPREHENSIVE INCOME			
95,665	Gains/(Loss) on assets revaluation		(7,125)	17,922
84,769	Total Comprehensive Income for the year		(9,070)	22,609

Explanations of significant variances against budget are included in Note 34

The Notes and the Statement of Accounting Policies on pages 133 to 175 form part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2010

Actual 2009 \$000		Actual 2010 \$000	Budget 20010 \$000
544,866	Balance as at 1 July	629,635	557,227
(10,896)	Surplus/(Deficit) for the year	(1,945)	4,687
95,665	Increase/(Decrease) in asset revaluation reserves	(7,125)	17,922
84,769	Total recognised income (expense)	(9,070)	22,609
629,635	Balance as at 30 June	620,565	579,836

The Notes and the Statement of Accounting Policies on pages 133 to 175 form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION as at 30 June 2010

Actual 2009 \$000			Actual 2010 \$000	Budget 2010 \$000
EQUITY				
433,848	Retained earnings	Note 23	428,770	459,515
10,812	Restricted equity	Note 23	13,945	12,303
184,975	Asset revaluation reserves	Note 23	177,850	108,018
629,635	TOTAL EQUITY		620,565	579,836
ASSETS				
Current Assets				
1,341	Cash and cash equivalents	Note 9	526	1,160
89	Inventories	Note 10	86	180
6,598	Trade and other receivables	Note 11	5,343	7,168
8,028	Total Current Assets		5,955	8,508
Non-Current Assets				
68,163	Operational assets	Note 14	69,726	62,955
475,160	Infrastructural Assets	Note 14	475,519	429,933
833	Intangible assets	Note 14	1,806	1,535
209	Forestry assets	Note 16	213	55
34,087	Investment property	Note 17	33,725	51,043
53,152	Restricted assets	Note 18	54,156	42,650
5,322	Work in progress	Note 15	5,602	4,607
14,040	Assets held for sale	Note 17	14,040	12,796
43	Other financial assets	Note 13	43	-
651,009	Total Non-Current Assets		654,830	605,574
659,037	Total Assets		660,785	614,082
LIABILITIES				
Current Liabilities				
7,064	Trade and other payables	Note 19	7,651	7,870
595	Provisions	Note 20	2,542	30
839	Employee entitlements	Note 21	1,348	200
509	Goods and services tax		287	300
13,900	Borrowings	Note 22	22,703	2,305
22,907	Total Current Liabilities		34,531	10,705
Non-Current Liabilities				
2,197	Provisions	Note 20	1,011	2,800
198	Employee entitlements	Note 21	198	-
4,022	Borrowings	Note 22	4,014	20,741
78	Derivatives Liability	Note 12	466	-
6,495	Total Non-Current Liabilities		5,689	23,541
29,402	Total Liabilities		40,220	34,246
629,635	NET ASSETS		620,565	579,836

The Notes and the Statement of Accounting Policies on pages 133 to 175 form part of the Financial Statements

STATEMENT OF CASHFLOWS for the year ended 30 June 2010

Actual 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
27,733	Receipts from rates	30,109	29,646
6,658	Government grants	8,544	9,877
(90)	GST (net)	(222)	-
10,984	Receipts from customers	6,746	10,655
83	Interest	63	211
(36,545)	Payments to suppliers & employees	(30,935)	(32,752)
(181)	Movement in agency accounts	(388)	-
(889)	Interest paid	(1,364)	(1,493)
7,753	Net Cash Flows from Operating Activities	12,553	16,144
	Note 25		
CASH FLOWS FROM INVESTING ACTIVITIES			
2,923	Sale of property, plant and equipment	343	3,098
(16,884)	Purchase of property, plant and equipment	(22,226)	(24,039)
(1,564)	Increase in Work in Progress	(280)	-
(15,525)	Net Cash Flows from Investing Activities	(22,163)	(20,941)
CASH FLOWS FROM FINANCING ACTIVITIES			
30,093	Term loans raised	28,700	9,820
(21,800)	Term loan repayments	(19,905)	4,726
8,293	Net Cash Flows From Financing Activities	8,795	5,094
521	NET INCREASE/(DECREASE) IN CASH HELD	(815)	297
820	Cash, cash equivalents and bank overdrafts at the beginning of the year	1,341	863
1,341	Cash, cash equivalents and bank overdrafts at the end of the year	526	1,160
Represented by:			
1,341	Cash at bank	526	1,160

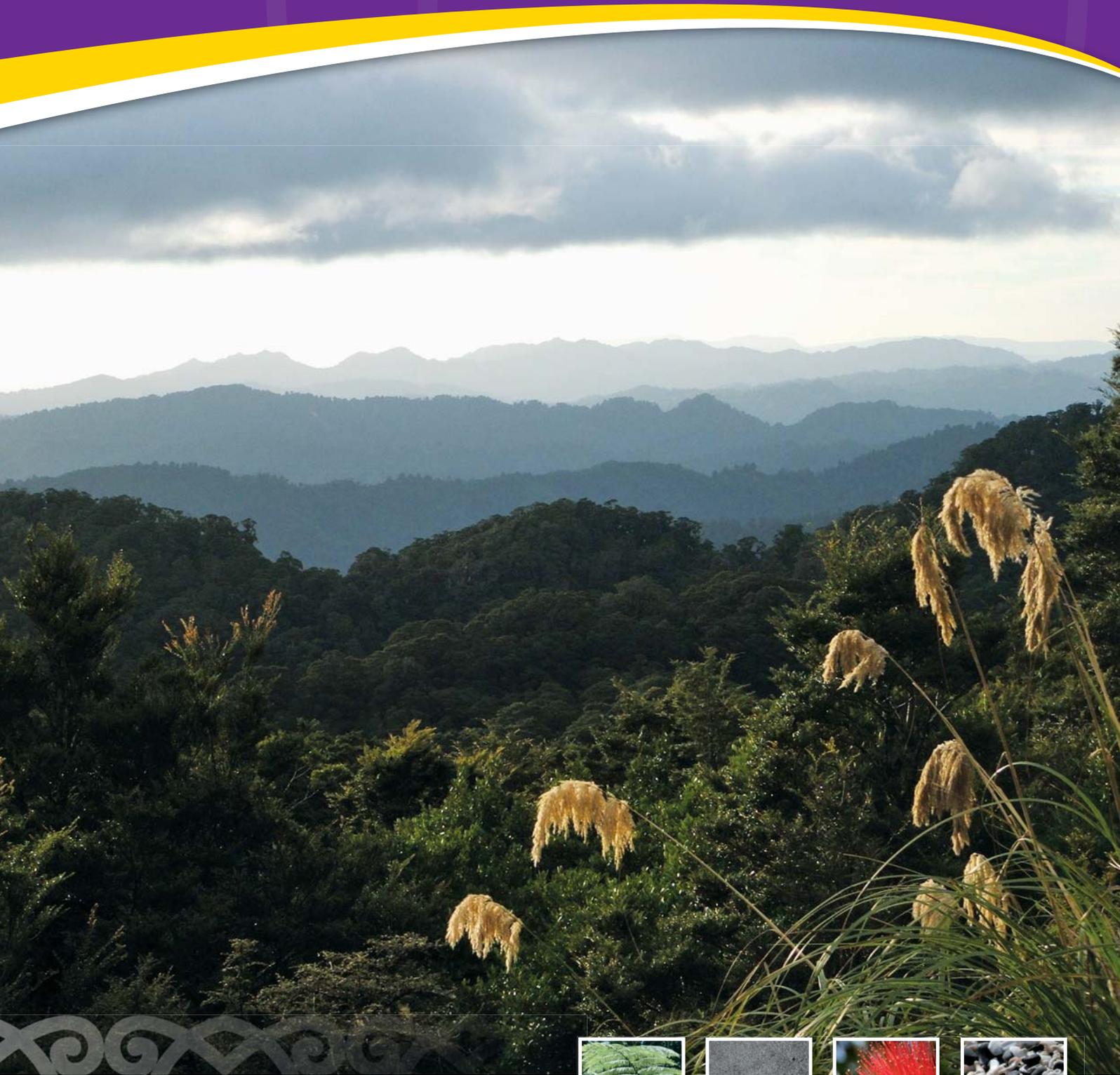
Explanations of significant variances against budget are included in Note 34

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 133 to 175 form part of the Financial Statements

Notes to the Financial Statements



NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2010

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 2010. The financial statements were authorised for issue by the Council on 29 October 2010.

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 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.

NZ IAS 24 Related Party Disclosures (Revised 2009) replaces NZ IAS 24 Related Party Disclosures (Issued 2004). The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Council and group has elected to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Whakatane District Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

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.

NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Council and group has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.

Amendments to NZ IFRS 7 Financial Instruments: Disclosures. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application.

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 Comprehensive Income

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 comprehensive income.

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 comprehensive income.

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 comprehensive income. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

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 comprehensive income.

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 comprehensive income.

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 comprehensive income. 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 comprehensive income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of comprehensive income will be recognised first in the statement of comprehensive income 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 comprehensive income. 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
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

INFRASTRUCTURE ASSETS:	YEARS:
Wharves:	
Wharves (concrete)	50
Stormwater:	
Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90
Pump stations – structure	80-100
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50
Sewer:	
Sewer lines and service lines	60-80
Manholes	70-80
Pump station – structure	60-70
Pump station – contents	12-25
Ponds – structure	60
Ponds – plant and equipment	15-25
Refuse:	
Whakatane landfill	8.5
Murupara landfill	2
OPERATIONAL ASSETS:	
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 comprehensive income.

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 comprehensive income.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the statement of comprehensive income.

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 comprehensive income.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the statement of comprehensive income.

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 comprehensive income.

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 comprehensive income.

The costs to maintain forestry assets are included in the statements of comprehensive income.

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

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

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;
- Asset revaluation reserve

• Restricted reserves

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

- **Asset revaluation reserve**

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

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 comprehensive income. 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 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
6,413	General rates	5,887	5,773
	Targeted rates attributable to activities		
788	Democracy	935	895
6,724	Roading	7,015	7,039
7,466	Water/Waste waters	7,568	7,212
2,532	Refuse	3,442	3,446
185	Commercial promotion	270	271
2,116	Parks	2,365	2,363
1,128	Library/Museum	1,421	1,411
809	Recreation	1,011	1,001
447	Penalties charged	611	375
28,608		30,525	29,786
(167)	Less Remissions given for the year	(220)	(140)
28,441	Net rate revenue	30,305	29,646

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 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
1,207	User charges	1,266	959
2,751	Regulatory income	3,221	4,003
332	Infringement & fines	443	326
6,497	Land transport NZ subsidies	5,515	5,958
2,316	Rental income	2,657	2,397
248	Petrol tax	266	260
397	Vested assets	1,840	716
1,109	Development contributions	525	918
470	Other services	425	1,599
1,464	Government grants	1,681	4,112
16,791		17,839	21,248

NOTE 4 - PERSONNEL COSTS

Actual 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
	Employee benefit expenses		
9,951	Salaries and wages	9,754	9,764
263	Increase/(decrease) in employee benefit liabilities	496	-
10,214		10,250	9,764

NOTE 5 - DEPRECIATION & OTHER EXPENSES

Actual 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
	Depreciation and amortisation		
2,088	Operational assets	2,446	2,557
14,050	Infrastructural assets	10,670	9,373
279	Intangible assets	344	243
16,417	Total Depreciation and Amortisation	13,460	12,173
	Other Expenses		
93	Audit fees	126	110
117	Audit fees LTCCP, other services	8	-
373	Insurance premiums	230	241
-	Development Contribution refunds	1,434	-
386	Grant & Subsidies	299	323
71	Operating leases	39	70
81	Impairment of receivables	640	100
1,152	Investment Property Expenses	110	116
438	Loss on sale of assets	100	-
23,865	Other operating expenses	22,344	22,028
26,576	Total other expenses	25,330	22,988

REVALUATION LOSSES

Actual 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
-	Derivative financial instruments	388	-
1,476	Non current assets held for sale	-	-
867	Property investments	-	-
2,343	Total revaluation losses	388	-

NOTE 6 - FINANCE INCOME & FINANCE COSTS

Actual 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
78	Interest income from deposits	63	211
(956)	Interest on bank borrowings	(1,409)	(1,493)
(878)	Net finance income/(cost)	(1,346)	(1,282)

NOTE 7 - GAINS

Actual 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
-	Property investments	642	-
164	Forestry revaluation	4	-
136	Gain on disposal of assets	39	
300		685	-

NOTE 8 - TAX DISCLOSURE

Actual 2009 \$000		Actual 2010 \$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	
(10,896)	Surplus/(deficit) before tax	(1,945)
(3,269)	Tax @ 30% (2009:30%)	(584)
2,887	Non-deductible expenditure	501
-	Non-taxable income	-
382	Tax loss not recognised	133
-	Prior year adjustment	(50)
-	Tax expense	-

Additional Disclosures

A deferred tax asset has not been recognised in relation to deductible temporary differences of \$57,385 (2009: \$60,723)

A deferred tax asset of has not been recognised in relation to unused tax losses of \$ 3,759,396 (2009: \$3,482,937)

NOTE 9 - CASH AND CASH EQUIVALENTS

Actual 2009 \$000		Actual 2010 \$000
1,341	Cash at bank and on hand	526
1,341		526

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

INTEREST RATES

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

2009		2010
5.20%	Cash and Cash Equivalents	2.50%

NOTE 10 - INVENTORIES

Actual 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
	Held for distribution:		
89	Water and sewerage spare parts	86	180
89		86	180

No inventories are pledged as security for liabilities (2009: \$ 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 2010 amounted to \$ Nil (2009: \$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 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
2,770	Rates receivables	2,991	3,377
1,775	Metered water receivables	1,284	1,450
3,856	General receivables	3,570	4,221
8,401		7,845	9,048
(1,967)	Less provision for impairment of receivables	(2,600)	(2,000)
6,434		5,245	7,048
164	Prepayments	98	120
6,598		5,343	7,168

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 (2009: \$Nil).

The status of receivables as at 30 June 2010 and 2009 are detailed below:

	2010 Gross Impairment		2009 Gross Impairment	
	\$000 Receivables	\$000 Provision	\$000 Receivables	\$000 Provision
Current - Rates & Water	1,923	-	-	-
Current - Others	2,006	-	-	-
Current - Non Allocated	-	-	6,557	-
Past due > 120 days - Rates & Water	2,586	2,233	-	-
Past due > 120 days - Others	1,330	367	-	-
Past due > 120 days - Non Allocated	-	-	1,844	1,967
	7,845	2,600	8,401	1,967

Movement in the provision for impairment of receivables is as follows:

	2010 \$000	2009 \$000
As at 1 July	1,967	1,468
Additional provisions made during the year	714	499
Receivables written off during the year	(81)	-
Balance as at 30 June	2,600	1,967

NOTE 12 - DERIVATIVE FINANCIAL INSTRUMENTS

Actual 2009 \$000		Actual 2010 \$000
	Current Asset portion	
-	Interest rate swaps	-
	Non-current Asset portion	
(78)	Interest rate swaps	(466)
(78)	Total derivative financial instrument assets	(466)

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 2010

INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$26.8 M (2009:\$21.8M). At 30 June 2010 the average fixed interest rates of cash flow hedge interest rate swaps were 6.12% (2009:6.35%)

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2010 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	Swap 8	Swap 9	Totals
Maturity Date	21/09/12	22/09/2017	22/03/2019	22/03/2017	24/03/2014	23/06/2014	21/09/2012	20/04/2016	20/04/2015	
Fixed Rate	6.9650%	6.8900%	5.9800%	6.4600%	6.4200%	4.2200%	7.8400%	5.1800%	5.0300%	
Amount	\$1,600,000	\$1,700,000	\$5,500,000	\$5,000,000	\$1,000,000	\$3,000,000	\$4,000,000	\$2,500,000	\$2,500,000	
Fair Value	-97,254.50	-186,320.91	-289,573.27	-210,623.20	-64,459.21	43,215.08	395,436.14	-30,568.52	-25,539.78	(465,688)

NOTE 13 - OTHER FINANCIAL ASSETS

Actual 2009 \$000		Actual 2010 \$000
42	Shares - NZ Local Government Insurance Corporation: 13,394 shares @ \$3.05	42
1	Shares - Bay of Plenty Local Authority Shared Services Ltd: 1 share @ \$1,000	1
43	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

	2009				2008			
	Cost/ Revaluation 30 June 2009 \$000	Net Book Value 30 June 2009 \$000	Accumulated Depreciation and Impairment 30 June 2009 \$000	Net Book Value 30 June 2009 \$000	Cost/ Revaluation 30 June 2008 \$000	Net Book Value 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	-	16,367	1,115	2,105	22,533	
Buildings	27,107	25,436	1,671	870	13	1,486	1,405	
Plant & Equipment	2,176	503	1,673	109	75	27	1,700	
Furniture & Fittings	782	535	247	280	-	96	343	
Office Equipment	5,713	2,009	3,704	528	-	511	4,215	
Motor Vehicles	1,399	210	1,189	407	154	96	1,131	
Harbour Vessels	91	-	91	42	-	-	91	
Museum Collection	5,860	5,860	-	-	-	-	5,860	
Library Books	884	548	336	162	-	138	474	
Total Operational Assets	60,379	51,468	8,911	3,513	2,347	2,088	9,359	
INFRASTRUCTURAL ASSETS								
Land Roading	91,363	91,363	-	-	-	-	-	
Roading	209,656	204,473	5,183	7,482	-	5,183	6,025	
Water	50,993	48,390	2,603	739	-	2,604	1,705	
Sewage	41,128	39,155	1,973	534	-	1,973	1,109	
Land Drainage	18,743	18,041	702	3,604	-	703	769	
Harbour	5,331	3,999	1,332	-	-	268	1,600	
Parks	7,259	6,560	699	733	-	728	1,427	
Refuse	5,979	3,413	2,566	31	-	3,444	6,010	
Total Infrastructural Assets	430,452	415,394	15,058	13,123	-	10,463	18,645	
INTANGIBLE ASSETS								
Computer Software	1,899	1,086	813	26	-	279	1,092	

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.

2010	Accumulated Depreciation and Impairment			Net Book Value			Cost/ Revaluation			Accumulated Depreciation and Impairment			Net Book Value			
	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	30 June 2009 \$000	
OPERATIONAL ASSETS																
Land	22,533	-	22,533	-	278	-	-	-	-	-	-	-	-	22,255	-	22,255
Buildings	36,785	1,405	35,380	3,435	44	1,179	741	1,300	-	-	1,300	-	-	38,997	1,964	37,033
Plant & Equipment	2,210	1,700	510	302	614	-	556	91	-	-	91	-	-	1,898	1,235	663
Furniture & Fittings	1,062	343	719	37	-	-	-	111	-	-	111	-	-	1,099	454	645
Office Equipment	6,241	4,215	2,026	614	-	-	-	610	-	-	610	-	-	6,855	4,825	2,030
Motor Vehicles	1,652	1,131	521	334	298	-	280	177	-	-	177	-	-	1,688	1,028	660
Harbour Vessels	133	91	42	-	-	-	-	8	-	-	8	-	-	133	99	34
Museum Collection	5,860	-	5,860	-	-	-	-	-	-	-	-	-	-	5,860	-	5,860
Library Books	1,046	474	572	123	-	-	-	149	-	-	149	-	-	1,169	623	546
Total Operational Assets	77,522	9,359	68,163	4,845	1,234	1,179	1,577	2,446	-	-	2,446	-	-	79,954	10,228	69,726
INFRASTRUCTURAL ASSETS																
Land Roading	91,363	-	91,363	-	-	-	-	-	-	-	-	-	-	91,363	-	91,363
Roading	238,220	6,025	232,195	5,474	-	-	6,025	5,876	(12,199)	-	5,876	(12,199)	-	231,495	5,876	225,619
Water	62,039	1,705	60,334	2,219	32	-	32	1,727	-	-	1,727	-	-	64,226	3,400	60,826
Sewage	41,874	1,109	40,765	288	1	-	1	1,118	-	-	1,118	-	-	42,161	2,226	39,935
Land Drainage	40,976	769	40,207	6,838	8	-	8	863	-	-	863	-	-	47,806	1,624	46,182
Harbour	5,331	1,600	3,731	191	-	-	-	240	-	-	240	-	-	5,522	1,840	3,682
Parks	7,992	1,427	6,565	1,375	-	-	-	810	-	-	810	-	-	9,367	2,237	7,130
Refuse	6,010	6,010	-	818	-	-	-	36	-	-	36	-	-	6,828	6,046	782
Total Infrastructural Assets	493,805	18,645	475,160	17,203	41	-	6,066	10,670	(12,199)	-	10,670	(12,199)	-	498,768	23,249	475,519
INTANGIBLE ASSETS																
Computer Software	1,925	1,092	833	1,317	-	-	-	344	-	-	344	-	-	3,242	1,436	1,806

Work in progress in the course of construction total \$ 5,602,000 (2009: \$5,322,000) 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 2009.

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 \$5,602,000 (2009 \$5,322,000).

IMPAIRMENT

The Aquatic Centre has been impaired of \$ 1,179,000 (2009 \$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

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.

PARKS

At fair value determined on a depreciated replacement cost basis by an independent valuer. The most recent valuation was performed by SPM Ltd and the valuation is effective as at 1 July 2007.

NOTE 16 - FORESTRY ASSETS

Actual 2009 \$000		Actual 2010 \$000
45	Balance at 1 July	209
164	Gains/(Losses) arising from changes in Fair Value on valuation	4
209	Balance 30 June	213

Council owns 21 hectares of pinus radita which mature in 13-20 years. No forests have been harvested during the period (2009: 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 2010.

NOTE 17 - INVESTMENT PROPERTY & NON CURRENT ASSETS HELD FOR SALE

Actual 2009 \$000		Actual 2010 \$000
Investment property		
34,954	Balance at 1 July	34,087
-	Transfer to restricted assets	(1,004)
(867)	Fair value gains/(losses) on valuation	642
34,087	Balance at 30 June	33,725

All investment properties held by Council were valued at fair value by registered valuers Reid and Reynolds Ltd as at 30 June 2010

Restricted land within the investment category: \$0 (2009: \$0)

Actual 2009 \$000		Actual 2010 \$000
Non current assets Held for sale		
15,706	Balance at 1 July (land)	14,040
-	Transfer to assets held for sale from operational land and investment property	-
(190)	Disposals	-
(1,476)	Fair value gains/(losses) on valuation	-
14,040		14,040

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

NOTE 19 - TRADE AND OTHER PAYABLES

Actual 2009 \$000		Actual 2010 \$000
5,592	Trade payables	6,829
487	Accrued expenses	338
238	Regional Council rates	(150)
223	Income received in advance	172
524	Deposits	462
7,064		7,651

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 2009 \$000		Actual 2010 \$000
	Provisions are Represented by:	
	Landfill Aftercare Provision	
1,743	Opening balance	2,116
-	Provision unwinding	
-	Provision used	
373	Increase/(decrease) in net present value	(100)
2,116	Closing balance	2,016
595	Current portion	1,324
1,521	Non current portion	692
2,116		2,016
	Forestry Provision	
202	Opening balance	237
-	Provision used	-
35	Increase/(decrease) in Provision	(192)
237	Closing Balance	45
	Current portion	45
237	Non current portion	-
237		45
	Weathertightness Provision	
373	Opening balance	439
66	Increase/(decrease) in Provision	(120)
439	Closing balance	319
-	Current portion	-
439	Non current portion	319
439	Closing balance	319
	Development Contribution Refunds	
-	Opening balance	-
-	Increase/(decrease) in Provision	1,173
-	Closing Balance	1,173
-	Current portion	1,173
-	Non current portion	-
-	Closing balance	1,173
	Summary of Provisions	
595	Current provisions	2,542
2,197	Non current provisions	1,011
2,792		3,553

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 for buildings located within the Whakatane district. Twelve outstanding claims were registered as at 30 June 2010 and are being dealt with on a case by case basis. Currently Council's liability in relation to these claims has not been firmly established and it is not possible to determine the likely outcome of the claims at this stage. A recent Government initiative to share costs that, if taken up by claimants, will limit the liability of Local Authorities to 25% of the total remedial costs has been accepted in principle by Council subject to further detail being provided by the Department of Building and Housing. A potential liability has been provided in the 2009/2010 financial statements of \$318,690 based on the expected outcome of negotiations on known claims with seven of the affected parties – a decrease of \$120,310 to the provision as at 30 June 2009. Of the twelve outstanding claims, the value of five have as yet not been notified and are thus not included in the revised provision as at 30 June.

DEVELOPMENT CONTRIBUTION REFUNDS

Following Council's decision to refund Development Contributions paid to Council but now deemed not due, a provision has been set up for the cost of refunds due for the years included in the 2006 -2016 Long Term Council Community Plan (621,000) and the years prior to the 2006-2016 Long Term Council Community Plan (\$552,000).

The refunds arise from infrastructural projects that would have attracted a development contribution having been cancelled or amended.

NOTE 21 - EMPLOYEE ENTITLEMENTS

Actual 2009 \$000		Actual 2010 \$000
260	Accrued pay	325
765	Annual and long service leave	1,209
12	Sick leave	12
1,037		1,546
	Comprising:	
839	Current	1,348
198	Non-current	198
1,037		1,546

NOTE 22 - BORROWINGS

Actual 2009 \$000		Actual 2010 \$000
	Current	
13,900	Secured loans	22,703
	Non-Current	
4,022	Secured loans	4,014
17,922		26,717
	The fair values of borrowings including current portion equate to their carrying values.	
	Maturity Profile	
13,900	Maturing in under one year	22,703
5	Maturing in 1 - 2 years	-
-	Maturing in 2 - 3 years	4,000
4,000	Maturing in 3 - 4 years	13
15	Maturing in 4 - 5 years	1
2	Maturing in 5 years +	-
17,922		26,717

Interest rates range from 3.16% to 7.95% (2009: 3.05% to 7.95%) with a weighted average rate of 3.91% (2009: 4.15%)

The public debt is secured over future rating income.

Interest expense for 2010 was \$ 1,409,000 (2009: \$956,461)

NOTE 23 - EQUITY

Actual 2009 \$000		Actual 2010 \$000	Budget 2010 \$000
	Equity		
433,848	Retained Earnings	428,770	459,515
10,812	Restricted Equity	13,945	12,303
184,975	Asset Revaluation Reserves	177,850	108,018
629,635	Total Closing Public Equity	620,565	579,836
	Retained Earnings		
442,969	Opening Balance 1 July 2009	432,073	453,053
-	Adjusting Categories of Equity	(9,973)	-
(10,896)	Net Surplus (Deficit)	(1,945)	4,687
	Less Appropriation		
-	To Council Created Reserves	(12,783)	-
-	To Restricted Reserves	(3,044)	-
	Funds Applied from		
-	Council Created Reserves	13,809	-
-	Restricted Reserves	3,723	-
432,073	Closing Balance 30 June 2010	421,860	457,740
	Council Created Reserves (Incl. Depreciation Reserves)		
1,775	Opening Balance 1 July 2009	1,775	-
-	Adjusting Categories of Equity	6,161	-
-	Add: Appropriation	12,783	-
-	Less: Application of Funds	(13,809)	-
1,775	Closing Balance 30 June 2010	6,910	1,775
433,848	Total Retained Earnings	428,770	459,515
	Restricted Equity		
10,812	Opening Balance 1 July 2009	10,812	12,303
-	Adjusting Categories of Equity	3,812	-
-	Add Appropriation	3,044	-
-	Less Application of Funds	(3,723)	-
10,812	Closing Balance 30 June 2010	13,945	12,303
	Asset Revaluation Reserve		
89,310	Opening Balance 1 July 2009	184,975	90,096
17,315	Revaluation of Operational Assets	(824)	17,922
17,658	Revaluation of Restricted Assets	-	-
26,264	Revaluation of Roothing	(6,174)	-
12,911	Revaluation of Water	-	-
2,185	Revaluation of Sewerage	-	-
19,332	Revaluation of Land Drainage	-	-
-	Revaluation of Land	(127)	-
184,975	Closing Balance 30 June 2010	177,850	108,018

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 2009 \$000		ACTUAL 2010 \$000
37	Current assets	87
350	Non-current assets	440
29	Current liabilities	91
109	Income	108
130	Expenses	131

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 2009 \$000		Actual 2010 \$000
(10,896)	Net Surplus/(Deficit)	(1,945)
	Plus (Less) Non Cash Items	
16,417	Depreciation	13,460
(397)	Vested assets income	(1,840)
(136)	Net loss on disposal of assets	61
(164)	Revaluation gains property/shares	(646)
2,343	Revaluation losses in investment assets and non current assets held for sale	388
822	Increase of provisions	1,270
499	Impairment of receivables	640
-	Bad debts	72
	Add (less) Movements in other Working Capital items	
(873)	Decrease (increase) in debtors	1,189
(2)	Decrease (increase) in inventory	3
(77)	Decrease (increase) prepayments	66
145	Decrease (increase) in financial derivative assets	-
(163)	Increase (decrease) in creditors	587
348	Increase (decrease) employee entitlements	-
(90)	Increase (decrease) in GST liability	(222)
474	Increase (decrease) in provisions	-
	Less Cash Inflow from Investing Activities	
(180)	Less movement in regional Council rates	(388)
(317)	Increase in creditors for fixed asset purchases	(142)
7,753	Net Cash from Operations	12,553

NOTE 26 - COMMITMENTS

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 2009 \$000		Actual 2010 \$000
-	Stormwater	36
-	Public convenience	81
-	Port	396
-	Sportsfield	128
-	Aquatic centre	3,329
-	Pump station	865
943	Roading improvements	-
47	Footpaths and bus shelters	-
139	Utility projects	-
746	Properties	-
752	Walkways	-
214	Information systems	-
2,841		4,835

Non Cancellable Operating Leases as Lessee

Actual 2009 \$000		Actual 2010 \$000
18	Not later than one year	158
5	Later than one year and not later than five years	52
23		210

NOTE 27 - CONTINGENCIES

CONTINGENT LIABILITIES

Actual 2009 \$000		Actual 2010 \$000
430	Other claims	1,230
430		1,230

CONTINGENT LIABILITIES

Edgcumbe sewerage infrastructure damage

Damage has occurred to the Edgcumbe sewerage infrastructure, attributed to a persistent swarm of shallow and some larger earthquakes over the last few years.

Engineering consultants engaged by Council have concluded that the damage to the sewerage infrastructure can be directly linked to these earthquakes and tectonic deformation. The estimated cost of repairs is \$1.23 million

A claim has been submitted to the Local Authority Protection Programme Fund (LAPP) in relation to these damages. If this claim is unsuccessful the remedial works will be staged over a period of time, the cost being funded by those connected to the Edgcumbe sewerage scheme.

Employment Dispute

There are no outstanding employment related claims at 30 June 2010 (2009: Nil)

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 Service. From 1 July 2009, our Public liability insurance does not cover Weathertight claims.

Warrant Of Fitness & Registrations fines collection

Whakatane District Council parking wardens fine and collect on behalf of the Crown for expired warrant of fitness and registrations. The Council has not remitted a share of the fines collected on behalf of the Ministry for prior years. It is not clear which portion of the revenue should be remitted to the Crown. Whakatane District Council is negotiating with the Crown to resolve this issue. The outcome of negotiations is still unknown.

CONTINGENT ASSETS

Bay of Plenty Regional Council

Proceedings by the Whakatane District Council against the Bay of Plenty Regional Council (BOPRC) for its decision to move BOPRC's head office without adequate consultation, gives the Whakatane District Council potential to recover costs of approximately \$98,000 from the BOPRC.

Whakatane Aquatic Centre

Council has made a claim against the architect and principal 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 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 2009 \$		ACTUAL 2010 \$
97,118	Administrative and maintenance services	52,186
(16,889)	Funds held by Council on behalf of the Airport	(136,880)

OTHER RELATED PARTY DISCLOSURES

During the year Whakatane District Council contracted Orr Computer Services owned by Councillor Orr for the supply and servicing of security surveillance equipment. These services cost \$1,631 (2009:\$7,312) 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 \$1,108 (2009: \$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. During the year the Council contracted BoP LASS Limited for services costing \$28,437.

The Whakatane District Council contracted services costing \$5,625 from the Theatre Whakatane, in which Councillor Clark is involved.

The Council also contracted minor services costing \$50 from the Whakatane District Historical Society of which Councillor Shearer is the President.

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.

SALARIES & OTHER SHORT TERM BENEFITS

ACTUAL 2009 \$000		ACTUAL 2010 \$000
1,177	Salaries & other short term benefits	1,270

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 (2009: \$215,450) and receives a benefit of \$15,750 (2009:\$15,750) for a car.

ELECTED REPRESENTATIVES

Actual 2009 \$				Actual 2010 \$		
Salaries	Hearings*	Allowances & Expenses Reimbursements		Salaries	Hearings*	Allowances & Expenses Reimbursements
MAYOR AND COUNCILLORS						
77,224	-	9,017	Holmes, Colin (Mayor)	77,626	-	2,192
23,004	1,904	1,802	Bonne, Tony	24,016	2,040	1,652
23,004	-	1,650	Byrne Rachael	24,016	-	1,500
27,000	3,018	1,079	Chambers, Christine	28,178	4,887	1,409
23,004	2,244	4,657	Clark, William	24,016	1,156	2,724
30,000	-	1,620	Hanlen, Graeme	31,310	-	1,500
-	-	-	Hudson, Linda	1,632	-	379
23,004	-	1,680	Jarrett, Scott	24,016	-	1,500
23,004	-	2,888	Johnston, George	24,016	-	2,707
23,004	1,938	3,504	Orr, Russell	24,016	7,038	3,810
23,004	-	2,934	Shearer, Ian	24,016	-	2,599
23,004	-	5,747	Te Kurapa, Jacob	24,016	-	5,752

* User fees are paid by the applicant - not rate funded.

NOTE 29 - REMUNERATION (CONTINUED)

Actual 2009 \$				Actual 2010 \$	
Salaries	Allowances & Expenses Reimbursements			Salaries	Allowances & Expenses Reimbursements
COMMUNITY BOARD MEMBERS					
Edgecumbe - Tarawera					
2,350	375	Bourk, Graeme		2,448	300
2,350	375	Dennis, Gavin		2,448	300
2,350	487	Harvey, Evan		2,448	457
2,350	474	Major, Paul		2,448	393
2,350	375	McIndoe, Clive		2,448	300
5,800	375	Smeaton, Graham		6,056	300
Taneatua					
2,350	444	Keepa, Rehina		2,448	300
1,567	2,870	Kora, Monty		2,448	300
5,800	375	Kyle, David		6,056	300
2,350	375	Ruiterman, Luke		2,448	300
2,350	473	Chater, Geoffrey		2,448	398
2,350	375	Yalden, Diane		2,448	300
Whakatane					
2,350	375	Chambers, George		2,448	300
5,800	375	Delahunty, Neville		6,056	300
2,350	375	Hall, Tony		2,448	300
2,350	375	Lander, Peter		2,448	300
2,350	375	Lynch, Kenneth		2,448	300
2,350	375	Searle, Ian		2,448	300
Ohope Beach					
2,350	375	Bowering, Christine		2,448	300
2,350	375	Casey, Gerard		2,448	300
5,800	504	Dohrman, Chris		6,056	616
2,350	375	Howe, Josephine		2,448	300
2,350	375	Lovelock, Hugh		2,448	300
Murupara					
2,350	375	Adam, Arthur		2,448	300
2,350	375	Chapman, Awhina		2,448	300
2,350	375	Doney, Barry		612	203
2,350	817	Hynes, Ormond		2,448	812
2,350	375	Reedy, Keriana		2,448	300
2,350	491	Tanirau, Arleen		2,448	300
-	-	Tulloch-Tupe, Helen		1,224	580

NOTE 29 - REMUNERATION (Continued)

Actual 2009 \$			Actual 2010 \$	
Salaries	Allowances & Expenses Reimbursements		Salaries	Allowances & Expenses Reimbursements
IWI LIASON				
-	705	Carlson, James	-	1,469
-	358	Hunia, Paroa	-	358
-	1,339	Jenner, Robert	-	1,714
-	1,709	Kalan, Joshua	-	2,509
-	1,057	Mason, Hohepa	-	1,359
-	2,955	Ngaropo, Pouroto	-	1,784
-	-	Nikora, Paki	-	289
-	1,348	Pryor, Henare	-	1,767
-	316	Sisley, Mihipeka	-	1,320
-	1,548	Te Pou, Colin	-	1,720
-	2,624	Te Rupe, Tawhai	-	856
-	1,525	White, Richard	-	915

NOTE 30 - SEVERANCE PAYMENTS

For the year ended 30 June 2010 Whakatane District Council made two severance payments to employees of \$10,000 and \$7,000 respectively (2009: 3 payments totalling \$57,446).

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 2009 \$000		Actual 2010 \$000
	FINANCIAL ASSETS	
	Derivative financial instruments that are not hedge accounted	
-	Fair value through profit and loss	-
	Financial instruments	
-	Financial instruments	-
	Loans and receivables	
1,341	Cash and cash equivalents	526
7,793	Trade and other receivables	5,343
9,134	Total loans and receivables	5,869
	Fair value through equity	
	<i>Other financial assets:</i>	
42	NZ Local Government Insurance Council Limited	42
1	BoP LASS	1
43	Total fair value through equity	43
	FINANCIAL LIABILITIES	
	Derivative financial instruments that are not hedge accounted	
-	Fair value through profit and loss	-
	Financial liabilities at amortised cost	
9,852	Trade and other payables	7,651
78	Financial Derivatives	466
	<i>Borrowings:</i>	
17,922	Secured loans	26,716
27,852	Total financial liabilities at amortised cost	34,833

32B FAIR VALUE HIERARCHY DISCLOSURES

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

	Total \$000	VALUATION TECHNIQUE		
		Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000
FINANCIAL ASSETS				
Local authority stock	1	-	1	-
Shares	42	-	42	-
FINANCIAL LIABILITIES				
Derivatives	466	-	466	-

NOTE 32C - 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 2009 \$000		Actual 2010 \$000
1,341	Cash at bank and term deposits	526
7,793	Trade and other receivables	5,343
43	Local authority and government stock	43
(78)	Derivative financial instrument liabilities	(466)
9,099	Total credit risk	5,446

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 2010 \$000
COUNTERPARTIES WITH CREDIT RATINGS		
1,341	Cash at bank and term deposits:	526
1,341	Total cash at bank and term deposits	526
43	NZ Local Government Insurance Council Limited	43
43	Total NZ Local Government Insurance Council Limited	43
-	Financial instrument assets	-
-	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 \$200,000 (2009: \$200,000). 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 2010						
Creditors and other payables	7,651	7,651	7,651	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	26,716	26,716	22,702	-	4,014	-
Financial Derivatives	466	466	-	-	(251)	717
Total	34,833	34,833	30,353	-	3,763	717
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

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 2010						
Cash and cash equivalents	526	526	526	-	-	-
Debtors and other receivables	5,343	5,343	5,343	-	-	-
Net settled derivative assets	-	-	-	-	-	-
Net settled financial instruments	-	-	-	-	-	-
Other financial assets:						
Local authority and government stock	43	43	-	-	-	43
Total	5,912	5,912	5,869	-	-	43
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

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	2010 \$000				2009 \$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	(1,338)	-	348	-	(787)	-	578	-
Financial instruments	-	-	-	-	-	-	-	-
<i>Other financial assets:</i>								
- local authority stock	-	1	-	(1)	-	1	-	(1)
Financial liabilities								
<i>Borrowings:</i>								
- bank overdraft	-	-	-	-	-	-	-	-
- debt	(227)	-	-	-	(179)	-	-	-
Total sensitivity to interest rate risk	(1,565)	1	348	(1)	(966)	1	578	(1)

EXPLANATION OF SENSITIVITY ANALYSIS

Derivatives

Financial Liability

Derivative financial liabilities not hedge accounted includes interest rate swaps with a fair value totalling -\$465,688 (2009: -\$77,324 financial asset). A movement in interest rates of plus or minus 1.0% has an effect on the swap value of plus \$347,542 (2009: \$578,000) and minus \$1,338,359 (2009: \$787,000).

Local authority stock

A total of \$ 42,000 (2009: \$42,000) 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 (2009: \$420) on the fair value through equity reserve.

Secured loans

Council has floating rate debt with a principal amount totalling \$22.7m (2009: \$17.9m). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$ 227,000 (2009: \$179,000). 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 2009/10 Annual Plan are as follows:

Statement of Comprehensive Income

There is a variance of \$6.63m between the budgeted surplus in the Annual Plan of \$4.69m and the resulting deficit of \$1.95m (before other comprehensive Income). 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 \$2.87m. In addition as a result of the economic downturn, development contributions were below budget by \$0.39m. There was also an increase of \$1.29m depreciation partially due to the revaluation of assets. Council's derivatives and non current assets held for sale were revalued by \$0.39m which also contributed to the deficit. During the year, a \$0.72m expense variation more than budget occurred; a new provision has been established for the Development Contribution Refunds for an amount of \$1.17m.

Statement of Changes in Equity

The impact of revaluing Council's assets in previous years has increased Council's equity. This increase has partially been offset by the variance in Council's operating deficit.

Statement of Financial Position

Current assets have increased compared to budget due mainly to an increase in Trade and other receivables.

Equity and Non-Current Assets have increased as compared to budget due mainly to the revaluation of infrastructural assets in previous years.

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.

An increase in total liabilities was caused by an unbudgeted new provision of \$0.72m for Development Contribution Refunds. Total liabilities have also increased due to the employee entitlements being \$1.35m more than budgeted and the total borrowings being \$3.7m more than budgeted.

Statement of Cashflows

There was a decrease in cash held of \$0.82m during the year. This resulted principally from a net overspend of \$1.22m in purchases and sales of property plant and equipment and investments and \$3.70m more in term loans uplifted. The increase in cashflow was offset by an underspend in payments to suppliers and employees of \$1.82m than was budgeted for.

AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Audit Report

To the readers of Whakatane District Council's financial statements and group of activity statements for the year ended 30 June 2010

The Auditor-General is the auditor of Whakatane District Council (the District Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the group of activity statements and the District Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the District Council for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the District Council on pages 129 to 175:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2010; and
 - the results of its operations and cash flows for the year ended on that date.
- The group of activity statements of the District Council on pages 34 to 122:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service provision for the year ended 30 June 2010, including:
 - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service provision and the expected service provision.
- The District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the District Council's financial statements and group of activity statements.

The audit was completed on 29 October 2010, 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, the group of activity statements 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, the group of activity statements 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, the group of activity statements and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system 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 financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported group of activity statements within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the group of activity statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, the group of activity statements 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 and group of activity 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 2010. They must also fairly reflect the results of its operations and cash flows for the year ended on that date. The group of activity statements must fairly reflect the District Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 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, the group of activity statements 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 New Zealand Institute of Chartered Accountants.

Other than the audit and in carrying out the audit of long-term council community plan and subsequent amendments to this plan, we have no relationship with or interests in the District Council.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Matters relating to the electronic presentation of the audited financial statements, service provision information and the other requirements

This audit report relates to the financial statements, service provision information and the other requirements of Whakatane District Council for the year ended 30 June 2010 included on Whakatane District Council's website. The 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, service provision information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, service provision 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, service provision 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, service provision information and the other requirements as well as the related audit report dated 29 October 2010 to confirm the information included in the audited financial statements, service provision 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.