

Annual Report Summary 2012/13

Rīpoata - ā - Tau

This summary will give you a snapshot of what has been achieved this year. For more detailed information, please refer to our full Annual Report, which is available at all libraries, Council offices and on the Council website (www.whakatane.govt.nz).

Our year in review

Welcome to the Whakatāne District Council's Annual Report Summary for 2012/13. The Annual Report is our scorecard for the year, providing us with an opportunity to reflect upon what the Council has achieved and to let the community know how we have performed. This year has been defined by careful financial management and delivering on our promises.

For the 2012/13 year, we set out our financial and non-financial targets in our Long Term Plan (LTP) for 2012-22. In your feedback on the LTP, you told us what you wanted from your Council for the coming years. We listened and this year we have met or bettered most of the key performance measures we set out in the LTP.

You told us that you wanted the Council to focus on affordability and keeping rates low. Not only have we worked hard this year to produce the lowest average rates increase in 10 years (2.49%), but through prudent financial management, we have also controlled our spending and income to a point where we can report a rating surplus of \$43,000 for the year. This is very positive as it means we set the rates at about the right level to deliver our services for the year.

You told us that you wanted us to be smarter at scheduling and carrying out our infrastructure renewals, upgrades and new projects. We listened and this year we achieved 78% of the projects we said we would undertake, while reducing the amount of budgeted capital spending we carry forward to next year from \$14 million in 2010/11, to just \$1.8 million in 2012/13.

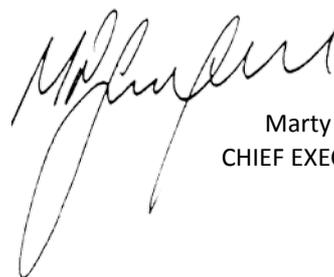
You told us that you wanted us to deliver the best service we could, while keeping cost increases to an absolute minimum. This was a focus for the year and as a result we have managed to achieve or surpass 88% of our service targets. The community's perception of Council services also improved in

the last year, with our annual survey showing an increase in the levels of satisfaction for most Council services. We have also taken back management of the District's Aquatic Centres and had our first full year operating Te Kōputu a te whanga a Toi - the Whakatāne Library and Exhibition Centre.

You told us you wanted us to increase our levels of flood protection, but in an affordable way. We have made progress on this, by providing significant and cost-effective upgrades to the stormwater systems in our key risk areas. We have also made improvements to parts of our sewerage networks that were being adversely affected by stormwater infiltration during flood events. These improvements will help reduce the impacts of flooding on our urban areas.

You told us that you wanted us to support business growth and development in our District and maximise the opportunities created by the Council's assets. We took this on board and this year we have taken steps to encourage economic growth. This has included developing a Proposed District Plan that aims to facilitate growth and development opportunities, while protecting our District's unique characteristics. We have also made progress on development opportunities for Council-owned land at Piripai and Port Ōhope.

It has been an exciting and successful year, which shows what can be achieved through hard work, commitment and cohesion, with the Council and community working together.



Marty Grenfell
CHIEF EXECUTIVE





Highlights of the year

Library surge in numbers

Over the past year, there has been a 20% increase in library card-holders, mostly due to the increased number of people visiting Te Kōputu a te whanga a Toi – the Whakatāne Library and Exhibition Centre. The first full year of operations at Te Kōputu has seen 229,821 visitors enjoying the new facility. It has become a community hub offering light, airy spaces with comfortable spots to linger and read, surf the internet, take in the fantastic museum and art exhibitions and socialise.

“There’s been a marked increase in the community’s awareness of visual arts, because Te Kōputu is attracting people who wouldn’t normally go to see an art exhibition. As a venue, it also provides us with the ability to display the Molly Morpeth Canaday Award entries for a much longer period and organise activities which provide more opportunities for community engagement and interaction.”

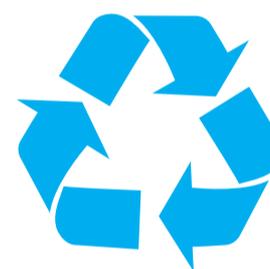
The coordinator of Arts Whakatāne’s nationally-recognised Molly Morpeth Canaday Art Award, Heather Hourigan, says the new exhibition spaces at Te Kōputu have lifted the mana of the Award – and the town as an arts destination.

Improving sewerage in Edgecumbe

For some years, parts of Edgecumbe have been affected by sewer overflows caused by stormwater getting into the sewerage system, during heavy rainfall events. Rather than engage in an expensive effort to locate and repair broken pipes, it was decided that it would be more effective and affordable to increase wastewater pumping capacity to cope with the extra flow. Two underperforming pump stations have now been replaced with a new, larger pump station, and a new rising main installed. This work was achieved within budget and has resulted in a more efficient system which can cope with a much larger volume of sewage, minimising the risk of overflows and contamination.

“The contractors were very good and put a lot of effort into keeping the dust nuisance under control and keeping people informed about what was going on. The system hasn’t been fully tested yet, because we’ve only had one heavy rainfall since it was finished, but it coped with that well and there were no problems with overflows.”

Titoki Street resident John Riley appreciates the work which went into improving Edgecumbe’s wastewater system.



Recycling in Ruatāhuna

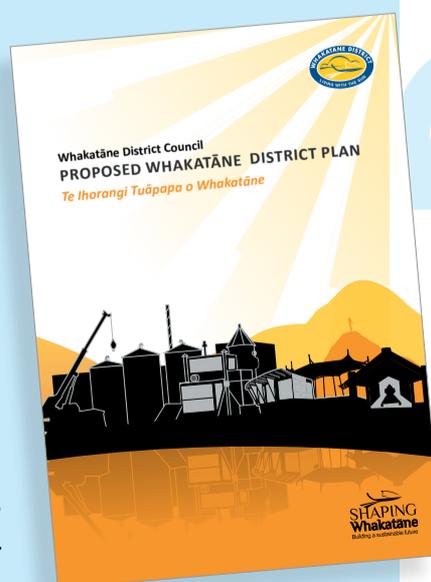
The Council has launched a joint initiative with the Hinepukohurangi Trust to provide a recycling centre and transfer station serving Te Urewera communities. This facility was a community-driven initiative, with a focus on promoting recycling and re-using waste. Local materials and labour were utilised in the development of the centre, along with refurbished equipment and recycled building materials, to ensure the project was completed within budget. This included the Council providing a utility vehicle to transport refuse and recyclable material to the Murupara transfer Station.

“The conscientious people would take their rubbish down to Murupara, but many people would just burn it – cans, plastics and all. Now they can have their rubbish picked up, or drop it in to the transfer station (for a small price), and we take care of it for them. Our roadsides are a lot cleaner now.”

Hinepukohurangi Trust spokesperson Doris Rurehe has seen the benefits from Ruatāhuna’s new transfer station.

Proposed District Plan

During 2012/13, the Council has developed the Proposed District Plan for consultation with the community. The principal aim has been to produce a plan that balances growth and development opportunities, while protecting the unique and precious characteristics that make the Whakatāne District such a great place to live. As part of the Plan’s development, an economic assessment was undertaken of its likely impact on our community. This has provided an assurance that the rules and policies we have proposed in the District Plan will help us to create the kind of District the Council and the community want to live in.





Rebuilding Whakatāne Game Wharf

Structural deterioration of the Whakatāne Game Wharf has meant that substantial maintenance work was required. The main structure of the wharf was rusting from the inside, meaning that moored vessels were not being adequately protected. This was a particular concern as the wharf is used to secure a number of vessels during severe weather events. The renewal work undertaken this year has helped to provide a safer, more secure environment for boat owners and Port users.

Tsunami readiness

Living in a Tsunami risk area means we have to be prepared. Over the past year, five New Zealand Fire Service sirens have been converted to create an Eastern Bay coastal warning system, with a further three additional sirens (Coastlands, Ōhiwa and Waiotahi) added to improve in coverage. When activated, the sirens produce a 10-minute constant rise tone, indicating that the public needs to switch on their radios and listen to local station 1XX for emergency information. The conversion of the sirens was accompanied by an education campaign raising public readiness. An information booklet with evacuation maps was developed and signage provided at 18 beach access points in the District.

“We got to walk up the tsunami evacuation route behind our school; I enjoyed practicing ‘Drop, Cover, Hold’ with everyone too. We were really fast at getting under our desks.”

Ōhope School student Ella Quarmby enjoyed participating in the New Zealand ShakeOut exercise, supported by Eastern Bay Emergency Management and Whakatāne Emergency Rescue Team.

Roading upgrades

Over the past year, we have undertaken a number of joint projects with the State Highway Agency. The most significant of these has been the road upgrade work at the State Highway 2 - Tāneatua Road intersection. This major realignment has changed the give-way priority so that vehicles on the State Highway do not need to stop. As part of that project, we have taken the opportunity to upgrade the section of Tāneatua Road leading to this intersection. We have also partnered with the State Highway Agency on the past year’s road resealing contracts and bridge guardrail improvements.



SUMMARY OF KEY DECISIONS

- Following consultation with the community, we decided to reintroduce the proposal to construct a full sewerage reticulation system in Matatā.
- Alongside the Airport Board, we adopted a Ten Year Business Plan to help guide decision-making and enable growth at Whakatāne Airport.
- In conjunction with the other Eastern Bay Councils, we established an Eastern Bay of Plenty Joint Committee to help us to work collaboratively and improve efficiency, with the aim of reducing costs to ratepayers.
- As a result of the very dry summer, we were forced to impose formal water-use restrictions for households connected to the Whakatāne and Ōhope supply schemes.

ARTS & CULTURE

Includes: Library; and Exhibitions, Research, Storage and Archives

Performance measures:

100%

What it cost: Total Expenditure - \$3.28m; Cost to ratepayers - \$2.78m; Weekly cost for an average household - \$3.43

What we delivered:

- First full year running Te Kopūtu a te whanga a Toi – the Whakatāne Library and Exhibition Centre
- Delivered 'Book a boo' story time sessions to over 3,500 children
- Increased the range of services and collections available at libraries
- Delivered library services in Edgecumbe, Murupara, Ōhope and Whakatāne
- Continued recording and preserving over 800,000 objects, archives and photographs
- The Library and Exhibition Centre scored an average satisfaction rating of 87.0 out of 100.

COMMUNITY PROPERTY

Includes: Pensioner Housing; Commercial Property; and Halls

Performance measures:

100%

What it cost: Total Expenditure - \$1.92m; Cost to ratepayers - \$0.58m; Weekly cost for an average household - \$0.71

What we delivered:

- Managed and maintained 79 pensioner housing units;
- Provided and maintained 10 urban and rural community halls;
- Met our targets and achieved an average resident satisfaction score of 71.3 out of 100 for our community halls;
- Managed properties held for strategic and/or investment purposes.

RECREATION & COMMUNITY FACILITIES

Includes: Parks, Reserves, Recreation and Sportsfields; Cemeteries and Crematorium; Public Conveniences; Aquatic Centres; Ports and Harbour; and Visitor Information

Performance measures:

100%

What it cost: Total Expenditure - \$8.99m; Cost to ratepayers - \$5.57m; Weekly cost for an average household - \$6.87

What we delivered:

- Managed and maintained recreational areas, assets and community facilities
- Achieved a very high level of satisfaction with our parks and reserves, with an average resident satisfaction score of 78.4 out of 100
- Carried out upgrades to Toi's Track
- Took over management of the Whakatāne District Aquatic & Fitness Centre
- Rebuilt the Whakatāne Game Wharf
- Produced a photographic record of all headstones in Hillcrest Cemetery
- Investigated options to improve the Whakatāne River mouth.

What we delivered, what we spent & where

COMMUNITY SAFETY

Includes: Licensing (Liquor and Gambling); Regulation Monitoring; Building; Environmental Health; Emergency Management; Community Development; and Animal Control

Performance measures:

92%

What it cost: Total Expenditure - \$2.94m; Cost to ratepayers - \$1.23m; Weekly cost for an average household - \$1.51

What we delivered:

- Monitored and controlled licensed premises such as alcohol and gaming venues
- Developed an Eastern Bay Tsunami coastal warning system
- Facilitated Youth Council meetings and projects
- Processed building consent applications, and recorded an average satisfaction score of 70.7 out of 100
- Reviewed our Stock Control Bylaw, in consultation with the community
- Provided response services for aggressive or wandering animals.

ENVIRONMENTAL SUSTAINABILITY

Includes: Resource Management – Policy; and Resource Management - Consents

Performance measures:

100%

What it cost: Total Expenditure - \$1.78m; Cost to ratepayers - \$0.80m; Weekly cost for an average household - \$0.99

What we delivered:

- Processed resource consent applications
- Monitored compliance with resource consent conditions
- Finalised the Proposed District Plan for consultation
- Carried out studies into landslide hazard areas.

WASTE

Includes: Waste Disposal; Waste Reprocessing; and Waste Recycling

Performance measures:

0%

What it cost: Total Expenditure - \$5.59m; Cost to ratepayers - \$4.34m; Weekly cost for an average household - \$5.35

What we delivered:

- Targets not met due to errors in data used when setting targets
- Provided kerbside collection services for waste, recycling and green waste
- Operated waste transfer stations and recycling parks
- Investigated the development of a greenwaste composting facility in the District
- Worked with the Ruatāhuna community to provide a transfer station and recycling facility
- Undertook studies to identify potential areas for cost reduction.

CORPORATE & DISTRICT ACTIVITIES

Includes: Customer Services; Communications, Human Resources; Finance; Corporate Information; and Corporate Property

Performance measures:



What it cost: Total Expenditure - \$6.57m; Cost to ratepayers - \$1.13m; Weekly cost for an average household - \$1.40

What we delivered:

- Internal activities that support the effective and efficient running of the Council.

COUNCIL CONTROLLED ORGANISATIONS

Includes: Whakatāne Airport; Toi Economic Development Agency; Bay of Plenty Local Authority Shared Services Limited; and the Local Government Funding Agency Limited

Performance measures:



What it cost: Total Expenditure - \$0.39m; Cost to ratepayers - \$0.14m; Weekly cost for an average household - \$0.17

What we delivered:

- Managed Whakatāne Airport
- Developed economic development initiatives
- Delivered cost savings through sharing services with other Councils
- Delivered cost savings through lower interest rates

LEADERSHIP

Includes: Governance; Community Support; and Strategy and Policy

Performance measures:



What it cost: Total Expenditure - \$2.41m; Cost to ratepayers - \$2.34m; Weekly cost for an average household - \$2.88

What we delivered:

- Facilitated Council, Committee and Community Board meetings
- Conducted civic ceremonies, citizenship and awards events
- Distributed grant funding to community groups and volunteer organisations
- Completed the 2013-14 Annual Plan
- Developed and provided strategic advice on a number of projects.

ROADS & FOOTPATHS

Includes: Transport Networks; Road Safety; and Parking Enforcement

Performance measures:



What it cost: Total Expenditure - \$14.80m; Cost to ratepayers - \$7.91m; Weekly cost for an average household - \$9.75

What we delivered:

- Maintained our 903-km roading network
- Maintained other transport assets such as bridges, footpaths, signage and street lights
- Worked alongside the New Zealand Transport Agency to improve our roading network
- Began constructing a cycleway and walking route between Whakatāne and Ōhope
- Delivered programmes to promote safe road use
- Increased signage to improve safety on high risk roads
- Monitored and enforced parking restrictions.

STORMWATER DRAINAGE

Includes: Stormwater Drainage

Performance measures:



What it cost: Total Expenditure - \$3.31m; Cost to ratepayers - \$2.55m; Weekly cost for an average household - \$3.14

What we delivered:

- Completed Whakatāne and Ōhope stormwater catchment studies
- Completed stormwater pump station improvements in Whakatāne
- Upgraded the stormwater system in Edgumbe
- Decision made not to construct a debris detention structure on the Awatarariki Stream, Matatā.

SEWAGE TREATMENT & DISPOSAL

Includes: Sewerage Treatment & Disposal; and Tradewaste

Performance measures:



What it cost: Total Expenditure - \$2.98m; Cost to ratepayers - \$2.14m; Weekly cost for an average household - \$2.64

What we delivered:

- Secured Ministry of Health and Bay of Plenty Regional Council funding towards a full sewerage scheme for Matatā
- Upgraded the pumping capacity of the Whakatāne Sewerage Network
- Upgraded the Tāneatua sewage scheme
- Completed major improvements to the Edgumbe wastewater system
- Achieved an average resident satisfaction score of 81.0 out of 100. A great improvement on previous the year's score (70.4).

WATER SUPPLY

Includes: Water

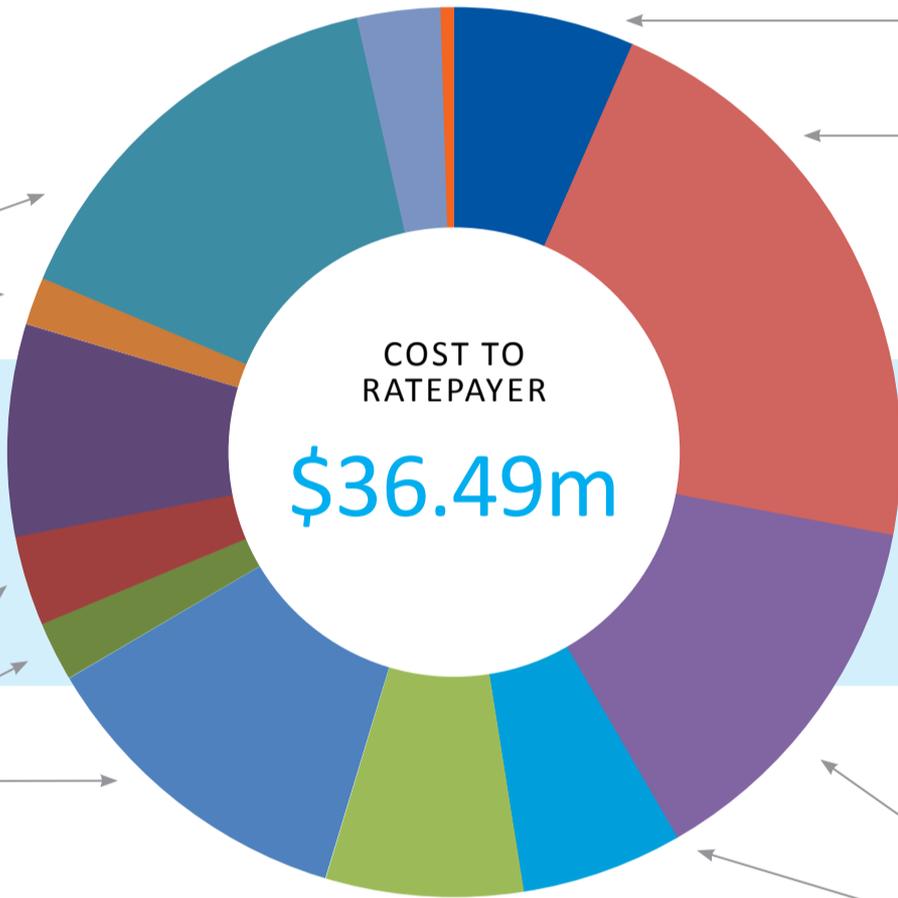
Performance measures:



What it cost: Total Expenditure - \$5.91m; Cost to ratepayers - \$4.98m; Weekly cost for an average household - \$6.15

What we delivered:

- Operated and maintained water-related infrastructure such as pump stations, reservoirs, treatment plants and flood gates;
- Upgraded the Whakatāne Water Treatment Plant and replaced filters
- Expanding the water supply on the Plains
- Began work to improve water security at Matatā
- Despite the impacts of the drought, achieved an average resident satisfaction score of 68.6 out of 100, an improvement on last year's score.



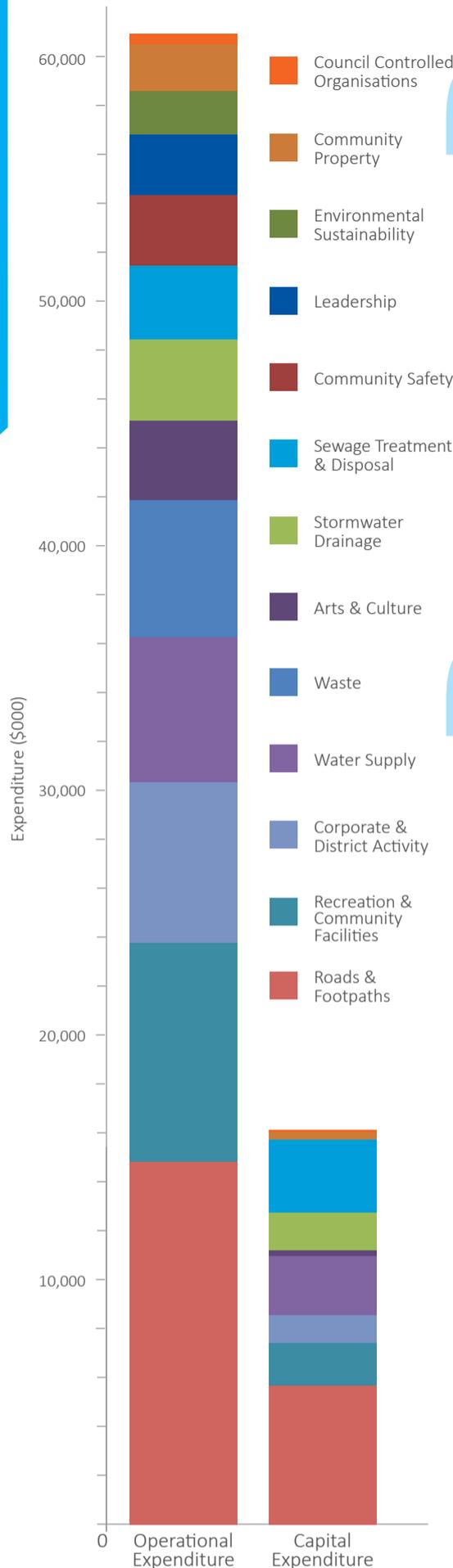
How we performed

BUDGET

The 2012/13 financial year realised a rating surplus of just over \$43,000. This means that we were within 0.1% of the rating requirement set out in our LTP. This is a very important achievement, because it means that we set the rates for our community at almost exactly the right level to pay for the services that we delivered last year. A deficit would have required us to recover the underfunding, by increasing the rates charged in 2014/15, so this result is positive for Council and for the community. Thorough and accurate planning and modelling, stringent management of budgets and a whole-of-Council focus on prudent expenditure and improving efficiency have all contributed to this outcome.

OPERATIONAL

This covers the day-to-day cost of providing services. The infrastructure-based activities of Transport, Waste, Water, Sewage and Stormwater continue to be our biggest area of expenditure. These activities made up 54% of our total operating expenditure in 2012/13. When we add Recreation and Community Facilities costs to this, it equates to 68% of our operating expenditure. Almost all of the services that we deliver are identified in legislation as core services, or are services that we are required by law to undertake.



“It’s created a sense of community, with people getting involved in volunteer work and Council staff finding ways to do more than had been planned. We see this as a four-to-six year project, but we’re determined to see Sullivan Lake restored to the wonderful asset that it has been in the past.”

Lynore Craig and Graeme Watt discuss how the Sullivan Lake Care Group and Council have worked together to improve the quality of the lake and its surrounds.

“I look forward to my workouts, along with a chat and a few laughs with staff and other members. It’s also a bonus being able to cool down with a swim or relax in the spa.”

Health and Fitness Whakatāne member, Wendy Johnson, has seen the progress made within the Whakatāne Aquatic and Fitness Centre in the last year.

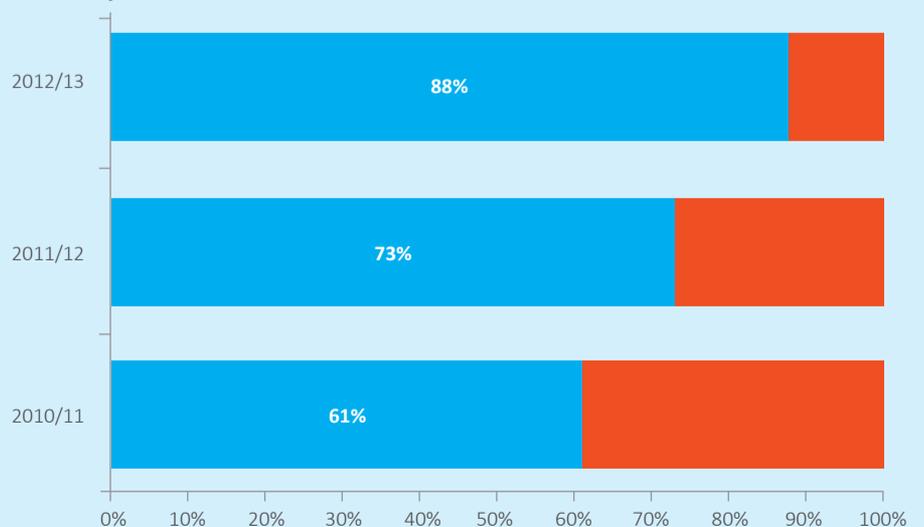
CAPITAL

This covers the year’s major projects and often involves investigating and building new infrastructure. We carried out a number of major infrastructure projects throughout the District in 2012/13. The year saw a particular focus on upgrades and improvements to our utility assets, including our water supply infrastructure, stormwater protection and our sewerage networks. We have also made good progress on some projects to create new community assets, including the cycleway and walking path between Ōhope to Whakatāne, a sewerage scheme for the Matatā community, investigating the Museum Research Centre and investigating a greenwaste processing facility.

NON-FINANCIAL

This year, we achieved an exceptional 52 out of 59 (88%) of the levels of service (or non-financial performance measures) that we aimed to deliver. This is a significant achievement, showing great progress compared to our 2011/12 results (73%) and 2010/11 results (61%). We set the levels of service that we aim to deliver to the community through our LTP. Levels of service help to define things such as the quality, speed, volume or reliability of a service that the community can expect from us. These results reflect a determination by the Council to deliver on the commitments that we make to the community.

Levels of Service Measures Achieved:



Summary Financial Statements

THE SUMMARY STATEMENT OF COMPREHENSIVE INCOME presents the financial performance of the Council over the last financial year. This statement summarises operating income and expenditure for the year.

ACTUAL 2012 \$000	FOR THE YEAR ENDED 30 JUNE 2013	ACTUAL 2013	BUDGET 2013
		\$000	
INCOME			
33,685	Rates, Excluding Volumetric Charges for Water Supply	34,002	34,220
7,327	Fees, Charges & Volumetric Charges for Water Supply	8,095	8,049
133	Development and Financial Contributions	292	465
10,349	Subsidies and Grants	6,192	6,481
5,673	Other Revenue	4,719	4,514
7	Finance Income	16	40
1,584	Gains	1,848	-
58,758	Total Income	55,164	53,769
EXPENDITURE			
10,394	Personnel	11,663	10,913
15,156	Depreciation and Amortisation	15,334	16,764
26,820	Other	24,068	24,495
1,879	Revaluation Losses	5,377	-
2,519	Finance Costs	2,660	2,517
56,768	Total Operating Expenditure	59,102	54,689
1,990	Surplus (Deficit) Before Tax	(3,938)	(920)
-	- Income Tax Expense	-	-
1,990	Surplus (Deficit) After Tax	(3,938)	(920)
OTHER COMPREHENSIVE INCOME			
1,874	Gains (Loss) on Assets Revaluation	4,392	11,362
3,864	Total Comprehensive Income for the Year	454	10,442

THE SUMMARY STATEMENT OF FINANCIAL POSITION presents what assets we own and what liabilities we owe to other parties.

ACTUAL 2012 \$000	AS AT 30 JUNE 2013	ACTUAL 2013	BUDGET 2013
		\$000	
618,455	TOTAL EQUITY	618,909	630,460
9,614	Total Current Assets	12,764	8,333
669,481	Total Non-Current Assets	666,455	682,175
679,095	TOTAL ASSETS	679,219	690,508
33,154	Total Current Liabilities	31,386	15,275
27,486	Total Non-Current Liabilities	28,923	44,774
60,640	TOTAL LIABILITIES	60,309	60,049
618,455	NET ASSETS	618,909	630,460

THE SUMMARY STATEMENT OF CHANGES IN EQUITY presents the equity movements of the Council over the past financial year that have impacted in the Council's net worth.

ACTUAL 2012 \$000	FOR THE YEAR ENDED 30 JUNE 2013	ACTUAL 2013	BUDGET 2013
		\$000	
614,689	Balance at 1 July	618,455	620,018
(98)	Prior Years Adjustments	-	-
3,864	Total Comprehensive Income	454	10,442
618,455	Balance at 30 June	618,909	630,460

THE SUMMARY STATEMENT OF CASH FLOWS shows how we generated and used cash. The overall net increase or decrease represents the change in our cash and cash equivalents arising from operating, investing and financing activities.

ACTUAL 2012 \$000	FOR THE YEAR ENDED 30 JUNE 2013	ACTUAL 2013	BUDGET 2013
		\$000	
15,552	Net Cash Flows from Operating Activities	15,134	16,058
(21,903)	Net Cash Flows from Investing Activities	(15,591)	(13,948)
6,935	Net Cash Flows from Financing Activities	(1,043)	(4,001)
584	Net Increase (Decrease) in Cash Held	(1,500)	(1,891)
810	Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year	1,394	1,944
1,394	Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	(106)	53

Summary Financial Notes

These Summary Financial Statements are for the year ended 30 June 2013. Except as covered below, these cannot be expected to provide as complete an understanding as our full financial statements which can be found in our full Annual Report 2012/13. The full financial statements were authorised for issue by the Council on 18 September 2013.

REPORTING ENTITY

Whakatāne District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand. 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 Whakatāne District Council (the Council) and includes the Whakatāne 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).

STATEMENT OF COMMITMENTS

The Council has entered into capital commitments for work not commenced at a balance of \$1.36 million. The Council has operating lease commitments of \$543,000. Further detail can be found in Note 26 of the full Annual report.

BASIS OF PREPARATION

The full Annual Report has 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. These Summary Financial Statements comply with FRS-43.

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). Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data. The functional currency of the Council is New Zealand dollars.

COMPLIANCE

The Council and management of the Whakatāne District Council confirm that all the statutory requirements of section 98 of the Local Government Act 2002 and FRS-43 have been complied with.

CONTINGENT LIABILITIES

The Council has contingent liabilities for three contracts disputes. The maximum cost to the Council is \$810,000 and in its opinion the Council expects to be able to settle these disputes without any cost to the Council. Further detail can be found in Note 27 of the full Annual report.

RELATED PARTY TRANSACTIONS

During the 2012/13 year the Council has entered into a number of related party transactions.

The Council has a 1/8th share in BOPLASS Limited. BOPLASS Limited has been established to foster collaboration between councils in the delivery of services particularly back office or support services. During 2012/13 the Council contracted BOPLASS Limited for services costing \$121,559.

Further minor transactions were entered into, the detail of which can be found in Note 28 of the full Annual Report.

CONTINGENT ASSETS

Resource Consent Appeal

Whakatāne District Council has been awarded compensation by the Environment Court for unnecessary costs in respect of a resource consent appeal. However, because the claimant has appealed to the High Court, the orders requesting payment of the costs are held in abeyance until the High Court appeal has been determined or withdrawn.

KEY ITEMS ATTRIBUTING TO THE VARIANCE INCLUDE:

Income

Gains on financial derivatives and sale of assets (\$1.848 million) not budgeted for in the Annual Plan. Rates remissions being higher than budgeted (\$440,000). User charges, vested water assets, and aquatic centre fees and charges higher than budgeted (\$677,000). Transport subsidies, volumetric water charges and development contributions less than budgeted (\$888,000).

Expenditure

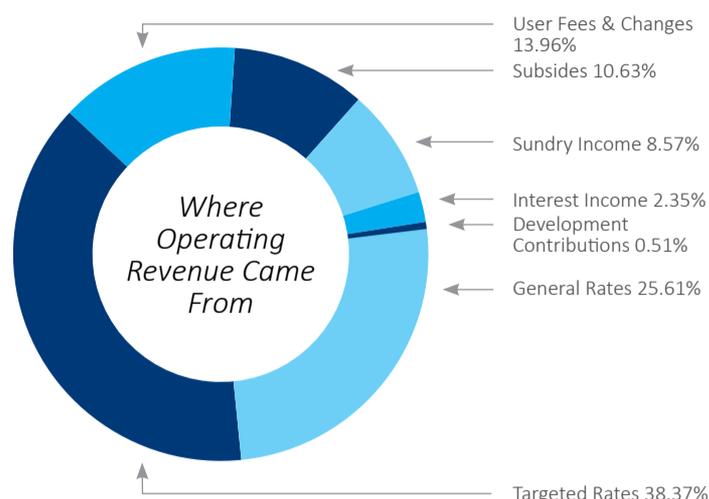
Losses on valuation of investment property and sale of assets (\$5.377 million) not budgeted for in the Annual Plan. Depreciation, predominantly for Roads and Footpaths, being less than budgeted, whereby life spans used in the LTP do not reflect the actual life spans of assets (\$1.430 million). This has been corrected for the 2013/14 Annual Plan. Other operating expenses being less than budgeted in respect to savings in operational costs such as printing and stationery and insurance (\$427,000). Personnel costs being greater than budget owing to an increase in employee entitlements and unbudgeted salaries for Aquatic Centre personnel (\$750,000). Finance costs were higher than budgeted owing to fluctuations in interest rates since preparing the LTP (\$143,000).

Value for money

Council services and facilities cost the average household \$45 a week. However, for that \$45 we delivered \$72 worth of services each week.

We work hard to secure funding from other sources but rates are our largest and most stable source of income. Examples of other major funding sources over the past year included fees and charges, the New Zealand Transport Agency subsidy for roading-related projects, and the Ministry of Health subsidy for water-related projects. Because of this external funding, for every \$10 that we received from ratepayers, we delivered \$16 worth of services in the 2012/13 year.

Our total operating revenue for 2012/13 was \$57m. Rates accounted for \$36.4m (including volumetric charges for water supply) or 64% of the Council's income, making the biggest contribution towards the costs of the services we provide and the projects which maintain or improve our infrastructure.

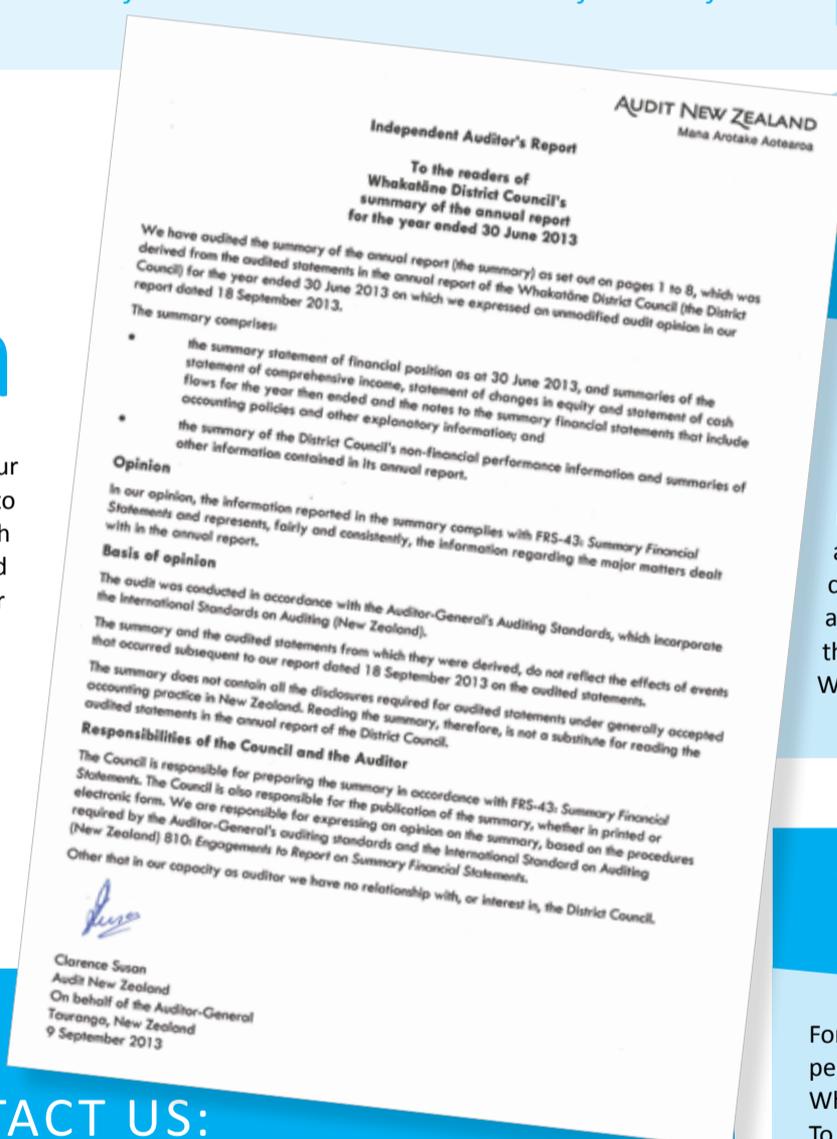


"Swimming and water safety is important to us because of all the activities we do in and around the water as a family. All of our children have attended Swim School, starting as babies, going into pre-school and now after-school classes. Their water confidence is fantastic!"

Swim School parent, Rebecca Smith, says the benefits of learning to swim have been far-reaching for her family.

Audit Opinion

It is a legal requirement that our Annual Report is audited. This is to ensure that we are complying with accepted accounting practices and legal requirements and that our Annual Report is a fair and accurate reflection of the past year. The full Annual Report received a clear Audit Report from the Auditor General's Office. This Summary has also been audited to ensure it is consistent with our full Annual Report.



NEXT YEAR

While the Council will continue to focus on minimising rates costs, 2013/14 will be a busy year as we progress a number of key projects. These include starting or progressing some multi-year projects, such as the installation of a sewerage reticulation system for the Matatā community, upgrading the Whakatāne urban area's stormwater protection and completing the cycle/walkway between Ōhope and Whakatāne.

WANT TO KNOW MORE?

For more detailed information about our performance over the past year, see the Whakatāne District Council's full Annual Report. To find out more about what is planned for this year, have a look in our Annual Plan 2013/14. If you are interested where the district is heading, refer to the Long Term Plan 2012-22, or the Proposed District Plan.

Copies are available on our website, or from our service centres and libraries.

HOW TO CONTACT US:

If you would like to contact the Council about the information contained in this Summary Annual Report, or for any other reason, please feel free to do so.

WHAKATĀNE DISTRICT COUNCIL

Civic Centre, Commerce Street, Whakatāne
Private Bag 1002, Whakatāne 3158
Email: information@whakatane.govt.nz
Phone: 07 306 0500
Fax: 07 307 0718
Website: www.whakatane.govt.nz

SERVICE CENTRE MURUPARA

Pine Drive, Murupara
Phone: 07 366 5896
Fax: 07 366 5897

