



Opotiki District Council

Summary Annual Report

For year ended 30 June 2012

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Background

This document provides an overview of Council's financial and operational performance for the 2011-12 financial year.

Disclaimer

This Summary Annual Report was authorised for issue by the Chief Executive Officer on 30 October 2012. The specific disclosures included in this report have been extracted from the full Annual Report adopted by Council on 30 October 2012. The Summary Annual Report cannot be expected to provide as complete an understanding as provided in the full Annual Report of the financial and service performance, financial position and cash flows of Council. The Summary Annual Report has been audited for consistency with the full Annual Report and a copy of the Summary Unqualified Audit Report is included in this document.

A copy of the Opotiki District Council 2011/2012 Annual Report is available from Council's Office, 108 St John Street, Opotiki or from the Council website www.odc.govt.nz/publications/council-reports

For more information on the Opotiki District Council please visit www.odc.govt.nz

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FROM THE MAYOR AND CHIEF EXECUTIVE



This year Council again took up the challenge to look into the future and develop the 2012-2022 Long Term Plan for the District. The community saw the result of this in May when it was out for consultation, however staff and councillors had been working on the plan for the large part of the year. Much of the work was on the technical building blocks of the plan, needed to provide a credible foundation for planning the future. The important aspect of the plan was that we looked ahead in time at what was likely to happen in the district to work out what would be the needs of the community over the next ten years. An aquaculture industry, a harbour and PSA shape the

way the future may look. Our sewerage asset management plan concluded that major upgrade and possible extension to the Ōpōtiki township system is required, and we made provision for the development plan for the aquaculture industry and the harbour. Overall we are pleased that the plan lays out our strategy for the next 10 years.

The opening of the Mōtū Trails has been a milestone to celebrate during the year. Completed within 2 years of being awarded the \$2.1M funding, the Mōtū Trails is on track to become one of New Zealand's iconic rides. The opportunity to further develop relationships between the Ōpōtiki District Council, the Department of Conservation, Gisborne District Council and the Whakatōhea Māori Trustboard was taken up with enthusiasm and we hope the strengthened relationships will lead to other successful projects. As part of the cycletrail it was also pleasing to see the Pakowhai ki Otutaopuku bridge over the Otara River completed following a decision of council to fund the considerable shortfall in the government funding. While it was not without its difficulties we are pleased with the result and expect it will be an asset that the community can be proud of for years to come.

Council and its staff have been working hard to collaborate and cement our Baywide philosophy of working together. Collectively in the Bay of Plenty we understand that we are interconnected and what is good for one is good for all. Council continues to enjoy the benefits of contracting or sharing services with other councils and organisations in the interests of either doing it better or cheaper. At an operational level there are several specialist functions performed on a shared basis with our fellow councils of the eastern Bay of Plenty. We continue to support organisations such as Toi-EDA, CoBop and BOPLASS for strategic outcomes for the district. At a more local level council appreciates the hard work of our Technical Advisory Group on the proposed harbour development and the continued relationship with Whakatōhea. We are also enjoying the new relationships and ways of working together at the new DOC/ISITE/ODC/BOPRC facility on Bridge Street and continue to enjoy our shared facility at the SPCA.

In the area of Civil Defence, both the mayor and CEO take leadership roles in the Baywide civil defence "Group", this year gaining regional cooperation to significantly increase budgets for civil defence in the region. The benefits will be seen as staffing levels and capacity increases across the Bay. At a local level we secured some Ministry of CD funding for emergency sirens. Although we had some initial frustration we have finally secured New Zealand Fire Service approval to use existing sirens, meaning we will have a practical and affordable warning tool. The roll out of another warning mechanism – Readynet is also progressing.

Council assisted or ran a range of community events during the year. The Community Awards saw a full house, with class acts – both on stage performing and receiving awards. Acknowledging volunteerism is an important part of holding together efforts so vital to community wellbeing. St John Ambulance, fire brigade, coast guard, MWWL among many others make considerable contributions in our community. The inaugural dunes dash exceeded our expectations and lays the foundation for becoming an annual event. Silent movies, Asian movies and Te Radar also put our theatre to good use. Our thanks to all the organisations that assisted us to ensure these events were a success.

The last year has seen the evolution of a government agenda around local government that could give rise to the most change the sector has seen since the major reforms and amalgamations of 1989. In March Minister Smith launched an 8 step reform package, placing legislative reforms ahead of the evidence based investigations into the question of what reforms are needed. This was surprising considering that the effects of the previous reforms of the then Minister Hide were yet to be bedded in. The extent of response required to this reform package has diverted attention from the delivery of services and unsettled local government across the country. We hope that sensible amendments are made allowing councils to refocus on delivering the business of local government.

John Forbes
Mayor of Opotiki

Aileen Lawrie
Chief Executive Officer

REPORT OF AUDIT NEW ZEALAND

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

**To the readers of
Ōpōtiki District Council's
summary of the annual report
for the year ended 30 June 2012**

We have audited the summary of the annual report (the summary) as set out on pages 6 to 26 which was derived from the audited statements in the annual report of the Ōpōtiki District Council (the District Council) for the year ended 30 June 2012 on which we expressed an unmodified audit opinion in our report dated 30 October 2012.

The summary comprises:

- the summary statement of financial position as at 30 June 2012, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the District Council's activity group information and summaries of other information contained in its annual report.

Opinion

In our opinion, the information reported in the summary complies with FRS-43: Summary Financial Statements and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Basis of opinion

The audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

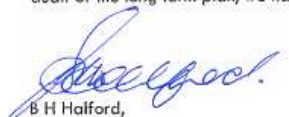
The summary and the audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 30 October 2012 on the audited statements.

The summary does not contain all the disclosures required for audited statements under generally accepted accounting practice in New Zealand. Reading the summary, therefore, is not a substitute for reading the audited statements in the annual report of the District Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS-43: Summary Financial Statements. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor-General's auditing standards and the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

Other than in our capacity as auditor, which includes obligations to carry out the audit of the annual report and the audit of the long term plan, we have no relationship with, or interests in, the District Council or any of its subsidiaries.



B H Halford,
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
30 October 2012

Matters relating to the electronic presentation of the summary audited financial statements, non-financial performance information and the other requirements

This audit report relates to the summary financial statements, non-financial performance information and the other requirements of Ōpōtiki District Council for the year ended 30 June 2012 included on the Ōpōtiki District Council's website. The Council is responsible for the maintenance and integrity of the Ōpōtiki District Council's website. We have not been engaged to report on the integrity of the Ōpōtiki District Council's website. We accept no responsibility for any changes that may have occurred to the summary financial statements, non-financial performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the summary financial statements, non-financial performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary financial statements, non-financial performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements, non-financial performance information and the other requirements as well as the related audit report dated 30 October 2012 to confirm the information included in the audited summary financial statements, non-financial performance information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Income			
Rates revenue	7,898	7,933	7,661
Financial Income	102	129	76
Other revenue	4,577	4,452	4,003
Gains/(losses)	0	155	261
Total Income	12,577	12,669	12,001
Expenditure			
Personnel costs	2,653	2,875	2,655
Depreciation and amortisation	2,157	2,105	1,857
Finance costs	336	296	209
Losses/(Gains)	296	0	0
Transfer of DOC portion of Mōtū Trails	1,291	0	0
Other expenses	5,630	5,510	6,078
Total operating expenditure	12,363	10,786	10,799
Surplus / (deficit)	214	1,883	1,202
Other comprehensive income			
Gain on property revaluation	0	0	9129
Total comprehensive income	214	1,883	10,331

Explanations for major variations from ODC's estimated figures in the 2011/2012 Annual Plan are as follows:

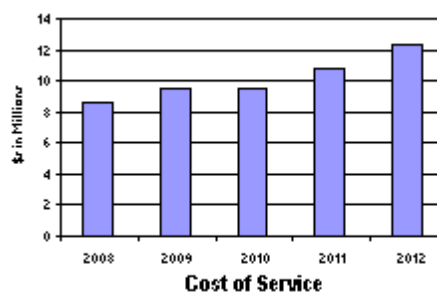
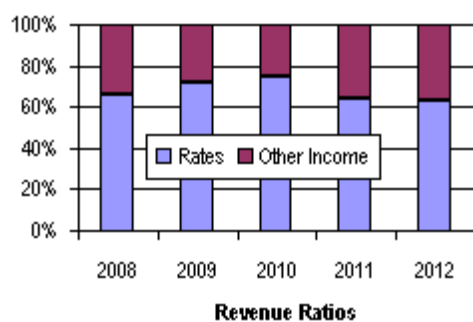
		2012 \$000
Statement of Comprehensive Income		
Actual Surplus of \$0.214 million versus budget surplus of \$1.883 million		
An unfavourable variance of \$1.669 million.		
Total revenue of \$12.577 million was \$0.092 million under budget made up as follows:		
Rates Revenue		35
Financial Income		27
Other Revenue	a	(125)
Gains/(Losses)	b	155
		92
Total Expenditure of \$12.363 million was \$1.577 million over budget as set out below:		
Personnel costs	c	(222)
Depreciation and Amortisation		52
Finance costs		40
Losses/ (Gains)	d	296
Transfer of DOC portion of Motu Trails	e	1,291
Other Revenue	f	120
		1,577
		1,669

- a. Other Revenue is over budget due to additional subsidies received from flood damage claims.
b. There was a loss on investment properties transferred to expenditure.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

continued...

- c. Personnel costs were lower as a result of a reduction in forecast development for building and planning activities, plus economies in the level of salaries for replacement staff in engineering, and resource recovery centres.
- d. The loss is for Council's investment properties of \$0.291 million and loss on sale of assets.
- e. The transfer of DOC portion of Mōtū Trails is to transfer the asset to DOC.
- f. Other revenue is higher than budgeted due to accrual of Te Kaha drinking water subsidy of \$0.222 million.



SUMMARY STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Assets			
Total current assets	6,685	4,991	5,400
Total non-current assets	180,481	188,284	179,833
Total Assets	187,166	193,275	185,233
Liabilities			
Total current liabilities	3,564	3,168	4,459
Total non-current liabilities	5,674	5,629	3,060
Total liabilities	9,238	8,797	7,519
Net Assets	177,928	184,478	177,714
Equity	(177,928)	(184,478)	(177,714)

Actual net equity of \$177.928 million versus budget of \$184.478 million, variance of \$6.550 million.

An analysis of the major variances are set out below:

An increase in cash and cash equivalents	g	1,064
An increase in debtors and other receivables	h	411
An decrease in Property, Plant and Equipment	i	(8,384)
An increase in Investment Property	j	818
An increase in creditors and other payables	k	(388)
		<u>(6,479)</u>

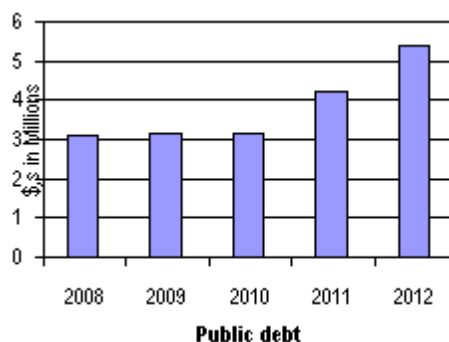
g. The increase in cash and cash equivalents is due to the unspent portion of debt drawn down on November 2011, plus postponement of capital projects.

h. The increase in debtors and other receivables is due to an increase in rates debtors of \$0.177 million and accrual for Te Kaha subsidy from the Ministry of Health of \$0.222 million.

i. The decrease in Property, Plant and Equipment is as a result of the revaluation being \$4.560 million under the estimate in 2011 plus postponement of capital projects of \$3.05 million, and disposals of \$0.495 million.

j. The increase is due to the completion of the I-SITE/DOC building in Bridge Street at a cost of \$0.920 million.

k. The increase in creditors and other payables is due to a higher level of trade creditors than budgeted.



SUMMARY STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Balance at 1 July	177,714	182,595	167,383
Surplus / (deficit)	214	1,883	1,202
Total comprehensive income previously reported	0	0	9,129
Total recognised revenue and expenditure for the year	214	1,883	10,331
Balance at 30 June	177,928	184,478	177,714

Equity is made up of the following Reserves:

Retained Earnings	125,625	130,000	125,328
Council created reserves	2,166	2,103	2,235
Asset revaluation reserve	50,137	52,375	50,151
Total Equity	177,928	184,478	177,714



SUMMARY STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Cash flows from operating activities			
Total operating cash provided	12,849	12,195	11,317
Total operating cash applied	(8,529)	(8,344)	(8,710)
Net cash from operating activities	4,320	3,851	2,607
Cash flows from investing activities			
Total investing cash provided	246	16	457
Total investing cash applied	(5,238)	(5,378)	(3,456)
Net cash from investing activities	(4,992)	(5,362)	(2,999)
Cash flows from financing activities			
Total financing cash provided	2,526	2,526	2,910
Total financing cash applied	(1,275)	(1,275)	(1,865)
Net cash from financing activities	1,251	1,251	1,045
Net increase / (decrease) in cash, cash equivalents and bank overdrafts	579	(260)	653
Cash, cash equivalents and bank overdrafts at the beginning of the year	2,507	2,282	1,854
Cash, cash equivalents and bank overdrafts at the end of the year	3,086	2,022	2,507

Reconciliation of net surplus / (deficit) to net cash flow from operating activity

	Actual 2012 \$000	Actual 2011 \$000
Surplus / (deficit)	214	1,202
Add / (less) non-cash items:		
Depreciation and amortisation	2,157	1,857
Impairment charges	108	0
Vested assets	(1)	(2)
Add / (less) items classified as investing or financing activities		
(Gains) / losses on disposal of property, plant and equipment	5	(13)
(Gains) / losses on revaluation of Investment Property	291	(248)
(Gains) / losses on fair value adjustment to other financial assets	(12)	(18)
(Gains) / losses Derivative financial instruments	59	24
Transfer of DOC portion of Motu Trails to DOC	1,291	0
Add / (less) movements in working capital items		
Accounts receivable	(242)	(408)
Accounts payable	353	179
Other financial assets	41	
Provisions	27	53
Employee benefits	29	(19)
Net cash inflow / (outflow) from operating activities	4,320	2,607

SUMMARY COST OF SERVICE

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Income			
Representation	985	988	933
Tangata Whenua relationships	12	17	12
Community sponsorship	280	322	232
Parks & recreation	1,976	2,176	1,450
Library	233	246	230
Property	823	819	570
Solid waste	1,194	1,194	1,209
Water supplies	1,206	1,236	1,006
Sanitary services	544	551	434
Stormwater	188	138	231
Transport services	3,467	3,310	3,907
Emergency management	171	207	156
Animal control	203	191	188
Regulatory	436	497	525
Environmental management	286	239	266
Tourism & promotion	364	347	231
Harbour development	247	235	173
Total activity income	12,615	12,713	11,753
Other income	19	11	316
Less internal income	(57)	(55)	(68)
Total income	12,577	12,669	12,001
Expenditure			
Representation	985	988	933
Tangata Whenua relationships	12	17	12
Community sponsorship	280	322	232
Parks & recreation	867	957	924
Library	233	246	228
Property	507	583	443
Solid waste	1,113	1,186	1,218
Water supplies	1,043	989	965
Sanitary services	475	453	414
Stormwater	188	137	167
Transport services	3,423	3,247	3,792
Emergency management	171	207	156
Animal control	203	191	188
Regulatory	436	497	525
Environmental management	286	239	266
Tourism & promotion	364	347	231
Harbour development	247	235	173
Total activity expenditure	10,833	10,841	10,867
Losses/(Gains)	296		
Motu Trails	1,291		
Less internal expenditure	(57)	(55)	(68)
Total expenditure	12,363	10,786	10,799

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities. In order to reflect the total external operations for Council in the Statement of Financial Performance, these transactions are eliminated as shown above. Other income not allocated to activities represents profit on sale of vehicles, revaluation of investment property, business unit, profit and interest.

SUMMARY STATEMENT OF ACCOUNTING POLICIES

For the Year Ended 30 June 2012

REPORTING ENTITY

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

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

The financial statements of ODC are for the year ended 30 June 2012. The financial statements were authorised for issue by Council on 30 October 2012.

BASIS OF PREPARATION

Statement of compliance

The financial statements of ODC 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).

These summary Financial Statements have been prepared in accordance with Financial Reporting Standard 43: Summary Financial Reports.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property and financial instruments.

Functional and presentation currency

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

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

EVENTS AFTER BALANCE SHEET DATE

There were no significant events after balance sheet date.



CAPITAL COMMITMENTS AND OPERATING LEASES

	Actual 2012 \$000	Actual 2011 \$000
Capital commitments		
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	774	0
Capital commitments for investment properties	0	299
Operating commitments		
Operating expenditure for future years contracted on non-cancellable contracts at balance date but not yet incurred	1,748	2,280

Operating leases as lessor

ODC has several endowment property leases. All but one of these leases are leases in perpetuity. The one exception has a non-cancellable term of 3 years.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Actual 2012 \$000	Actual 2011 \$000
Non-cancellable operating leases as lessor		
Not later than one year	1	2
Later than one year and not later than five years	2	0
Later than five years	0	0
Total non-cancellable operating leases	3	2

No contingent rents have been recognised in the statement of financial performance during the period.

Operating leases as lessee

ODC leases property plant and equipment in the normal course of business. These leases have a non-cancellable term of 36 to 60 months. The future aggregate minimum lease payment under non-cancellable operating leases are as follows:

	Actual 2012 \$000	Actual 2011 \$000
Non-cancellable operating leases as lessee		
Not later than one year	2	10
Later than one year and not later than five years	5	8
Total non-cancellable operating leases	7	18

CONTINGENCIES

Contingent liabilities

A provision of \$27,000 (2011: \$27,000) has been recognised for a weathertightness claim, whereby Council is aware of a specific potential future claim. Council may also be exposed to potential future claims which may not have yet been lodged, up until the statutory limitation period expires. The amount of potential future claims is not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claims to be eligible under the Act, but other statutory limitation period could also affect claims.

Council has a contingent liability relating to the decontamination of the saleyards property situated at Wellington Street. A report into the property has identified part of the site has contamination levels exceeding the Ministry of Environment guidelines. Council will use the soil from the contaminated site as part of the base course for a sewage effluent pond, and will replace with non-contaminated soil. The site will be cleared of any contaminated material and will be brought up to Ministry of Environment required standards. Council has estimated the cost of decontamination at \$27,000 (2011 nil). However there is uncertainty on the cost and the timing of the project because the actual amount of fill to be removed from the site may be significantly different than the estimate.

Contingent assets

Club room buildings on reserves

ODC operates a scheme whereby sports clubs are able to construct facilities (e.g. club rooms) on reserve land. The clubs control the use of these facilities and ODC will only gain control of the asset if the club vacates the facility. Until this event occurs these assets are not recognised as assets in the Statement of Financial Position. As at 30 June 2012 there are 2 facilities having an approximate value of \$330,000 (2011: 2 facilities: \$330,000). This estimate has been based on valuations of similar facilities in the area.

Waihou Bay toilet advance

ODC advance the funding required for the construction of a toilet facility at Waihou Bay by Tamatari Enterprises.

The toilet is to be operated by Tamatari Enterprises and open to the public for a term of twenty five years. Should this arrangement continue for the complete term then no repayment of the advance is required. In the event of Tamatari Enterprises withdrawing from the arrangement then the advance is repayable on a prorata basis of the unexpired portion of the term. At 30 June 2012 this amounted to \$32,240 (2011 : \$33,829)



RELATED PARTY TRANSACTIONS

Key management personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with ODC (such as payment of rates, purchase of rubbish bags etc).

During the year ODC contracted with Waiotahi Contractors Ltd, in which Councillor Petersen is a shareholder and Company Director. The value of the contract works totalled \$618,391 (2011 \$1,169,542) and was negotiated on normal commercial terms. There is a balance of \$18,919 (2011 \$52,810) outstanding for retentions at year-end.

During the year ODC contracted with Trade Education Ltd, in which His Worship the Mayor's sister and brother in-law are shareholders and directors. The value of the contracts totalled \$48,847 (2011 \$77,921) and was negotiated on normal commercial terms.

During the year ODC contracted with NZ Walking Commission, in which His Worship the Mayor is Chairperson. The value of the contracts totalled \$135 (2011 nil) and was negotiated on normal commercial terms.

During the year ODC contracted with Art Society Opotiki, in which His Worship the Mayor's wife is a member and office-holder. The value of the contracts totalled \$600 (2011 nil) and was negotiated on normal commercial terms.

During the year ODC contracted with Ocean Seafoods, in which Councillor Barry Howe is the owner. The value of contracts totalled \$419 (2011 nil).

During the year ODC contracted with Tracks Concrete Ltd, in which Jim Finlay, Council's Engineering and Services Manager is the Brother-in-Law to the company's owner. The value of the contracts totalled \$15,557 (2011 \$87,407) and was negotiated on normal commercial terms.

During the year ODC contracted with Mahy Crane Hire Ltd., a subsidiary of Tracks Concrete Ltd, in which Jim Finlay, Council's Engineering and Services Manager is the Brother-in-Law to the company's owner. The value of the contracts totalled \$67,660 (2011 nil) and was negotiated on normal commercial terms.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2011 \$nil).

Key management personnel compensation

	Actual 2012 \$000	Actual 2011 \$000
Salaries and other short term employee benefits	801	805
Post employment benefits	0	0
Other long term benefits	0	0
Termination benefits	0	27

Key management personnel include the Mayor, Councillor's, Chief Executive and other senior management personnel.

Related Party transactions with subsidiaries, associates or joint ventures

Council has an interest in a Council Controlled Organisation, holding a one eighth shareholding in Bay of Plenty Local Authority Shared Services Ltd (BOPLASS). Council also has an interest in Toi EDA the Eastern Bay of Plenty Development Agency set up by the three local authorities (Kawerau, Opotiki and Whakatane District Councils) working together with local Iwi. This organisation has been exempted as a Council Controlled Organisation under section 7 of the Local Government Act 2002.

	Actual 2012 \$000	Actual 2011 \$000
<u>BOPLASS</u>		
Annual contribution	5	2
Services provided	19	19
<u>Toi EDA</u>		
Annual contribution	31	15
Services provided	6	25

HOW COUNCIL PERFORMED IN 2011-2012

This section explains the Council's significant activities and how they contribute to the future of the district and community outcomes. Information shows how the Council has performed in meeting targets and goals and provides a financial summary for the year 2011-2012.

Council services have been banded together into groups of activities. An example of this is Transport, Solid Waste and Parks and Recreation all coming under the group Facilities and Services. There are four groups with a total of 17 activities.

The 2011-12 financial year has been a challenging but in many ways a rewarding year for the Opotiki District Council and the Community.

The Community has again proven its resilience in the face of adversity. Extreme weather events have once more caused significant damage to both the local roading network and state highways. In particular the damage and ongoing repair works to important state highway linkages such as State Highway 35 (Maraenui Hill Realignment) and State Highway 2 (Waioeka Gorge Slip) has resulted in parts of the community being isolated and has restricted the movement of goods and services in and out of the District. Positive confirmation of the presence of PSA in the District has also been of major concern to those directly and indirectly involved in the local Kiwi Fruit Industry. Whilst the local community has responded to the presence of PSA well to date the ongoing economic impact of PSA for the local Kiwifruit Industry will not be known for some time yet.

In spite of these challenges the Council and the Community have managed to achieve many things over the twelve months ended 30 June 2012 and have plenty to celebrate.

The cost of repairs for flood damage on Council's roads was about one third of that for the previous year due to less severe weather, with a total of \$435,000 in flood damage. Council resealed 9 kilometres of rural roads and 0.9 kilometres of urban roads, approximately 3% of the length of both rural and urban roads. Seal extensions of 5.23 Kilometres were completed for the year.

This year has seen the completion and official opening of the Motu Trails Cycle Trail, a largely government project completed in partnership with the Department of Conservation, Gisborne District Council and the Whakatohea Maori Trust Board. Council completed the relocation of the i-SITE building to a new site on Bridge Street. The relocation project represents another example of Council working collaboratively with other organisations in that the new building is a multipurpose facility

In 2011 Opotiki District Council completed a broad assessment to identify those commercial buildings within the Opotiki township centre that may possess characteristics which could lead to them being defined as earthquake prone. Council is facilitating a unique collective process of procuring professional engineering services on behalf of the group of commercial building owners. While the Council is facilitating the process, the building owners are responsible for completing the works.

The Long Term Plan was adopted on 27 June 2012 with an unmodified opinion from Audit New Zealand. The opinion also drew the reader's attention to the uncertainty of the assumption surrounding the funding to be received from central government and the regional council in relation to completing the Opotiki Harbour Development project. An important aspect of the 2012-2022 Plan is the inclusion of funding for the redevelopment of the Opotiki Harbour which in the past has not been included in Council's long term financial forecasts.

Council was generously supported in the harbour development activity over the last year by BayTrust and NZTE Regional Strategy Fund grants and other in kind support. Good progress was made towards developing the harbour through the preparation of a detailed project plan, a business case for funding, an economic and social benefits assessment, and by fulfilling all audit requirements for the harbour to be included in our Long Term Plan.

Council continues to work closely with Whakatohea Maori Trust Board to advocate for and progress aquaculture within the Eastern Bay and therefore enhance the economic and social wellbeing of the district.



A GUIDE TO THE GROUPS OF ACTIVITIES



Democracy

What we do

The democracy group:

- Maintains a system of democratic representation for the district community including three-yearly elections
- Maintains relationships with Tangata Whenua
- Provides financial support to community groups and services

Why we do it

It is essential that the Opotiki community has strong leadership.

Strategic Goal

To ensure effective and fair community representation and support.

Significant negative effects

On balance there are no significant negative effects from this group of activities.

Activity 1: Representation

How did we do?

Measured	Target	Result	Level of Achievement
Council will hold at least 8 meetings throughout the year.	8	Achieved	Council held nine ordinary meetings, five extra-ordinary meetings and seven workshops between 01 July 2011 and 30 June 2012.
The number of occasions that Opotiki issues are represented in regional and national forums.	12	Achieved	Council was represented by the Mayor and/or Chief Executive on 24 regional or national forums. Representation included forums such as LGNZ sector Meetings, the New Zealand Access Commission and Emergency Management forums.
Improvement in community satisfaction with Council representation. (Community survey measured every three years.)	Undertaken 2010/11	Not measured	Survey last undertaken in January 2011. Not measured in 2011-2012 year as only carried out every three years. In 2008 Community satisfaction with Mayor and Councillors under Very Good / Fairly Good was 62% In 2011 Community satisfaction with Mayor and Councillors under Very Good / Fairly Good was 65%

Activity 2: Tangata Whenua

How did we do?

Measured	Target	Result	Level of Achievement
An annual meeting at governance level with the three iwi authorities	3	Achieved	Consultation meetings were held with all 3 iwi during the Annual Plan process. CEO and Mayor have attended a Whakatōhea Māori Trust Board meeting. Monthly meetings are scheduled with representatives of the Whakatōhea Māori Trust Board and ODC CEO and are attended when possible. A meeting was held with Ngāi Tai Iwi Authority November 2011 at Tōrere Marae and Te Whānau a Apanui Tribal Authority on 18 October 2011 at Te Kaha.
Contribute to the upkeep of hapu marae urupa/cemeteries	22	Achieved	Urupa Grants of \$460 each were made to the 22 Marae Committees on 18 June 2012. Council has committed via the Annual Plan to continue its support of hapū marae urupa/cemeteries.

Activity 3: Community Sponsorship

How did we do?

Measured	Target	Result	Level of Achievement
Number of memorandum of understanding maintained for all ongoing grants	8	Not Achieved	4 MOU's maintained with SPARC (Sports Co-ordinator and Rural Travel Fund), Ministry for Culture and Heritage (Creative Communities Scheme), BayTrust (Aquaculture publication 38°), Ministry of Economic Development (Cycle Trail). Funds received are administered by Council in terms of MOU. New MOU's not developed due to revised Long Term Plan alignment requirements not being available until late June 2012.
The tri-annual Community Contributions Awards will be organised	Due 2012	Achieved	Community Contributions Awards were held in May 2012.



Facilities and Services

What we do

Facilities and Services are delivered by Council's Asset Management Division and provide the essential services to the Opotiki community. The eight significant activities within the group enhance the health, safety and wellbeing of the district.

Why we do it

Facilities and Services are provided for the following reasons:

- Statute Law requires our involvement and sets the standards of operation for the service
- Historically we have delivered the service
- The lack of a competitive alternative, for example recycling and residual waste management

Strategic goal

To provide and maintain affordable high quality facilities and services that meet statutory obligations, industry standards and the social, economic, environmental and cultural expectations of the community.

Activity management plans

All assets in the Facilities and Services Group have activity management plans. These are available from the Opotiki District Council for detailed information.

Negative effects

The significant negative effects that activities may have on the social, economic, environmental and cultural well-being of communities are:

- Financial cost of maintaining and enhancing assets in particular the library, parks and reserves, property, water, stormwater, sewerage and roads.
- Potential odour emissions from resource recovery centres and sewerage treatment plant.
- Potential loss if markets for recyclable material in the solid waste activity.
- Health and safety risks associated with open stormwater drains.
- Carbon emissions and safety associated with using the transport network.

Activity 4: Parks and Recreation

How did we do?

Measured	Target	Result	Level of Achievement
The number of day's principal sport and events venues are available	350	Not Measured	Not measured due to reporting system not being established or available. New reporting system under development.
No more than 20 complaints regarding the sports fields or reserves or gardens	< 20	Achieved	7 complaints received in total regarding the sports fields or reserves or gardens as per contact centre reporting.
To maintain and enhance the amenity gardens and facilities in the district to the work plan	100%	Achieved	Gardens and facilities were maintained and enhanced to the work plan through regular maintenance, planting and pruning and responding to any complaints according to the work plan.



Activity 5: Library

How did we do?

Measure	Target	Result	Level of Achievement
The door count of visitors to the library will increase	5%	Not Achieved	An increase of 1,505 or 2.1% from last year. Data obtained from Watchman People Counter monitored daily and calculated monthly.
There is an increase in the number of issues per head of population	7,100	Not Achieved	Total issues (46,968) decreased by approximately 15.9% compared to 55,849 last year.
An increase in the usage of library computer services	5%	Not Achieved	Overall increase of 1.5% of library computer services. Reduced usage of 3.6% of computer terminals and increased usage of 30% in terms of access to internet via wireless service.

Activity 6: Property

How did we do?

Measured	Target	Result	Level of Achievement
Capital development as set out in the annual plan is carried out on time and within budget	100%	Not Achieved	76.2% of Annual Plan estimate achieved. Tenderer approved for Memorial Park Sports Pavilion, depot yard upgrade completed. Office upgrade to be completed in 2012/13.
The maintenance programme is to be developed for existing buildings	100%	Partially Achieved	Property Asset Management Plan under development which will finalise lifecycle maintenance plans.
Percentage of properties to be maintained under the life cycle maintenance programme	90%	Not Achieved	Property Asset Management Plan under development which will finalise lifecycle maintenance plans.

Activity 7: Solid Waste

How did we do?

Measured	Target	Result	Level of Achievement
The closed landfill is monitored to the requirements of Consent with no non-compliances issued	100%	Achieved	No non-compliances issued. Data supplied from ODC to Bay of Plenty Regional Council which is assessed along with any site visits as considered necessary. BoPRC then issue summary compliance/ non compliance report annually.
"Fly tipping" reports are responded to within 5 working days	100%	Achieved	10 Reports of "Fly tipping" received by Contact Centre. All reports responded to within 5 working days.
Number of public educational activities undertaken to encourage residual waste reduction and good recycling practice	3	Achieved	5 public educational activities undertaken with St Josephs School, Waioeka School, Waiotahi School, Ashbrook School and Maraenui School including visits to the Resource Recovery Centre. Also information on residual waste reduction and recycling available on ODC Website.
Residual waste per year is less than 1400 tonnes	<1,400 tonnes	Achieved	1052.7 tonnes exported to landfill from Opotiki RRC.

Activity 8: Water

How did we do?

Measured	Target	Result	Level of Achievement
% of time water available to consumers	100%	Not Achieved	One occasion when mains burst caused 4 hour outage, low pressure period early hours of 21.10.11.
Compliance with NZ water quality standards.			
Bacterial compliance	100%	Not Achieved 75%	Bacteria compliance achieved for Ōpōtiki Hikutaia and Te Kaha. One bacterial transgression for Ōhiwa supply in 4th quarter, 3 retests showed compliance.
Protozoal compliance	100%	Achieved For Ōpōtiki Supply	Source security provided for protozoal contamination for Ōpōtiki supply, capital development approved for Te Kaha. Note that the supply area that is compliant serves 90% of the population receiving potable water supply.
All service main repairs are completed within four hours of receiving service request	100%	Achieved	Seven service main repairs were completed. All service main repairs were complete within four hours of receiving service required.

Activity 9: Sanitary

How did we do?

Measured	Target	Result	Level of Achievement
% of time the wastewater scheme operates to the requirements of resource consent conditions with no non-compliance notices issued	100%	100%	Fully compliant with all resource consent conditions as per Bay of Plenty Regional Council Consent and Compliance Forms. 1 Assessment undertaken by BOPRC and summary annual compliance notice issued 7 June 2012.
% of service requests that are resolved within one day	100%	Not Achieved	1 request received and resolved within 1 ½ days.
At least 3 km of Opoitiki sewer is investigated for upgrading per year	>3	>39	System analysis (pump station flow reports) showed widespread infiltration and 2 year investigation to select new reticulation approved. 39.7 kms of reticulation and service connections covered.

Activity 10: Storm Water

How did we do?

Measured	Target	Result	Level of Achievement
At least 50 meters of open drains are piped per annum	>50	Achieved	Nelson St and New World site to Forsyth Street as per contracts 081 and 074 were piped being 25 metres in Nelson St and 174 metres from Union to Forsyth St (0.199 Kms in all).
All urban flooding reports are investigated and appropriate action taken that ensures a resolution within 7 days	100%	Achieved	9 Reports received. All reports resolved within 7 days as per contact centre data and contractor records.
All 7 pump stations available for emergencies	7	Achieved	Contractors monthly check reports. There were no issues.

Activity 11: Transport

How did we do?

Measured	Target	Result	Level of Achievement
% of residents satisfied with the standard and safety of streets, roads and footpaths - surveyed 3 yearly	80%	Not measured	Survey last undertaken in January 2011. Not measured in 2011-2012 year as only carried out every three years. In 2011 Survey the % of residents satisfied was 74% Very / fairly satisfied, 24% Not very satisfied and 2% Don't know or unable to say.
No more than two serious accidents per year on the district's roads (state highways excluded)	< 3	Achieved	One fatality due to speed and alcohol.
The road maintenance programme is approved by NZTA	100%	Achieved	Prior to June 2011
200m of urban street upgraded	200m	Achieved	Nelson Street 210m
1 km of metal road sealed	1km	Achieved	Tablelands Road 2.7 Km McGregors Road 2.1 Km Te Wakanui Road 0.3 Km



Environment

What we do

The Environment Group

- Prepares District Plan and Plan changes so that growth can be provided for without environmental qualities being destroyed
- Makes representation on a wide range of environmental issues at regional and national levels on behalf of the community
- Processes resource consents
- Processes building consents and inspects building work
- Inspects and licenses liquor and food premises
- Enforces dog and animal control requirements
- Enforces noise provisions in the District Plan
- Regulates hazardous substances
- Prepares the community for emergencies

Why do we do it

Council is required by law to regulate a number of activities in the district. The preparation of the District Plan provides for growth and maintaining or protecting environmental qualities valued by the community.

Strategic goal

To continue to deliver a level of customer service that satisfies all statutory requirements and timelines.

Activity 12: Emergency Management

How did we do?

Measured	Target	Result	Level of Achievement
A current rural fire plan and civil defence plan are in operation	100%	Achieved	Rural Fire Plan approved – 2011 Civil Defence Plan approved - 2005
Number of public educational activities undertaken to raise awareness of emergency management procedures	2	Not Achieved	One completed this financial year.

Activity 13: Animal Control

How did we do?

Measured	Target	Result	Level of Achievement
An increase in the number of registered dogs in the District.	1,515	Not Achieved	1,325 Dogs Registered as at 30 June 2012.
% of animal control complaints that are resolved within one day.	>95%	Achieved	99% 328 out of 329 complaints were resolved within one day.
% of Residents satisfied with animal control. (Baseline response rate 2007/08). Survey conducted every 3 years.	>50%	Not measured	Survey last undertaken in January 2011. Not measured in 2011-2012 year as only carried out every three years. In 2011 % of Residents satisfied was 60% Very / Fairly satisfied, 38% Not satisfied and 2% Don't know or unable to say.

Activity 14: Regulatory

How did we do?

Measured	Target	Result	Level of Achievement
% of time building consents are issued within the statutory timeframes	>96%	Achieved	100% - 141 consents were issued within statutory timelines.
% of time resource consents are issued within the statutory timeframes	>94%	Achieved	100% - 22 consents were issued within statutory timelines

Activity 15: Environmental and Development Management

How did we do?

Measured	Target	Result	Level of Achievement
Evaluate on an annual basis, district plan rules that cause non-complying resource consent applications. Evaluate whether the granting of non-complying resource consent applications compromises environmental sustainability and whether rules need amending. Develop plan changes as appropriate.	Nil Plan Changes	Achieved	There were no non-complying resource consents granted that compromised environmental sustainability requiring rules in the District Plan to be amended.
District Plan policy is developed to promote and guide future growth.	% of Growth Strategy developed.	100%	Draft Planning Assumptions including Growth forecasts were presented to Council for inclusion in LTP



Economic Development

What we do

Council contributes to economic development by:

- Providing infrastructure
- District planning
- Promoting the District to encourage visitors and residents
- Involvement in specific projects such as the harbour development and aquaculture
- Seeking to grow existing events
- Contributing to local and regional economic development agencies.

Why we do it

Council provides these services to create a sustainable economic future for the District.

Strategic goal

To create a sustainable economic future by broadening the District's economic and employment base.

Significant negative effects

- Increasing visitor numbers will increase pressure on resources, particularly during the peak summer.
- Financial cost of constructing and maintaining groynes

Activity 16 - Tourism and Promotion

How did we do?

Measure	Target	Result	Level of Achievement
Increased visitors to the Information Centre	5%	Not Achieved	Total number of visitors recorded for 2011/12 was 11622. 2010/11 was 11960 so there was a decrease of .03%.
Increase the number of people attending events	5%	Not measured	No event statistics recorded this year. New statistics reporting under development to reflect results of i-SITE facilitated events in line with 2012-2022 LTP KPIs.

Activity 17 - Opotiki Harbour Development

How did we do?

Measured	Target	Result	Level of Achievement
Resource consent for the groynes will be granted	Granted 2010/11	N/A	Granted in 2009 without appeal
Groynes will be constructed	2012/13 measure	N/A	2012/2013 measure but current development plan shows construction commencing 2016.
Port business case and strategic development plan will be adopted by Council	Due 2011/12	Achieved	Interim business case adopted at 20 December Council meeting. Strategic Development plan completed in the form of a Gantt chart.

Map of the Opotiki District

