



Ōpōtiki District Council

2012 - 2013 Annual Report

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Directory

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Web	www.odc.govt.nz
Bankers	ANZ 57 Spring Street Tauranga
Auditors	Audit New Zealand on behalf of the Auditor General
Solicitors	Simpson Grierson Wellington
Insurance Brokers	Aon New Zealand Tauranga

Executive Staff

Aileen Lawrie
Chief Executive Officer

Jim Finlay
Engineering & Services Manager

Mark Lester
Finance and Corporate Services Manager

Barbara Dempsey
Planning & Regulatory Manager

Mike Houghton
Parks Recreation and Tourism Manager

Your Representatives

Council

John Harris Forbes (Mayor)	315 7362
Ōpōtiki Ward:	
Shona Browne	315 7347
Robbie Petersen	315 6580
Barry Howe	315 6003
Coast Ward:	
Haki McRoberts (Deputy Mayor)	325 2833
Waioāhī/Waioeka Ward:	
Selby Fisher	315 7624
Doug Leeder	315 4839

Community Board

Haki McRoberts (Chairman)
Taiki (Jack) Parata
Adelaide Waititi
Edward Matchitt
Muriwai Jones

From the Mayor and CEO

A significant event after balance sheet date was the announcement that Ōpōtiki District Council had been successful in securing \$18m from the BOPRC Regional Infrastructure fund. We had been working hard towards this goal for a number of years, and this year had completed a detailed business case, including a risk assessment, for that application. We are fortunate to have been well supported financially in the harbour project over the last year by the Baytrust and the Bay of Plenty Regional Council. Toi-Eda also assisted with our business case.

It was with some pride that we opened our new Memorial Park Sports Pavilion, completed with the assistance of a grant from the NZ Lottery Grants Board and the Eastern Bay Energy Trust. After his many years of service on Council it was fitting that Cr Robbie Petersen formally opened the facility. Along with the Pakowhai bridge, the pavilion makes Memorial Park an icon of Ōpōtiki.

The celebration of the first year of operation of the Mōtū Trails was accompanied by data showing we have exceeded the usage expectations that were set when the funding was awarded. Our new I-Site also showed a 20% increase in visitor numbers.

It was also pleasing to see progress with civil defence warning sirens installed at four sites across the district, with the wider Bay of Plenty now taking a similar approach.

Regulatory activities have seen an improvement with additional work in compliance, enforcement and animal control.

In the roading activity we saw Gaskills Road sealed, and upgrades in Wharf and Grey Streets. We were fortunate not to have the storm damage of previous years but we are seeing a reduced financial assistance rate for our roading costs.

Overall we have ended the year with an operating surplus of \$117,000.



John Forbes
Mayor of Ōpōtiki



Aileen Lawrie
Chief Executive Officer

5 Year Financial Summary

FIVE YEAR FINANCIAL SUMMARY

For the year to 30 June:

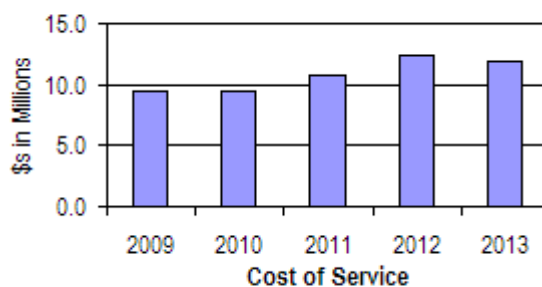
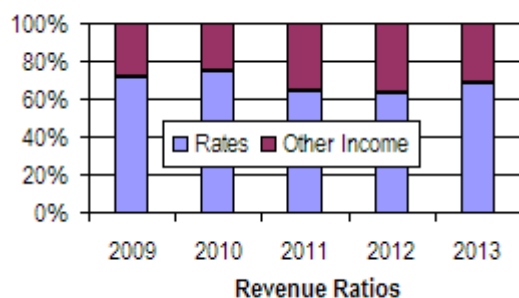
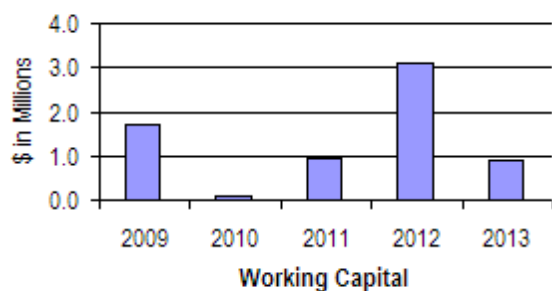
	2009	2010	2011	2012	2013
	\$000	\$000	\$000	\$000	\$000
Income Statement					
Rates (including penalties)	7,036	7,324	7,661	7,898	8,217
Other income	2,722	2,532	4,340	4,679	3,868
	9,758	9,856	12,001	12,577	12,085
Cost of services	9,490	9,472	10,799	12,363	11,968
Net surplus/(deficit)	268	384	1,202	214	117

Financial Position

Current assets	4,449	4,806	5,400	6,685	6,086
Current liabilities	2,724	4,731	4,459	3,564	5,198
Working capital	1,725	75	941	3,121	888
Non current assets	168,501	168,667	179,833	180,481	181,262
	170,226	168,742	180,774	183,602	182,150
Term Liabilities	3,227	1,359	3,060	5,674	4,105
Net assets	166,999	167,383	177,714	177,928	178,045

Financed by:

Ratepayers equity	123,961	123,974	125,328	125,625	125,753
Reserves	43,038	43,409	52,386	52,303	52,292
	166,999	167,383	177,714	177,928	178,045



The graphs above demonstrate financial prudence over time. A relatively healthy level of working capital has been maintained whilst public debt levels have been kept at sustainable levels. Rate revenue continues to be Council's main source of income. The proportionate increase in 'other income' in recent years is due to Council being successful in the securing of external (grant) funding for important capital projects such as the Mōtū Tails Cycleway.

2012-2013 – Performance Overview

Overall Council has achieved an operating surplus of \$117,000 for the year against a budgeted surplus of \$577,000. The main reason for the operating surplus being less than budget is that actual operating revenue received during the year was less than forecast.

Operating revenue for the financial year was \$408,000 less than expected due to an increase in the provision of doubtful debts (an amount put aside for debts that are unlikely to be recovered by Council), an increase in the number of properties receiving rate remission (particularly uneconomic Māori Freehold Land) and Council receiving the Ministry of Health Subsidy for the Te Kaha Water supply upgrade during the 2011-12 financial year.

Overall operating expenditure was marginally more than budget by \$83,000 over the financial year.

The following table show how Council has performed against key financial performance indicators/policy limits established by the 2012-2022 Long Term Plan.

Measure:	Policy Target/Limit:	2012/2013 Forecast:	2012/2013 Actual:
Increase in total Rate Revenue	5.4%	4.9%	3.8%
Ceiling on Public Debt	\$20,500,000	\$5,478,000	\$5,436,000
Net Interest Bearing Debt/Total Revenue	< 120%	20.8%	23.70%
Net Interest Expense/Total Revenue	< 10%	1.8%	1.4%
Net Interest Expense/Rates Revenue	< 15%	2.7%	2%
Net Cash Flows from Operating Activities/Net Interest Expense	> 2.0	12.7	15.88

The table demonstrates that Council has operated well within the financial parameters established by the 2012-2022 Long Term Plan and very close to forecasts for the 2012-2013 financial year.

Council has not only managed its finances in a prudent manner but has also met a number of key milestones throughout the financial year. Some of the highlights include:

Leadership:

Opportunities for Māori to contribute to our decision making process

- Council has continued throughout the year to establish and maintain mechanisms for Māori to contribute to its decision making processes. The Coast Community Board held its meeting on 29 November 2012 at the Tōrere Marae with the Ngāi Tai Iwi Authority and members of Ngāi Tai Iwi. Annual Plan consultation meetings were also held in Te Kaha in April 2013 and the Tōrere Marae in May 2013.

Community Facilities:

- The construction and opening of the Memorial Park Sports Pavilion, which was officially opened in March 2013, with the assistance of grant funding from the New Zealand Lotteries Board. Along with the Pakowhai Bridge, the pavilion makes Memorial Park an icon of Ōpōtiki
- The drafting of Coastal and Sports Reserve Management Plans for consultation with the Community.

Economic Development:

- Harbour Redevelopment Project (assisted by grant funding from BOPRC and Baytrust)
 - Flood and Salinity Modelling for the Redevelopment of the Ōpōtiki Harbour complete and presented to the Ōpōtiki Marine Advisory Group
 - Completion of an economic benefit assessment
 - Completion of an independent Risk Assessment
 - Development and lodgement of an application for funding to the Bay of Plenty Regional Infrastructure Fund, and completion of subsequent due diligence process
- The drafting of an Economic Development Strategy for consultation with the Community

Wastewater:

- Completion of draft assessment of options for addressing Wastewater Reticulation problems in Ōpōtiki Township.

Water Supply:

- The comprehensive upgrade of the Te Kaha Water Supply resulting in it being fully compliant with Ministry of Health drinking water standards for both bacterial and protozoa treatment.

Land Transport:

- Seal Extension (1.7km) on Gaskill Road completed in January 2013
- Wharf and Grey Streets upgraded in March 2013
- New and replaced footpaths (275m) on Ford, St John, King, Wharf and Grey Streets
- Continued road maintenance programme despite reduction in the financial assistance rate from New Zealand Transport Agency.

Regulation and Safety:

- Installation of Emergency Sirens with the assistance of MCDEM Resilience fund
- An increase of approximately 500 registered dogs in the District

Whilst after balance date, a key outcome from efforts throughout the 2012-2013 (and prior financial years) was the announcement that Ōpōtiki District Council had been successful in securing a grant of \$18M from the BOPRC Regional Infrastructure fund towards the Ōpōtiki

Harbour Redevelopment Project, with an invitation to apply for a further \$2M in a subsequent annual plan process.

Council has been working hard towards this goal for a number of years, and in the 2012-13 financial year completed a detailed business case, including independent risk assessment, in support of the application to the Regional Council.

Of the total 86 Key Performance Indicators (KPI's) contained in the 2012-13 Annual Plan 81 were relevant for that financial year. Of those 69% (or 56) were achieved by Council. Some of those not achieved were as a result of Council resolution (e.g. deferring Water Supply project until 2013/14) and other matters outside of Council control (e.g. Bay of Plenty Regional Council funding decisions being deferred).

Many of Council's KPI's are based on customer satisfaction and are reliant on a survey of customers. A customer satisfaction survey was conducted and completed in February 2013. The survey was undertaken by National Research Bureau (an independent organisation) with a sample size of 301 (randomly contacted) with a margin of error of +/- 6%.

Council has met established standards of customer satisfaction for most of its significant activities. For those where the targets have not been met, the level of customer satisfaction has improved since the previous survey, suggesting perhaps that in some cases the self-established targets may have been ambitious and perhaps require review.

A system/treatment issue exists where it is not possible to demonstrate that all after hour calls (as they relate to KPI's) have been logged in to Council's Customer Contact Centre. Whilst Council is confident that all relevant after hour calls have been captured this is an area that has been identified for process review/improvement.

Whilst technically 'not achieved' most of the KPI's have been achieved in part with the majority of service requests being responded to within established timeframes and projects part complete, for example the development of a Draft Economic Development Strategy for consultation.

A continual challenge for Council is finding the right balance between service levels and affordability. Service levels are often mandatory. A constantly changing legislative environment coupled with a need to understand and meet customer expectations around service levels within an affordability envelope will always be a challenge for Council. Council is of the view that the 2012/2013 performance results (financial and non-financial) indicate that the current mix is not that far off the mark. Council will continue to monitor its performance over time; adjusting service level targets to more accurately reflect customer expectations. Council will continue to pursue growth and development for the Ōpōtiki District and Communities. Council is of the view that the Harbour Transformation Project coupled with the developing local Aquaculture Industry provides the key to economic development, growth in the rating base and population and in turn the creation of scale, off which service level expectations can be realised in to the future.

In summary it has been an excellent year for Council from an overall performance perspective. Council continues to hit its financial targets demonstrating financial prudence and stewardship, achieving its non-financial performance targets meaning that the operational side of the business continues to perform while making excellent progress on important components of the Harbour Transformation Project. The latter being well demonstrated by the Bay of Plenty Regional Council agreeing to pledge \$18m from its Regional Infrastructure Fund to this important economic and social development initiative.

Report from Audit New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Ōpōtiki District Council's annual report for the year ended 30 June 2013

The Auditor-General is the auditor of Ōpōtiki District Council (the District Council). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
 - the statement of financial position as at 30 June 2013 on page 23;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 22 to 25;
 - the funding impact statement of the District Council on page 126;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 64 to 130; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 26 to 62;
- the statement of service provision (referred to as levels of service) of the District Council on pages 7 to 9 and pages 64 to 130 and the funding impact statements in relation to each group of activities of the District Council on pages 64 to 130.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on pages 64 to 130;
 - reserve funds on page 51;
 - each group of activities carried out by the District Council on pages 64 to 130;
 - remuneration paid to the elected members and certain employees of the District Council on page 55;
 - employee staffing levels and remuneration on page 55;
 - severance payments on page 56; and

- council-controlled organisations on pages 45 and 46;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 67; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 20.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council on pages 22 to 25 and the notes on pages 26 to 62:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2013; and
 - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 126, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 64 to 130 fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the levels of service of the District Council on pages 64 to 130:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 64 to 130, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 11 October 2013. This 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 our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and levels of service. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported levels of service within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was

carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and levels of service that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council's financial position, financial performance and cash flows; and
 - fairly reflect its service performance, including achievements compared to forecast.
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, we have no relationship with, or interests, in the District Council.



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

Council Organisation

Council Values

Integrity and Honesty

We will not compromise our values and will act in a trustworthy manner at all times.

Ngakau- tapatahi me te Pononga

Kaore matou a marie © a matou uaratanga a, ka mahi © roto © te huatanga matatika © nga wa katoa.

Leadership

We will take an active role in issues that affect our community by providing governance, representation, advocacy, guidance and opinion.

Manakuratanga

Ka kakama matou © roto © nga take e pa ana ki to tatou iwi whanui ma te whakahaere tikanga, ma te kanohi, kai tautoko arahitanga me te whakaaro.

Openness and Accountability

We will conduct our affairs in a way that allows the community to see and understand our actions and achievements and we will accept responsibility for them.

Mahorahora me nga Herenga

Ka whakahaeretia a matou mahi © roto © te ariā kia kitea ai e te iwi whanui a, kia mohiotia a matou mahinga me nga tutukitanga me te whakaae māori mo aua kawenga.

Fairness and Equity

We will act to ensure that all have equal opportunities and that we will be unbiased in the implementation of policies.

Tokeke me te Ture o te Tika

Ka mahi matou ia hua ai ka orite te whiwhi mea angitu o te katoa me ae ate tokeke © roto © iaga whakatinanatanga o uga kaupapa.

Achievements Orientated

We will gain results in a timely, innovative and economic manner.

Whakatutukitanga Whakawaiaatanga

Ka whiwhi hua © roto © te auaha me te ngawaritanga.

Relationships

We will acknowledge the special place of Tangata Whenua in our community and respect the different views and values of our community.

Tikanga Tutohungatanga

Ka manako matou © te wahi motuhake o te Tangata Whenua © roto © te iwi whanui a me te whakarite māori © nga kitenga rereketanga, me nga uaratanga o to tatou iwi whanui.

Satisfying Expectations








We will always look to understand our community's expectations and try to achieve a high level of community satisfaction.

Tumanako Manawareka

Ka ahei tonu matou kia mohio ki nga tumanako o to tatou iwi māori me te whakamatau kia ae ate tairanga teitei o te whakanatanga o te iwi whanui.

Representation

Ōpōtiki District Council 2010 to 2013

	Mayor John Forbes	9 Paerata Ridge Road, Ōpōtiki 07 315 7362 Home 027 255 7702 Mobile	District Ward	johnf@odc.govt.nz JonRobForbes@xtra.co.nz
	Deputy Mayor Haki McRoberts	7231 SH35, RD3, Ōpōtiki 027 243 3659 Mobile 07 325 2833 Phone & Fax	Coast Ward	
	Councillor Selby Fisher	P O Box 125 Ōpōtiki 07 315 7624 027 636 9077	Waioeka/Waiotahi Ward	sjfish@ihug.co.nz
	Councillor Shona Browne	PO Box 470 Ōpōtiki 07 315 7347 027 4773761	Ōpōtiki Ward	shonab@xtra.co.nz
	Councillor Robert Petersen	15 Fromow Rd, Ōpōtiki 07 315 6580 Work 07 315 7361 Home 027 454 3726 Mobile 07 315 6582 Fax	Ōpōtiki Ward	
	Councillor Douglas Leeder	Gabriel's Gully Rd, RD2 Ōpōtiki 07 315 4839 027 292 8048 07 315 4849 Fax	Waioeka/Waiotahi Ward	
	Councillor Barry Howe	20 Albert Street, Ōpōtiki 07 315 6003 Home 07 315 6335 Work 027 315 6345	Ōpōtiki Ward	bazzshazz@xtra.co.nz

Coast Community Board Members

Chairperson Haki McRoberts	7231 SH35, RD3, Ōpōtiki	0272 636 9077 07 325 2833 Ph/Fax	mcroberts833@gmail.com
Muriwai Jones	PO Box 120, Ōpōtiki 3162	07 315-8251	muriwai.jones@xtra.co.nz
Edward Matchitt	RD 3, Te Kaha, Ōpōtiki	325-3663 home	
Tiaki (Jack) Parata	State Highway 35, RD 3, Ōpōtiki	07 325-2772 home 07 325 2726 business 07 325 2739 fax 0274989213 mobile	jack.parata@apanui.co.nz
Adelaide Waititi	RD3, Ōpōtiki, Cape Runaway	07 325 3803 home	waitangihia@xtra.co.nz

Organisational Structure

Council



Chief Executive

Aileen Lawrie

The chief executive appoints a range of skilled staff to carry out the activities the council undertakes on behalf of the community. This is the organisational arm of local government. Through the chief executive they implement the decisions of Council, provide advice to Council on managing the activities of the organisation effectively and efficiently, plan and provide accurate reports of the financial and service performance of Council and employ and provide leadership.



Engineering and Services Manager

Jim Finlay

Consultancy BU
Solid Waste
Roading
Rural Fire
Sewerage
Stormwater
Water Supply

Civil Defence
Property



Planning and Regulatory Manager

Barbara Dempsey

Animal Control
Building Control
Bylaw Compliance
Civil Defence
Emergency Management

Environmental Health
Liquor Licensing
Noise Control
Resource Management
Planning



Finance and Corporate Services Manager

Mark Lester

Cash Receipting
Debtors/Creditors
Financial Reporting
Investments
Insurance
Payroll
Public Debt

Water Billing
Rates
Communications
Customer Services
Creative New Zealand
Governance Support



Parks, Recreation and Tourism Manager

Mike Houghton

Parks and Reserves
Airport
Cemetery
Tourism and Promotions
Economic Development

Events
i-SITE Information Centre
Sports Co-ordination

Priorities for Council action

1

Economic Growth

- Ōpōtiki Harbour Development.
- District Plan and Building Act implementation
- Providing visitor and business investment information and support
- Supporting local and regional business growth and workforce development
- Promotion of activities to increase visitors, including the historic precinct development
- Support and promotion for aquaculture.

2

Quality of Life

- Provision of infrastructure e.g. roads, water, storm water, waste management
- Increasing the quality of parks and recreation facilities
- Advocacy with and on behalf of Ōpōtiki communities to central government.

3

Strong Community Spirit

- Tri-annual community awards event and community day.

4

Environmental Quality

- District Plan and Building Act implementation
- Maintenance and enhancement of parks and reserves
- Partnership with community groups and Environment BOP to undertake environmental restoration projects.

Council's vision for the district is:

'Strong Community – Strong future'

Governance and Structure

The governance model under the Local Government Act 2002 is representative democracy. The community elects individuals to make judgements on behalf of the community about what will promote community well-being. Although the model is one of representative democracy, there are strong elements of citizen participation.

There are three elements to governance under the Act. They are:

- representing the community
- setting policy
- monitoring and review.

Representing the Community

An elected member is elected by the electors of a particular ward/constituency to represent those electors, but all elected members are required to act in the interests of the city or district or region as a whole.

Setting Policy

The policy setting role involves deciding what the local authority should be doing, i.e. what activities should the local authority engage in and why, what regulatory intervention should the local authority make and why etc. This policy setting takes place within a framework of:

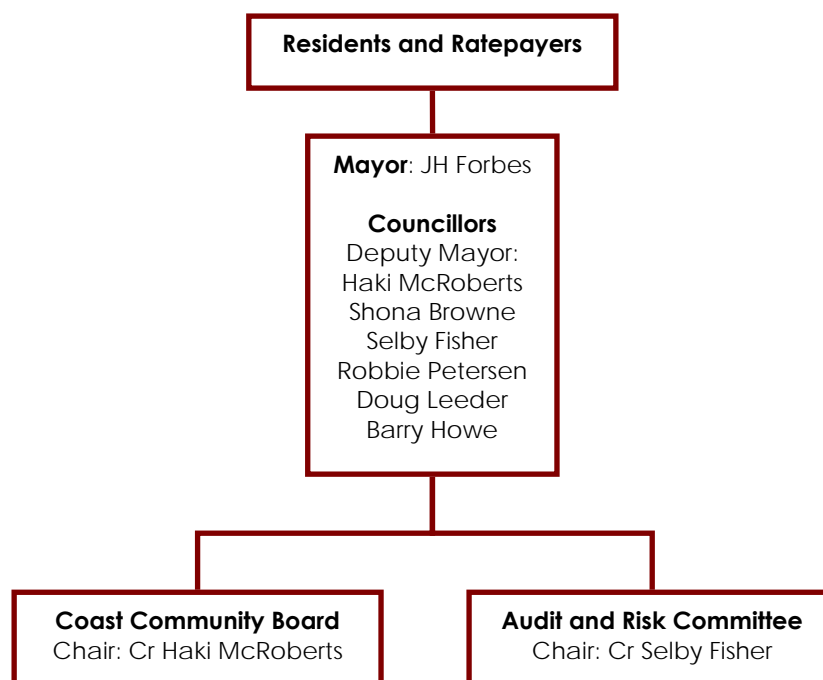
- things the local authority is prohibited from doing by law (examples from the Act include charging a membership fee for a library, or selling water and sewage disposal assets to the private sector)
- things the local authority must do by law (e.g. Local authorities must prepare a district plan or regional policy statement)
- community needs and preferences.

Monitoring and Review

The third governance role is monitoring and review. These may seem like synonyms, but in fact they are not. Monitoring involves evaluate a policy or performance during a particular project. Review is about evaluating performance at a predetermined time.

The most visible review mechanism is the local authority's annual report, which sets out the performance of the local authority against its objectives over the preceding year.

Governance Structure



Purpose of Committees

- Council** (meets six weekly on Tuesday at 9.00am – Chair: His Worship the Mayor)
 Full Council meet on a six weekly cycle on a Tuesday. Meetings begin at 9:00am. Council meetings are chaired by His Worship the Mayor. Regular Council meetings are necessary to enable Council to discharge its Governance Role of representation, policy development and monitoring and review.
- Coast Community Board** (meets 6 weekly – Chair: Cr Haki McRoberts) Committee resolves and/or recommends solutions pertaining to the Coast ward.
- Audit and Risk Committee** (meets as required – Chair: Cr Selby Fisher). The Audit Committee meet on an as required basis. The role of the Audit Committee is to review the operation of internal controls, monitoring and guidance of Council's response to Audit processes, providing input in to financial reporting, accounting policies, risk management and undertaking any investigations in to any alleged fraudulent activity.

All meetings are open to the public who are welcome to attend.

At the Inaugural Ordinary Council meeting dated 26 October 2010 the following appointments were approved for the 2010-2013 Triennium.

Organisation	2010-2013 Triennium
Regional Land Transport Committee	Member: Mayor Forbes Reserve: Cr Leeder
Eastern Bay of Plenty Road Safety Committee	Deputy Mayor McRoberts
Creative Communities New Zealand	Cr Petersen Cr Browne
CAO Pool Administration Committee	Cr Howe
Waioeka-Otara Flood Scheme Liaison Group	Crs Petersen, Howe
Ōpōtiki Fibre and Fleece Trust	Cr Fisher
BOP Civil Defence Group	Mayor Forbes
Ohiwa Harbour Implementation Forum	Cr Fisher
OMAG	Cr Fisher His Worship the Mayor ex officio
Ōpōtiki Theatre Trust	Cr Petersen

EEO Report

The Ōpōtiki District Council acknowledges the benefit to both employees, Council and its customers that result from equal opportunity in employment of new personnel.

Council is committed to the principles of equal opportunity in recruitment, employment, training and promotion of its employees.

Objectives

- To promote people on the basis of merit and/or skill, ability and qualifications
- To ensure criteria for recruitment relate to the skills and experience necessary for the job.

Outcomes

- All appointments made on merit
- The recruitment criteria used were related to the skill and experience necessary for the job.

Statement of Compliance and Responsibility

For the Year Ending 30 June 2013.

Compliance

The Council and management of the Ōpōtiki District Council confirm that all the statutory requirements in relation to the annual report as outlined in the Local Government Act 2002 have been complied with.

Responsibility

The Council and management of the Ōpōtiki District Council accept responsibility for the preparation of the annual financial statements and the judgments used in them.

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

In the opinion of the Council and management of the Ōpōtiki District Council, the annual financial statements for the year ended 30 June 2013, fairly reflect the financial position and operations of the Ōpōtiki District Council.



JH Forbes
MAYOR
Date: 11 October 2013



B Dempsey
ACTING CHIEF EXECUTIVE
Date: 11 October 2013

Financial Statements

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Purpose of Financial Statements

Statement of Comprehensive Income

This statement discloses the net surplus or deficit and the components of the net surplus (deficit), arising from activities or events during the year that are significant for the assessment of both past and future financial performance.

Statement of Financial Position

Information about the economic resources controlled by Council and its capacity to modify those resources is useful in assessing Council's ability to generate cash and/or provide services in the future. Information about the financing structure is useful in assessing future borrowing needs, and how future surpluses and cash flows may be distributed among those with an interest in the Council. The information is also useful in assessing how successful the Council is likely to be in raising further finance.

Statement of Changes in Equity

This financial statement contributes to the objectives of general purpose financial reporting by combining information about net surplus (deficit) with other aspects of Council's financial performance in order to give a degree of measure of comprehensive income.

Statement of Cash Flows

This statement reflects Council's cash receipts and cash payments during the year and provides useful information about Council's activities in generating cash through operations to:

- repay debt; or
- re-invest to maintain or expand operating capacity

It also provides useful information about the cash flows generated from Council's investing and financing activities, both debt and equity.

Statement of Accounting Policies

Provides details of policies adhered to in the preparation of Financial Statements.

Notes to Financial Statements

Provides analysis and detail of various aspects of the Financial Statements.

Statement of Comprehensive Income

OPOTIKI DISTRICT COUNCIL STATEMENT OF COMPREHENSIVE INCOME For the Year Ended 30 June 2013

	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Income				
Rates revenue excluding targeted water	2	7,510	7,638	7,162
Fees, charges and targeted rates for water supply	2	1,516	1,459	1,481
Development and financial contributions		(1)	105	68
Subsidies and grants	3	1,637	1,524	3,142
Financial Income	4	78	108	102
Other revenue	5	1,345	1,575	622
Gains/(losses)	6	0	53	0
Total Income		12,085	12,462	12,577
Expenditure				
Personnel costs	7	2,760	2,876	2,653
Depreciation and amortisation	13, 14	2,219	2,324	2,157
Finance costs	4	245	333	336
Losses / (Gains)	6	407	0	296
Transfer of DOC portion of Mōtū Trails	13A	48	0	1,291
Other expenses	8	6,289	6,352	5,630
Total operating expenditure		11,968	11,885	12,363
Surplus / (deficit)		117	577	214
Other comprehensive income				
		0	0	0
Total comprehensive income		117	577	214

The accompanying notes form part of these financial statements

Explanations of significant variances against budget are detailed in note 31

The Council has changed the presentation of items within income to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011. The effect of changes are shown in note 32.

Statement of Financial Position

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

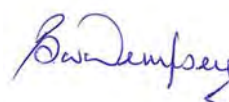
	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Assets				
Current assets				
Cash and cash equivalents	9	2,578	2,883	3,086
Debtors and other receivables	10	3,167	2,690	2,980
Other financial assets	11	339	4	617
Available for sale investments	12	2	0	2
Total current assets		6,086	5,577	6,685
Non-current assets				
Property, plant and equipment	13	178,919	180,730	178,287
Intangible assets	14	12	22	25
Investment property	15	2,308	1,811	2,164
Investment in CCOs and other similar entities	11	23	7	5
Total non-current assets		181,262	182,570	180,481
Total Assets		187,348	188,147	187,166
Liabilities				
Current liabilities				
Creditors and other payables	17	3,214	2,930	3,238
Provisions	18	131	6	8
Employee benefit liabilities	19	303	344	318
Borrowings	20	1,550	0	0
Total current liabilities		5,198	3,280	3,564
Non-current liabilities				
Provisions	18	139	133	128
Derivative financial instruments	18A	51	0	83
Employee benefit liabilities	19	29	0	27
Borrowings	20	3,886	5,478	5,436
Total non-current liabilities		4,105	5,611	5,674
Total liabilities		9,303	8,891	9,238
Equity				
Retained earnings	21	125,753	126,973	125,625
Other reserves	21	52,292	52,283	52,303
Total Equity		178,045	179,256	177,928

The accompanying notes form part of these financial statements

Explanations of significant variances against budget are detailed in note 31



JH Forbes
MAYOR
Date: 11 October 2013



B Dempsey
ACTING CHIEF EXECUTIVE
Date: 11 October 2013

Statement of Changes in Equity

OPOTIKI DISTRICT COUNCIL STATEMENT OF CHANGES IN EQUITY For the Year Ended 30 June 2013

		Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Balance at 1 July		177,928	178,679	177,714
Total comprehensive income previously reported	21	117	577	214
Total recognised revenue and expenditure for the year		117	577	214
Balance at 30 June		178,045	179,256	177,928



Statement of Cashflows

OPOTIKI DISTRICT COUNCIL STATEMENT OF CASH FLOWS For the Year Ended 30 June 2013

		Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
	Note			
Cash flows from operating activities				
Receipts from rates revenue		8,220	8,229	7,793
Interest received		78	108	102
Receipts from other revenue		3,470	3,977	4,892
Payments to suppliers and employees		(9,069)	(9,127)	(8,113)
Interest paid		(245)	(333)	(336)
Goods and services tax (net)		89	0	62
Regional Council rates		109	0	(80)
Net cash from operating activities	22	2,652	2,854	4,320
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		39	31	242
Receipts from sale of investments		292	639	4
Purchase of intangible assets		0	(10)	0
Purchase of property, plant and equipment		(3,406)	(3,792)	(3,995)
Acquisition of investment property		(53)	0	(921)
Acquisition of investments		(32)	0	(322)
Net cash from investing activities		(3,160)	(3,132)	(4,992)
Cash flows from financing activities				
Proceeds from borrowings		0	42	2,526
Repayment of borrowings		0	0	(1,275)
Repayment of finance lease liabilities		0	0	0
Net cash from financing activities		0	42	1,251
Net increase / (decrease) in cash, cash equivalents and bank overdrafts				
		(508)	(236)	579
Cash, cash equivalents and bank overdrafts at the beginning of the year		3,086	3,119	2,507
Cash, cash equivalents and bank overdrafts at the end of the year	9	2,578	2,883	3,086

The accompanying notes form part of these financial statements

Explanations of significant variances against budget are detailed in note 31

Notes to Financial Statements

NOTE 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2013

REPORTING ENTITY

Ōpōtiki 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 2013. The financial statements were authorised for issue by Council on 11 October 2013.

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 financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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.

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

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

- 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 financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Council is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective.

Accordingly no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from 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 Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as ODC is acting as agent for BOPRC.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Government Grants

ODC receives government grants from New Zealand Transport Agency, which subsidises part of ODC's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of service

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in ODC are recognised as revenue when control over the asset is obtained.

Sale of goods

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

Interest and dividends

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognized using the original effective interest rate. Dividends are recognised when the right to receive payment has been established.

Construction Contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented as a liability.

Development and Financial contributions

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

Development contributions are classified as part of "Other Revenue".

Borrowing costs

The Council has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

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

Discretionary grants are those grants where ODC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of ODC's decision.

Income Tax

ODC is exempt under Section CW39 of the Income Tax Act 2007 which specifically exempts local authorities from income tax unless derived from a CCO or port related commercial activities.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, ODC 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 ODC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term of 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 in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

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

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group have transferred substantially all the risks and rewards of ownership.

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

- fair value through surplus or deficit;
- loans and receivables;

- held-to-maturity investments; and
- fair value through other comprehensive income

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

Financial assets at fair value through surplus or deficit.

Financial assets at fair value through profit or 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.

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

Currently, ODC does not hold any financial assets in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are in non-current assets. ODC's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits and loan advance.

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

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

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that ODC has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than twelve 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 de-recognised are recognised in the surplus or deficit.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date or if the debt is not expected to be realised within 12 months of balance date. ODC includes in this category:

- Investments that ODC intends to hold long-term but which may be realised before maturity; and
- Shareholdings that ODC holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Impairment of financial assets

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

Loans and other receivables

Impairment is established when there is objective evidence that ODC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance.

When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Financial assets at fair value through other comprehensive income

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

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

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

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

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, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of financial performance.

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets — These include land, buildings, plant, machinery and vehicles, fixtures, fittings and equipment and library collections.

Restricted assets — Restricted assets land and buildings owned by ODC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets — Infrastructure assets are the fixed utility systems owned by ODC. 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 are shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure their carry amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost. ODC assesses the carrying values of its revalued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off cycle asset classes are revalued.

ODC accounts for revaluation of property, plant and equipment on a class of asset basis.

The result of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the value of 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 ODC and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Property, plant and equipment are 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 disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Buildings
 - Structure 35 to 85 years (2.86% - 1.18%)
 - Roof 40 years (2.5%)
 - Services 15 to 50 years (6.67% - 2.0%)
 - Internal fit out 15 to 35 years (6.67% - 2.86%)
- Plant and machinery 5 to 10 years (10% - 20%)
- Fixed plant @refuse recovery centre 30 years (3.33%)
- Motor vehicles 5 years (20%)
- Fixtures, fittings and equipment 3 to 5 years (33% - 20%)
- Library collections 5 to 10 years (10% - 20%)
- Infrastructural assets
 - Roading network
 - Formation N/A (Nil)
 - Sub base N/A (Nil)
 - Basecourse (unsealed) 8 years (12.5%)
 - Basecourse (sealed) 25 to 50 years (2% - 4%)
 - Seal 15 years (6.67%)
 - Bridges 100 years (1.0%)
 - Hot mix 10 years (10.0%)
 - Kerb and footpaths 50 years (2.0%)
 - Reticulation 5 to 100 years (1% - 20.0%)
 - Traffic facilities (roading components) 10 to 20 years (5.0% - 10.0%)
 - Culverts (roading components) 50 years (2.0%)
 - Pumps 10 to 20 years (5.0% - 10.0%)
 - Meters, valves and connections 25 to 75 years (1.33% - 4.0%)
 - River protection works 100 years (1.0%)
- Open drains associated with the roading infrastructure is not depreciated. The annual maintenance programme set out in the asset management plan will ensure the specific level of service is maintained.

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

Intangible assets*Software acquisition and development*

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

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

Staff training costs are recognised as an expense when incurred.

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

Easements

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

Amortisation

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

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

Computer software 4 to 5 years (20% - 25%)

Impairment of property, plant and equipment and intangible 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 indicator of impairment at each balance date. When there is an indicator of impairment the assets 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 assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's 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 revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the statement of financial performance.

Investment property

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

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

After initial recognition, ODC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance

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 their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless ODC has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits that ODC 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.

ODC 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 ODC anticipates it will be used by staff to cover those future absences.

Long-term employee entitlements

Entitlements that are due to be settled beyond 12 months after the end of the period in which the employee renders the service, such as retiring gratuities, have been calculated on an actuarial basis. The calculations are based on:

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

Expected future payments are discounted using market yields of government bonds at balance date with terms to maturity that match as close as possible the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

Provisions

ODC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

ACC Partnership Programme

The Council belongs to the ACC Partnership Programme whereby the Council accepts the management and financial responsibility for employee work-related illnesses and accidents. Under the programme, the Council is liable for all its claims costs for a period of two years up to a maximum amount. At the end of the two-year period, the Council pays a premium to ACC for the value of residual claims, and from that point the liability for ongoing claims passes to ACC.

The liability for the ACC Partnership Programme is measured using actuarial techniques at the present value of expected future payments to be made in respect of the employee injuries and claims up to the reporting date. Consideration is given to anticipated future wage and salary levels and experience of employee claims and injuries. Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Landfill

ODC operated a landfill at Woodlands Road Ōpōtiki. This has closed but ODC has responsibility under the resource consent to provide ongoing maintenance and monitoring of the site. A provision for post closure costs is recognised as a liability when the obligation for post-closure maintenance arises.

Equity

Equity is the community's interest in ODC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Accumulated funds
- Restricted reserves
- Property revaluation reserves
- Fair value through other comprehensive income 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 ODC.

Restricted reserves are those subject to specific conditions accepted as binding by ODC and which may not be revised by ODC 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.

ODC's objectives, policies and processes for managing capital are described in note 30.

Property revaluation reserves

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

Fair value through other comprehensive income reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income instruments.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. 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.

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 ODC for the preparation of the financial statements.

Cost allocation

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

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

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

Critical accounting estimates and assumptions

In preparing these financial statements ODC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments 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:

Infrastructural assets

Note 13; Provides Information about the estimates and assumptions in determining the fair value of infrastructural assets.

Landfill aftercare provision

Note 18; Discloses an analysis of the exposure of ODC in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying accounting policies for the year ended 30 June 2013.

Classification of property

The Council owns land and buildings previously occupied by the Council Depot. A portion of the property was leased and this portion was classified as investment property. The property has been redeveloped and the entire property is now classified as investment property.

NOTE 2: RATES REVENUE

	Actual 2013 \$000	Actual 2012 \$000
General rate	6,810	5,638
Targeted rates attributable to activities		
Sewerage	451	432
Public Space Litter Control	0	87
Resource Recovery Centres	0	647
Urban Refuse Collection	187	182
Information Centre	0	39
Roading (Town Centre)	0	83
Rate penalties	62	54
Total rates excluding targeted water rates	7,510	7,162
Targeted water supply rates	707	736
Total rates Income	8,217	7,898
Fees, Charges and targeted rates for water		
Targeted water supply rates	707	736
Fees and Charges	809	745
	1,516	1,481

Rate Remissions

Rates revenue is shown net of rates remissions. ODC's rate remission policy allows ODC to remit rate on:

Community, sporting and other organisations

The remission applies to land owned by Council or a charitable organisation which is used exclusively or principally for sporting, recreation or community purposes.

Uniform charges on rating units owned by the same ratepayer

Provides rates relief from uniform charges on land held by a developer or where the ownership is to all intents and purposes similar.

Penalties

Enables Council to act fairly and reasonably in its consideration of rates which have not been received by Council by penalty date due to circumstances outside the ratepayers control.

Economic Development

To promote employment and economic development within the district by assessing new businesses Council will consider, on a case by case basis, a remission on commercial and industrial developments.

Land used for natural, historic, cultural and conservation purposes

To preserve and promote natural resources and heritage, to encourage the protection of land and natural, historic or cultural purposes, Council will consider the remission of a portion of the rates.

Extreme financial hardship

Where evidence that Council deems appropriate to support a claim for extreme financial hardship is provided, Council will consider a remission of rates on a case by case basis.

Rating units affected by calamity

Enables Council to remit rates on land detrimentally affected by erosion, subsidence submersion or other calamity.

Māori land general remission

Council will consider a remission on Māori freehold land where it is unoccupied and

- a. set aside as Waahi Taapu; or
- b. set aside for the preservation of natural characteristics etc; or
- c. is inaccessible

Māori land economic adjustment remission

Council will consider a remission where the property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

NOTE 2: RATES REVENUE CONTINUED

	Actual 2013 \$000	Actual 2012 \$000
Total rates revenue	8,488	8,059
Rates remissions		
Community, sporting and other organisations	8	7
Penalties	63	82
Economic development	11	13
Māori Freehold Land		
- General	148	22
- Economic	41	37
Total remissions	271	161
Rates revenue net of remissions	8,217	7,898

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates.

This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation.

Non-rateable land does not constitute a remission under ODC's rates remission policy.

NOTE 3: SUBSIDIES AND GRANTS

	Actual 2013 \$000	Actual 2012 \$000
New Zealand Transport Rooding Subsidies	1,210	1,431
Grants towards Harbour development	142	195
Grants towards Memorial Park Pavilion	265	0
Grants from Ministry for the Environment to Resource Recovery Centres	20	13
Ministry of Health subsidy towards Te Kaha water supply	0	223
Grants towards the construction of the Mōtū Trails	0	1,244
Grants from Sports Bay of Plenty to Pathway to Health	0	36
	1,637	3,142

NOTE 4: FINANCE INCOME AND FINANCE COSTS

	Actual 2013 \$000	Actual 2012 \$000
Finance income		
Interest income		
- term deposits	78	88
- loan advance	0	14
Total finance income	78	102
Finance costs		
Interest expense		
- interest on borrowings	251	225
- discount unwind on provisions (note 18)	(6)	28
SWAP valuation – Out of money (Note 18A)	0	83
Total finance costs	245	336
Net finance costs	167	234

NOTE 5: OTHER REVENUE

	Actual 2013 \$000	Actual 2012 \$000
Regulatory income	233	199
Rental income from investment property	113	109
Infringements and fines	12	2
Rendering of services	4	10
Petrol tax	59	62
Vested assets	2	1
Other	922	239
Total other revenue	<u>1,345</u>	<u>622</u>

There are no unfulfilled conditions and other contingences attached to government grants recognised.

NOTE 6: OTHER GAINS / (LOSSES)

	Actual 2013 \$000	Actual 2012 \$000
Loss on disposal of property, plant and equipment	(530)	(5)
Gain on change in SWAP Valuation – In the Money	32	0
Gain on changes in fair value of investment property (note 15)	91	(291)
Total gains/(losses)	<u>(407)</u>	<u>(296)</u>

NOTE 7: PERSONNEL COSTS

	Actual 2013 \$000	Actual 2012 \$000
Salaries & wages	2,776	2,623
Defined contribution plan employer contributions	13	12
Increase / (decrease) in employee benefit liabilities	(29)	18
Total employee benefit expenses	<u>2,760</u>	<u>2,653</u>

NOTE 8: OTHER EXPENSES

	Actual 2013 \$000	Actual 2012 \$000
Fees paid to principal auditor:		
Audit fees for financial statement audit	77	74
Audit fees for long term plan audit	0	77
General grants	93	59
Impairment of property, plant and equipment (note 13)	0	0
Minimum lease payments under operating leases	5	8
Direct expenses from investment property generating income	12	14
Other operating expenses	<u>6,102</u>	<u>5,398</u>
	<u>6,289</u>	<u>5,630</u>

NOTE 9: CASH AND CASH EQUIVALENTS

	Actual 2013 \$000	Actual 2012 \$000
Cash at bank and in hand	64	1,325
Short term deposits maturing three months or less from date of acquisition	2,514	1,761
Total cash and cash equivalents	<u>2,578</u>	<u>3,086</u>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

NOTE 10: DEBTORS AND OTHER RECEIVABLES

	Actual 2013 \$000	Actual 2012 \$000
Rates receivable	3,735	3,655
Other receivables	630	314
Sundry debtors	426	547
	<u>4,791</u>	<u>4,516</u>
Less provision for impairment of receivables	<u>(1,624)</u>	<u>(1,536)</u>
Total debtors and other receivables	<u>3,167</u>	<u>2,980</u>

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

ODC has large areas of unoccupied, unproductive Māori land in multiple ownership. As the Local Government Rating Act 2002 provides limited ability for the collection of rates in such circumstances, there is a large amount of rate arrears. ODC's policy is not to write off these arrears until the debt becomes statute barred. Consequently ODC provides a large impairment on these rate receivables to reflect these arrears which it has limited ability to collect.

The status of rates receivables is as follows:

	Gross \$000	Impairment \$000	Net \$000
2013			
< 12 months	1,465	0	1,465
1 to 2 years	717	172	545
2 to 3 years	494	391	103
> 3 years	1,059	979	80
	<u>3,735</u>	<u>1,542</u>	<u>2,193</u>
2012			
< 12 months	890	0	890
1 to 2 years	420	41	379
2 to 3 years	684	322	362
> 3 years	1,661	1,094	567
	<u>3,655</u>	<u>1,457</u>	<u>2,198</u>

NOTE 10: DEBTORS AND OTHER RECEIVABLES CONTINUED...

The status of receivables, other than rates receivables, is as follows:

	Gross \$000	Impairment \$000	Net \$000
2013			
Not past due	671	0	671
Past due 1-60 days	2	0	2
Past due > 60 days	383	82	301
	<u>1056</u>	<u>82</u>	<u>974</u>
	Gross \$000	Impairment \$000	Net \$000
2012			
Not past due	714	0	714
Past due 1-60 days	17	0	17
Past due > 60 days	130	79	51
	<u>861</u>	<u>79</u>	<u>782</u>

The impairment provision has been calculated based on expected losses for ODC's pool of debtors. Expected losses have been determined based on an analysis of ODC's losses in previous periods, and review of specific debtors as detailed below.

	2013 \$000	2012 \$000
Individual impairment	85	74
Collective impairment	<u>1,538</u>	<u>1,462</u>
	<u>1,623</u>	<u>1,536</u>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors are as follows:

	2013 \$000	2012 \$000
Not past due	0	0
Past due 1-60 days	0	0
Past due > 60 days	<u>85</u>	<u>74</u>
	<u>85</u>	<u>74</u>

Movements in the provision for impairment of receivables are as follows:

	Actual 2013 \$000	Actual 2012 \$000
At 1 July	1,536	1,428
Additional provisions made during the year	355	298
Receivables written off during the period	<u>(268)</u>	<u>(190)</u>
At 30 June	<u>1,623</u>	<u>1,536</u>

NOTE 11 OTHER FINANCIAL ASSETS

	Actual 2013 \$000	Actual 2012 \$000
Current portion		
<i>Loans and receivables</i>		
Short term deposits with maturities of 4 -12 month	336	322
<i>Held to maturity</i>		
Loan Advance	3	295
Total loans and receivables	339	617
Non-current portion		
<i>Held to maturity</i>		
Total loans and receivables	4	4
<i>Fair value through equity</i>		
Unlisted shares in Bay of Plenty Local Authority Shared Services Ltd	1	1
Unlisted shares in Civic Assurance Ltd	18	0
	23	5

Unlisted Shares

Unlisted shares are recognised at cost. Management have decided that cost price is used as there is not an active market to determine fair value. Also the value of the shares is not material.

Term Deposits

The carrying amount of term deposits approximates fair value.

Held to maturity

Loans and receivables represents a registered mortgage arising on the sale of Councils pensioner housing units. Fair value of the mortgage is \$nil (2012 \$287,500) and an advance was made to the Ōpōtiki RSA for infrastructural improvement to sewerage and stormwater. Fair value of the advance is \$7,476 (2012 \$11,210).

Fair value has been determined by using cash flows discounted at a rate of 4.0% (2012 4.0%).

Quoted shares

The fair value of listed shares are determined by reference to published price quotations in an active market.

Impairment

There were no impairment provisions for other financial assets.

NOTE 12 ASSETS AVAILABLE FOR SALE

Shares held in Horizon Energy Ltd have been included as Available for Sale Investments because of their ready saleable nature. They have been included at market price.

	Actual 2013 \$000	Actual 2012 \$000
Assets available for sale are:		
Listed shares Horizon Energy Ltd	2	2
	2	2

NOTE 13 PROPERTY, PLANT AND EQUIPMENT**Valuation***Operational and restricted land and buildings*

The most recent valuation of land and buildings was performed by an independent valuer, Kerry Stewart FPINZ, FNZIV of Darroch Valuations. Operational buildings are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. The valuation is as at 30 June 2011.

Infrastructural asset classes: land sewerage, water, drainage and roads

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

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk, infrastructural asset 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 asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation of infrastructural assets was performed by ODC engineering staff and peer reviewed by Robert Berghuis of Beca Valuations Ltd and the valuation is effective as at 30 June 2011.

Land under roads

Land under roads, was valued based on fair value of adjacent land determined by ODC engineering staff and peer reviewed by D G Baker, NZCE (Civil) REA, effective 1 July 2002. Under NZ IFRS ODC has elected to use the fair value of land under roads as at 1 July 2002 as deemed cost. Land under roads is no longer revalued.

Work in progress

The total amount of property, plant and equipment in course of construction is \$16,797 (2012 \$1,200,000)

Leasing

The net amount of plant and equipment held under finance leases is \$Nil (2012 \$Nil)

Note 13: Property, plant and equipment													
2012	Cost/ revaluation 30-Jun-11	Accumulated depreciation and impairment charges 30-Jun-11	Carrying amount 30-Jun-11	Current year additions	Current year impairment charges	Current year disposals	Profit (Loss)	Current year depreciation	Depreciation Write Back	Revaluation surplus	Cost/ revaluation 30-Jun-12	Accumulated depreciation and impairment charges 30-Jun-12	Carrying amount 30-Jun-12
Operational assets													
Land	931	0	931	11							942	0	942
Buildings	1,397	0	1,397	0				49			1,397	49	1,348
Plant, machinery and vehicles	1,161	555	606	125		36		83	-5		1,250	643	607
Fixtures, fittings and equipment	668	546	122	17				59			685	605	80
Library collections	653	524	129	31				33			684	557	127
Work in progress	0	0	0	17				0			17	0	17
Total operational assets	4,810	1,625	3,185	201		36	0	224	-5	0	4,975	1,854	3,121
Infrastructural assets													
Roading network	140,561	0	140,561	1,485		176		1211			141,870	1,211	140,659
Water systems	9,543	0	9,543	53		30		340			9,566	340	9,226
Sewerage system	4,667	0	4,667	93				171			4,760	171	4,589
Stormwater	4,880	0	4,880	323				104			5,203	104	5,099
Work in progress	491	0	491	553							1,044	0	1,044
Total infrastructural assets	160,142	0	160,142	2,507		206	0	1,826	0	0	162,443	1,826	160,617
Restricted assets													
Land	11,457	0	11,457								11,457	0	11,457
Buildings	2,936	0	2,936	111				94			3,047	94	2,953
Work in progress	253	0	253	139		253					139	0	139
Total restricted assets	14,646	0	14,646	250		253	0	94	0	0	14,643	94	14,549
Total property, plant and equipment	179,598	1,625	177,973	2,958		495	0	2,144	-5	0	182,061	3,774	178,287
The net carrying amount of PPE held under finance lease is \$0 (2011: \$0)													

Note 13: Property, plant and equipment continued...													
2013	Cost/ revaluation 30-Jun-12	Accumulated depreciation and impairment charges 30-Jun-12	Carrying amount 30-Jun-12	Current year additions	Current year impairment charges	Current year disposals	Profit (Loss)	Current year depreciation	Depreciation Write Back	Revaluation surplus	Cost/ revaluation 30-Jun-13	Accumulated depreciation and impairment charges 30-Jun-13	Carrying amount 30-Jun-13
Operational assets													
Land	942	0	942	0							942	0	942
Buildings	1,397	49	1,348	368				51			1,765	100	1,665
Plant,machinery and vehicles	1,250	643	607	210		39	0	143	0		1,421	786	635
Fixtures, fittings and equipment	685	605	80	94	0	0	0	57			779	662	117
Library collections	684	557	127	36				34			720	591	129
Work in progress	17	0	17	0		0		0			17	0	17
Total operational assets	4,975	1,854	3,121	708	0	39	0	285	0	0	5,644	2,139	3,505
Infrastructural assets													
Roading network	141,870	1,211	140,659	1,071		301		1,219			142,640	2,430	140,210
Water systems	9,566	340	9,226	367		295		301			9,638	641	8,997
Sewerage system	4,760	171	4,589	87		-80		173			4,927	344	4,583
Stormwater	5,203	104	5,099	234		14		114			5,423	218	5,205
Mōtū Trails	0	0	0	1,032				11			1,032	11	1,021
Work in progress	1,044	0	1,044	-1,044				0			0	0	0
Total infrastructural assets	162,443	1,826	160,617	1,747	0	530	0	1,818	0	0	163,660	3,644	160,016
Restricted assets													
Land	11,457	0	11,457								11,457	0	11,457
Buildings	3,047	94	2,953	1,092				104			4,139	198	3,941
Work in progress	139	0	139	-139				0			0	0	0
Total restricted assets	14,643	94	14,549	953	0	0	0	104	0	0	15,596	198	15,398
Total property,plant and equipment	182,061	3,774	178,287	3,408	0	569	0	2,207	0	0	184,900	5,981	178,919
The net carrying amount of PPE held under finance lease is \$0 (2012: \$0)													

NOTE 13A MŌTŪ TRAILS

All costs for the Mōtū Trails project have been accounted for in the ODC Financial Statements. All parties originally agreed that the total asset would be disclosed as an asset in the ODC Financial statements. The Department of Conservation has decided that their portion of the asset should be disclosed within their financial statements.

Therefore, costs of \$47,991 (2012 \$1,291,628) that relate to the Department of Conservation have been expensed through the Statement of Comprehensive Income. The only remaining asset is the ODC portion of the Mōtū Trails being \$1,021,100 (2012 \$nil) that is included as an asset within the Property, Plant and Equipment Schedule (Note 13).

Work in progress of \$951,100 was included as part of Property, Plant and Equipment in 2012 and capitalised in 2013.

Revenue of \$nil (2012 \$1,244,462) is included in other revenue and relates to receipts for claims for reimbursement of the total project costs for Mōtū Trails from the Ministry of Economic Development.

NOTE 14 INTANGIBLE ASSETS

	2013 Computer software	2013 Easement	2012 Computer software	2012 Easement
Balance at 1 July				
Cost	220	7	220	8
Accumulated amortisation and impairment	(203)	(0)	(190)	(0)
Opening carrying amount	17	7	30	8
Additions	0	0	0	0
Amortisation charge	(12)	(0)	(13)	(1)
Closing carrying amount	5	7	17	7
Balance at 30 June				
Cost	220	8	220	8
Accumulated amortisation and impairment	(215)	(1)	(203)	(1)
Closing carrying amount	5	7	17	7

There are no restrictions over the title of ODC's intangible assets, nor are any intangible assets pledged as security for liabilities.

Impairment

Easements

Easements are not cash generating in nature as they give Council the right to access private property where infrastructural assets are located. As such, impairment of an easement is determined by considering the future service potential of the easement and its assessed replacement cost. No impairment losses have been recognised for easements, as the carrying amount of the assets has been assessed as less than their replacement cost.

Easements have been assessed as having an indefinite useful life because they provide Council with access to the infrastructural assets for an indefinite time period.

NOTE 15 INVESTMENT PROPERTY

	Actual 2013 \$000	Actual 2012 \$000
Balance 1 July	2,164	1,534
Additions from acquisitions	53	921
Fair value gains/(losses) on valuation (note 6)	91	(291)
Balance 30 June	2,308	2,164

NOTE 15 INVESTMENT PROPERTY CONTINUED...

ODC's investment property is valued annually at fair value effective 30 June. The investment property was valued based on open market evidence. The valuation was performed by Kerry Stewart FPINZ, FNZIV an independent valuer from of Darroch Valuations. Darroch Valuations are an experienced valuer with extensive market knowledge in the types of properties owned by ODC.

	Actual 2013 \$000	Actual 2012 \$000
Rental income	107	111
Expenses from investment property generating income	12	14
Expenses from investment property not generating income	0	0
Contractual obligations for capital expenditure (note 23)	0	0
Contractual obligations for operating expenditure	0	0

NOTE 16 COUNCIL CONTROLLED ORGANISATIONS**Bay of Plenty Local Authority Shared Services Limited (BOPLASS Ltd)****BACKGROUND**

Ōpōtiki District Council has a one-ninth ordinary shareholding in Bay of Plenty Local Authority Shared Services Limited (BoPLASS).

Auditors – Audit New Zealand

SIGNIFICANT POLICIES AND OBJECTIVES

The company has been set up to provide Bay of Plenty Regional local authorities with a vehicle to procure shared services and provide them to local authorities.

The services that will be initiated under the umbrella of this company will only be promulgated if the business case shows that they provide benefit to the share holders in terms of improved level of service or reduced cost.

NATURE AND SCOPE OF ACTIVITIES

The principal nature and scope of the activity of BoPLASS is to:

- Use 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
- Pursue best practice in the management of all activities to obtain best value and minimise risk
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, Council contributions, or Government funding where available
- Allow other Councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly
- Represent the collective views of its shareholders in matters with which it is associated.

SUBSIDIARY

Bay Broadband Ltd that was set up as a wholly owned subsidiary of BoPLASS has now been wound up.

Summary Statement of Financial Position	BOPLASS Actual 2013 \$000	BOPLASS Actual 2012 \$000	Consolidated Actual 2013 \$000	Consolidated Actual 2012 \$000
Total Current Assets	939	1374	939	1374
Total Non-current Assets	1	1	1	1
Total Assets	940	1375	940	1375
Total Current Liabilities	975	1449	975	1449
Total Liabilities	975	1449	975	1449
Net Assets	(3)	(74)	(35)	(74)

Summary Statement of Comprehensive Income

	BOPLASS	BOPLASS	BOPLASS	Consolidated	Consolidated
	Actual	Budget	Actual	Actual	Actual
	2013	2013	2012	2013	2012
	\$000	\$000	\$000	\$000	\$000
Total Operating Revenue	1,889	330	2,180	1,889	2,180
Total Operating Expenditure	1,850	330	2,188	1,850	2,188
Surplus/(Deficit) after Tax	39	0	(8)	39	(8)

TOI EDA

Toi-EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by the three territorial authorities (Kawerau, Ōpōtiki and Whakatane) working together with local iwi.

With the recent adoption of an ambitious three year strategic plan, Toi-EDA has a strong focus on its vision of enhancing the Eastern Bay of Plenty's economic growth and resultant wealth for its people.

The trust structure of Toi-EDA is designed to overcome previous problems with obtaining government funding. It is run by talented professionals with years of experience with the Eastern Bay of Plenty Development Board.

Toi-EDA plays an important role in the new Bay of Plenty regional partnership, particularly in terms of representing Eastern Bay of Plenty economic development interests.

Subsidiaries: Nil

Significant Policies and Objectives In Regard To Ownership and Control:

The Toi-EDA is a Charitable Trust. Policies relating to the ownership and control of the Trust include the Trust Deed setting out the purpose of the Trust and matters relating to the appointment of Trustees and the business of the Trust. The Trust Deed states the settlers have no powers to give directions to or exercise control over the Trustees or any part of the Trust's activities.

Nature and Scope of Activities

The principal nature and scope of the activity for the Toi-EDA is stated in the Trust Deed, which is to:

- Cultivate economic initiatives and foster growth for the benefit of Maori and the Eastern Bay of Plenty Community.
- Promote the economic, environmental, cultural and social wellbeing of Maori and the Eastern Bay of Plenty Community.
- Foster, develop and assist in the management of best practices and effective use of resources of the Eastern Bay of Plenty.
- Promote and nurture community-based, sustainable economic growth through projects to benefit the Maori and the Eastern Bay of Plenty Community.

The means by which these objectives will be pursued will be those agreed to by the Trustees consistent with the Trust Deed.

Key Performance Targets and Other Measures of Performance

- Improved skills by higher education levels
- Business growth (turnover, increased employees, new business)
- Improved use of human resources (measured by employment statistics)
- Increased population
- Increased productivity of the region measured in conjunction with the wider Bay of Plenty Region

Toi-EDA has been exempted from the requirements of a Council Controlled Organisation under Section 7 of the Local Government Act 2002.

NOTE 17 TRADE AND OTHER PAYABLES

	Actual 2013 \$000	Actual 2012 \$000
Trade payables	1,172	1,144
Retained contract monies	180	156
Deposits and bonds	99	98
Accrued expenses	117	235
Amounts due to related parties (note 25)	34	252
Rates in advance	250	255
Rates due to BoPRC	526	367
GST Liability	528	489
Other payables	308	242
Total trade and other payables	3,214	3,238

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

NOTE 18 PROVISIONS

	Actual 2013 \$000	Actual 2012 \$000
Current provisions are represented by:		
Cleanup of contaminated Site	123	0
Landfill aftercare provision	8	8
	131	8

Non-current provisions are represented by:

Cleanup of contaminated site	17	0
Landfill aftercare provision	95	101
Weathertightness claims	27	27
	139	128

Landfill aftercare provision

	Actual 2013 \$000	Actual 2012 \$000
Opening balance	109	82
Additional provisions made during the year	5	3
Amounts used during the year	(5)	(4)
Unused amounts reversed during the year	0	0
Discount unwinding (note 4)	(6)	28
Closing Balance	103	109

ODC gained a resource consent in February, 2002 to operate the Woodlands Road Landfill. ODC has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. The landfill closed August 2005.

The cash outflows for landfill post-closure are expected to occur between 2007 and 2035.

The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 4.5% (2012 4.50%).

Weathertightness claims Provision

One claim assessed as eligible has been lodged with the Weathertight Homes Resolution Service as at 30 June 2013 (2012 one).

The liable parties to this claim has not been established at this point, however, based on recent case law, Council has made provision for 25% of the estimated cost.

NOTE 18A DERIVATIVE FINANCIAL INSTRUMENTS

	Actual 2013 \$000	Actual 2012 \$000
Current liability portion		
Interest rate swap - cash flow hedge	0	0
Total current liability portion	0	0
Non-current liability portion		
Interest rate swap - cash flow hedge	51	83
Total non-current liability portion	51	83

Fair value

Interest rate swaps

The fair value of interest rate swap has been determined by calculating the expected cash flows under the terms of the swap and discounting this value to present value. The inputs into the valuation model are from independently sourced market parameters such as yield curves. Most parameters are implied from instrument prices.

The notional principal amounts of the outstanding interest rate swap contract for the Council was \$1,360,000 (2012 \$1,360,000). The fixed interest rate of cash flow interest rate swap was 4.80%.

NOTE 19 EMPLOYEE BENEFIT LIABILITIES

	Actual 2013 \$000	Actual 2012 \$000
Accrued pay	45	42
Annual leave	258	276
Retirement gratuities	28	26
Sick leave	1	1
Total employee benefit liabilities	332	345
Comprising		
Current	303	318
Non-current	29	27
Total employee benefit liabilities	332	345

The present value of retirement gratuities depends upon a number of factors determined on an actuarial basis. Two key assumptions used in calculating the liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability. The salary inflation factor used is 3% and is based upon historical inflation trends. A discount rate of 5% is used based upon historical trends. The discount rates used match as closely as possible future cash outflows.

NOTE 20 BORROWINGS

	Actual 2013 \$000	Actual 2012 \$000
Current		
Bank overdraft	0	0
Secured loans	1,550	0
Debentures	0	0
Lease liabilities	0	0
Total current borrowings	1,550	0
Non-current		
Secured loans	3,886	5,436
Debentures	0	0
Lease liabilities	0	0
Total non-current borrowings	3,886	5,436

Secured loans

ODC's secured debt is \$5,436,000 (2012 \$5,436,000). Of this \$4,076,000 (2012 \$4,076,000) is issued at floating rates of interest.

For floating rate debt, the interest rate is reset quarterly based on the 90 day bank bill rate plus a margin for credit risk.

The balance of \$1,360,000 (2012 \$1,360,000) is issued at fixed rates of interest.

Security

There is a bank overdraft facility available, with no balance outstanding at 30 June 2013 (2012 Nil).

The maximum amount that can be drawn down against the overdraft facility is \$100,000 (2012 \$100,000).

There are no restrictions on the use of this facility.

ODC's loans and former debentures are secured over either targeted or general rates of the district.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Refinancing

ODC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the ODC's Long-Term Plan.

Fair values of non-current borrowings are as follows:

	Carrying amounts		Fair Values	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Secured loans	5,436	5,436	5,104	5,099
Debentures	0	0	0	0
Total	5,436	5,436	5,104	5,099

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 4.0% (2012 4.0%).

The carrying amounts of borrowings repayable within one year approximate their fair value.

Finance lease liabilities

ODC has no finance lease liabilities.

NOTE 21 EQUITY

	Actual 2013 \$000	Actual 2012 \$000
Retained earnings		
As at 1 July	125,625	125,328
Transfers to:		
Council created reserves	(852)	(372)
Transfers from:		
Council created reserves	794	441
Asset Revaluation Reserve	69	14
Surplus/ (deficit) for year	117	214
As at 30 June	125,753	125,625
Council created reserves		
As at 1 July	2,166	2,235
Transfers to:		
Retained earnings	(794)	(441)
Transfers from:		
Retained earnings	852	372
As at 30 June	2,224	2,166
Asset revaluation reserve		
As at 1 July	50,137	50,151
Revaluation gains/ (losses)	0	0
Transfer from Asset Revaluation Reserve	(69)	(14)
As at 30 June	50,068	50,137
Total Equity	178,045	177,928
Asset revaluation reserve consists of:		
<i>Operational assets</i>		
Land	189	189
Buildings	412	412
<i>Infrastructural Assets</i>		
Roading	32,635	32,704
Roading components	5,847	5,847
Water systems	3,789	3,789
Sewerage systems	1,919	1,919
Stormwater system	3,843	3,843
<i>Restricted assets</i>		
Land	1,270	1,270
Buildings	164	164
	50,068	50,137

Restricted reserves relate to :

Trusts and bequest funds that have been provided to ODC by various people for specific purposes.

NOTE 21A RESERVE FUNDS

Reserves are held to ensure that funds received for a particular purpose are used for that purpose. Any surplus created is credited with interest to the reserve account. Reserves are not separately held in cash and the funds are managed as part of council's treasury management.

Reserve		Purpose & Activities	Balance 1/07/2012 \$000	Deposits \$000	Withdrawals \$000	Balance 30/06/2013 \$000
Special Reserves	Activities to which the reserve relates					
Cash in lieu of reserves	Economic Development	For general purpose funding	112	4		116
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	4			4
		For general purpose funding from the proceeds of the former electric power authority	110	3	81	32
General Purposes (Electricity Proceeds)	Economic Development		791	48	36	803
Development Reserves - Recreational Facilities	Community Facilities	For development of recreational facilities	204	8	74	138
Development Reserves - Roads	Land Transport	For development of road reserves	124	5	43	86
Road Upgrading	Land Transport	For upgrading of roading	191	5	196	0
Waioeka Domain/Memorial Park Reserve	Community Facilities	For development of the recreational reserve	17	268	285	0
Sports Pavillion Reserve	Community Facilities	For development of sports pavilion	1553	341	715	1179
Treasury Reserves						
Opotiki Water	Water Supply	For Ōpōtiki water operating surpluses and deficits	300	99		399
Te Kaha Water	Water Supply	For Te Kaha water operating surpluses and deficits	77	2	79	0
Roading - Urban	Land Transport	For Ōpōtiki roading operating surpluses and deficits	48	54		102
Opotiki Sewerage	Wastewater	For Ōpōtiki sewerage operating surpluses and deficits	92	268		360
		For Waihou Bay sewerage operating surpluses and deficits	13	9		22
Waihou Bay Sewerage	Wastewater		5	5		10
Stormwater	Stormwater	For Ōpōtiki stormwater operating surpluses and deficits	10	7		17
		For Refuse recovery centre operating surpluses and deficits	48	5		5
Refuse recovery centre	Solid Waste Management		0	44		92
General Funds	Economic Development	For general purpose funding	0			0
Property - Administration building and depot	Community Facilities	For Property operating surpluses and deficits	0			0
Parks & Reserves	Community Facilities	For Parks & Reserves operating surpluses and deficits	0			0
Library	Community Facilities	For Library operating surpluses and deficits	19	18		37
Cycleway	Community Facilities	For Cycleway operating surpluses and deficits	0			0
Harbour	Economic Development	For Harbour operating surpluses and deficits	612	511	79	1044
			2165	852	794	2223

NOTE 22 RECONCILIATION OF NET SURPLUS / (DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITY

	Actual 2013 \$000	Actual 2012 \$000
Surplus / (deficit)	117	214
Add / (less) non-cash items:		
Depreciation and amortisation	2,219	2,157
Impairment charges	0	108
Vested assets	(2)	(1)
Add / (less) items classified as investing or financing activities		
(Gains) / losses on disposal of property, plant and equipment	530	5
(Gains) / losses on revaluation of Investment Property	(90)	291
(Gains) / losses on fair value adjustment to other financial assets	0	(12)
(Gains) / losses Derivative financial instruments	(32)	59
Transfer of DOC portion of Mōtū Trails to DOC	0	1,291
Add / (less) movements in working capital items		
Accounts receivable	(187)	(242)
Accounts payable	(24)	353
Non-current assets for sale	0	41
Provisions	134	27
Employee benefits	(13)	29
Net cash inflow / (outflow) from operating activities	2,652	4,320

NOTE 23 CAPITAL COMMITMENTS AND OPERATING LEASES

	Actual 2013 \$000	Actual 2012 \$000
Capital commitments		
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	0	774
Refer to note 15 for capital commitments for investment properties.	0	0
Operating commitments		
Operating expenditure for future years contracted on non-cancellable contracts at balance date but not yet incurred.	2,049	1,748
Not later than one year	1,788	1,748
Later than one year and not later than five years	261	0
Later than five years	0	0
	2,049	1,748

NOTE 23 CAPITAL COMMITMENTS AND OPERATING LEASES CONTINUED...

	Actual 2013 \$000	Actual 2012 \$000
Non-cancellable operating leases as lessor		
Not later than one year	1	1
Later than one year and not later than five years	1	2
Later than five years	0	0
Total non -cancellable operating leases	2	3

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 2013 \$000	Actual 2012 \$000
Non-cancellable operating leases as lessee		
Not later than one year	1	2
Later than one year and not later than five years	4	5
Total non -cancellable operating leases	5	7

NOTE 24 CONTINGENCIES**Contingent liabilities**

As disclosed in note 18, a provision of \$27,000 (2012: \$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 reported a contingency in 2012 for \$27,000 relating to the decontamination of the saleyards property at Wellington Street. This has been recognised as a provision in this years financial statements as Council has agreed to remove the contaminated soil. Refer to Note 18.

ODC has a contingent liability relating to the Local Authority Protection Program Disaster Fund (LAPP) of \$162,400. This scheme is a mutual risk pool set up for local authorities to protect underground assets should a natural disaster strike. Cover is provided by the disaster fund created from member contributions, top up reinsurance, and mutual reinsurance. Should the cost of one claim across the district exceed \$15 million, the LAPP fund would levy each member up to four times their annual contributions, which is \$81,200 for ODC. The maximum number of calls is two in each year, so therefore the maximum liability applicable to ODC is \$162,400 per annum.

Contingent assets*Club room buildings on reserves*

ODC operates a scheme whereby sports clubs are able to construct facilities (eg 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 2013 there are 2 facilities having an approximate value of \$330,000 (2012: 2 facilities: \$330,000). This estimate has been based on valuations of similar facilities in the area.

Waihau Bay toilet advance

ODC advance the funding required for the construction of a toilet facility at Waihau 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 2013 this amounted to \$30,352 (2012 : \$32,240).

NOTE 25 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 \$307,680 (2012 \$618,391) and was negotiated on normal commercial terms. There is a balance of \$5287 (2012 \$18,919) outstanding for retentions and a balance of \$34,127 (2012 \$13,048) outstanding for unpaid invoices at year end.

During the year ODC contracted with NZ Walking Access Commission, in which mayor John Forbes is Chairperson. The value of the contract works totalled \$1,523 (2012 \$nil) and was negotiated on normal commercial terms. There is a balance of \$nil (2012 \$nil) outstanding for unpaid invoices at year end.

During the year ODC contracted with Local Government New Zealand, in which mayor John Forbes is Vice President. ODC received services to the value of \$11,997 (2012 \$nil) and was negotiated on normal commercial terms. There is a balance of \$nil (2012 \$nil) outstanding for unpaid invoices at year end.

During the year ODC contracted with Ōpōtiki Junior Rugby, in which Councillor Barry Howe is President. ODC received services to the value of \$1,600 (2012 \$nil) and was negotiated on normal commercial terms. There is a balance of \$nil (2012 \$nil) outstanding for unpaid invoices at year end.

During the year ODC contracted with Richard Howe Builder, a son of Councillor Barry Howe. ODC received services to the value of \$100,505 (2012 \$nil) and was negotiated on normal commercial terms. There is a balance of \$nil (2012 \$nil) outstanding for unpaid invoices at year end.

During the year ODC contracted with Sam Howe Plumber, a son of Councillor Barry Howe. ODC received services to the value of \$9,081 (2012 \$nil) and was negotiated on normal commercial terms. There is a balance of \$nil (2012 \$nil) outstanding for unpaid invoices at year end.

During the year ODC contracted with the Fibre and Fleece Trust, in which Selby Fisher is trustee. ODC received services to the value of \$20,014 (2012 \$nil) and was negotiated on normal commercial terms. There is a balance of \$nil (2012 \$nil) outstanding for unpaid invoices at year end.

During the year ODC contracted with Ōpōtiki Packaging and Coldstore Ltd, in which Selby Fisher is a shareholder. ODC received services to the value of \$56.11 excluding GST (2012 \$nil) and was negotiated on normal commercial terms. There is a balance of \$nil (2012 \$nil) outstanding for unpaid invoices as at year end.

During the year ODC contracted with Art Society Ōpōtiki, in which His Worship the Mayor's wife is a member and office-holder. The value of the contracts totalled \$608 (2012: \$600) and was negotiated on normal commercial terms. There is a balance of \$nil (2012 \$nil) outstanding for unpaid invoices at year end.

During the year ODC contracted with Ocean Seafoods, in which Councillor Barry Howe is the owner. The value of contracts totalled \$239 (2012: \$419) and was negotiated on normal commercial terms. There is a balance of \$nil (2012 \$nil) outstanding for unpaid invoices at year end.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2012 \$nil).

NOTE 25 RELATED PARTY TRANSACTIONS CONTINUED**Key management personnel compensation**

	Actual 2013 \$000	Actual 2012 \$000
Salaries and other short term employee benefits	828	801
Post employment benefits	0	0
Other long term benefits	0	0
Termination benefits	0	0

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, Ōpōtiki 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 2013 \$000	Actual 2012 \$000
<u>BOPLASS</u>		
Annual contribution	2	5
Services provided	13	19
<u>Toi-EDA</u>		
Annual contribution	31	31
Services provided	10	6

NOTE 26 REMUNERATION*Chief Executive*

The Chief Executive received the following remuneration

	2013	2012
Salary of Chief Executive	165,040	147,314
Vehicle (Market plus FBT)	16,694	16,694
Kiwi Saver contributions	3,301	2,946
	<u>185,035</u>	<u>166,954</u>

Elected representatives

	2013	2012
Mayor - John Forbes (Includes vehicle valued at \$5383)	59,000	59,000
Deputy Mayor - Chair of Community Board - Haki McRoberts	28,827	28,697
Councillor - Barry Howe	17,840	17,750
Councillor - Doug Leeder	17,840	17,750
Councillor - Robbie Petersen	17,840	17,750
Councillor - Selby Fisher	17,840	17,750
Councillor - Shona Browne	17,840	17,750
	<u>177,027</u>	<u>176,447</u>

Staff

	2013	2012
Number of full time employees	34	36
Number of full time equivalent of all other employees	11	4
Number of employees receiving less than \$60,000	48	56
Number of employees receiving between \$60,000 and \$120,000	5	5
Number of employees receiving between \$120,000 and \$200,000	3	3
Total number of Employees	<u>56</u>	<u>64</u>

NOTE 27 SEVERANCE PAYMENTS

For the year ended 30 June 2013 ODC made no severance payments. (2012 Nil)

NOTE 28 EVENTS AFTER BALANCE SHEET DATE

Ōpōtiki District Council was advised on 21 August 2013 that it was allocated \$18 million towards the Harbour Development Project from the Bay of Plenty Regional Council Regional Infrastructure Fund.

NOTE 29 FINANCIAL INSTRUMENT

29A FINANCIAL INSTRUMENT CATEGORIES

The accounting policies for financial instruments have been applied to the line items below.

	Actual 2013 \$000	Actual 2012 \$000
FINANCIAL ASSETS		
Loans and receivables		
Cash and cash equivalents	2,578	3,086
Debtors and other receivables	3,167	2,980
Other financial assets		
- term deposits	336	322
- Loan advances	7	299
Total loans and receivables	6,088	6,697
Fair value through other comprehensive income		
Other financial assets		
- listed shares	2	2
- Unlisted shares	19	1
Total fair value through other comprehensive income	21	3
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Creditors and other payables	2,686	2,749
Borrowings		
- secured loans	5,436	5,436
- debentures	0	0
Total financial liabilities at amortised cost	8,122	8,185

29B FAIR VALUE HIERARCHY DISCLOSURES

For those instruments recognized at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.

Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
30 June 2013				
Financial Assets				
Shares	19	18	0	1
30 June 2012				
Financial Assets				
Shares	1	0	0	1

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs (level 3)

The table below provides reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	2013 \$000	2012 \$000
Balance at 1 July	1	1
Gain and losses recognized in the surplus or deficit	0	0
Gain and losses recognized in other comprehensive income	0	0
Purchases	18	0
Sales	0	0
Transfers into level 3	0	0
Transfers out of level 3	0	0
Balance at 30 June	19	1

29C FINANCIAL INSTRUMENT RISKS

ODC has a series of policies to manage the risks associated with financial instruments. ODC is risk averse and seeks to minimise exposure from its treasury activities. ODC 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 value of a financial instrument will fluctuate as a result of changes in market prices. ODC is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of ODC's investment portfolio in accordance with the limits set out in ODC's Investment policy.

ODC holds listed equity instruments in Horizon Energy Distribution Ltd, which are publicly traded and included in the NZX50 equity index. Council's holding is very small and even quite large fluctuations in the NZ X index and these equity instruments move proportionately the effect is unlikely to be a material.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. ODC is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest rate risk

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 expose the ODC to fair value interest rate risk. ODC's Liability Management policy is to generally maintain its borrowings in fixed rate instruments. The policy does provide that, when appropriate, borrowing exposures may be hedged. But to date Council has not exercised this option.

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 ODC to cash flow interest rate risk. ODC generally raises debt at fixed interest rates but restricts the term to a maximum of five years.

Credit risk

Credit risk is the risk that a third party will default on its obligation to ODC, causing ODC to incur a loss. Due to the timing of its cash inflows and outflows, the ODC invests surplus cash into term deposits which gives rise to credit risk.

ODC invests funds only in deposits with registered banks and its Investment policy limits the amount of credit exposure to any one institution or organisation.

Opotiki District Council only invests funds with those entities that have a Standard and Poor's credit rating of at least BBB- for short term and A – for long-term investments.

ODC has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

ODC's maximum credit exposure for each class of financial instrument is as follows

	Actual 2013 \$000	Actual 2012 \$000
Cash at bank and term deposits	2,578	3,086
Debtors and other receivables	3,167	2,980
Other financial assets		
- term deposits	336	322
- Loan advances	7	299
Total credit risk	6,088	6,697

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 2013 \$000	Actual 2012 \$000
COUNTERPARTIES WITH CREDIT RATINGS		
Cash at bank and term deposits		
AA	2,578	3,086

COUNTERPARTIES WITHOUT CREDIT RATINGS

Other financial assets

Existing counterparty with no defaults in the past	7	299
--	---	-----

Debtors and other receivables mainly arise from ODC'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. ODC 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 ODC has power 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 ODC 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.

ODC aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, ODC maintains a target level of investments that must mature within the next 12 months. ODC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the ODC's Long Term Council Community Plan.

ODC has a maximum amount that can be drawn down against its overdraft facility of \$100,000 (2012 \$100,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities

The table below analyses ODC's financial liabilities into relevant maturity groupings based on the remaining period at the balance date of the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
2013	\$000	\$000	\$000	\$000	\$000	\$000
Creditors and other payables	2,736	2,736	2,736	0	0	0
Secured loans	5,436	5,436	1,550	3,886	0	0
Total	8,172	8,172	4,286	3,886	0	0
2012						
Creditors and other payables	2,749	2,749	2,749	0	0	0
Secured loans	5,436	5,436	0	1,550	3,886	0
Total	8,185	8,185	2,749	1,550	3,886	0

Contractual maturity analysis of financial assets

The table below analyses ODC's financial assets into relevant maturity groupings based on the remaining period at the balance date of the contractual maturity date.

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
2013	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	2,578	2,578	2,578	0	0	0
Debtors and other receivables	3,167	3,167	3,167	0	0	0
Other financial assets						
- term deposits	336	336	336	0	0	0
- Loan advances	7	7	3	4	0	0
	6,088	6,088	6,084	4	0	0
2012						
Cash and cash equivalents	3,086	3,086	3,086	0	0	0
Debtors and other receivables	2,980	2,980	2,980	0	0	0
Other financial assets						
- term deposits	322	322	322	0	0	0
- Loan advances	299	299	292	4	3	0
	6,687	6,687	6,680	4	3	0

Sensitivity analysis

The tables below illustrate the potential profit loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on ODC's financial instrument exposures at the balance date.

	Note	2013 \$000		2012 \$000		2012 \$000		2012 \$000	
		-100bps Other		+100bps Other		-100bps Other		+100bps Other	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
INTEREST RATE RISK									
Financial assets									
Cash and cash equivalents	1	(26)	0	26	0	(31)	0	31	0
Financial liabilities									
Borrowings									
- debt	2	(41)	0	41	0	(41)	0	41	0
Total sensitivity to interest rate risk		(67)	0	67	0	(72)	0	72	0
EQUITY PRICE RISK									
Financial assets									
Other financial assets									
- quoted share investments	3	0	0	0	0	0	0	0	0
Total sensitivity to equity price risk		0	0	0	0	0	0	0	0

Explanation of sensitivity analysis

1. Cash and cash equivalents

Cash and cash equivalents include deposits at call totaling \$2,578,152 (2012 \$3,086,119) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$25,781 (2012 \$30,801).

2. Debt

ODC has fixed debt of \$1.36 million at 4.80% and floating debt of \$4.076 million. A movement in interest rates of plus or minus 1.0 % has an effect on interest income of \$40,760 (2012 \$40,760).

3. Listed shares

ODC holds listed equity instruments in Horizon Energy Ltd, which are publicly traded and included in the NZX50 equity index. If there was a movement of plus or minus 1% in the share price the effect on the fair value through equity reserve is \$22.4 (2012 \$25.8).

NOTE 30 CAPITAL MANAGEMENT

The Council's capital is its equity (or ratepayers' 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, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilizing the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not 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 Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

ODC has the following Council created reserves:
Special Funds and
Treasury reserves

Special fund reserves have been set up when Council either collects levies for a particular purpose such as development contributions or funds have been received which Council wishes to retain for a particular purpose such as the revenue received from the sale of electricity shares it received when the former Bay of Plenty Power Board was corporatised. Interest is added to the reserve and deductions are made where funds have been used for the purpose they were intended.

Treasury reserves have been set up by Council to

- a. receive contributions for loan repayments for each activity where a loan has been raised and
- b. for different areas of benefit where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the treasury reserves.

NOTE 31 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

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

	2013
	\$000
Statement of Comprehensive Income	
Actual Surplus of \$117 thousand versus budget surplus of \$577 thousand	
An unfavourable variance of \$460 thousand.	
Total revenue of \$12.085 million was \$0.377 million under budget made up as follows:	
Rates Revenue	a (128)
Fees, Charges and targeted rates for water supply	57
Development and financial contributions	b (106)
Subsidies and grants	c 113
Financial Income	(30)
Other Revenue	d (230)
Gains/(Losses)	(53)
	<u>(377)</u>
Total Expenditure of \$11.968 million was \$0.083 million under budget as set out below:	
Personnel costs	e 116
Depreciation and Amortisation	f 105
Finance costs	88
Losses/ (Gains)	g (407)
Transfer of DOC portion of Motu Trails	h (48)
Other Expenditure	i 63
	<u>82</u>
	<u><u>(460)</u></u>

- a. Rates Revenue is under budget due to higher remissions than budgeted as detailed in Note 3.
- b. Development and financial contributions are lower due to less than forecast development. development contributions on new developments.
- c. Subsidies and grants are higher than budget due to additional grants for Memorial Park Pavilion.
- d. Other revenue is lower due to reduced sealing program resulting in lower contributions of \$235k.
- e. Personnel costs were lower as a result of a non-replacement of staff vacancies in planning and outside staff.
- f. The charge for depreciation and amortisation is lower than budgeted due to the decrease in the infrastructural assets.
- g. Losses/ (Gains) is higher than budgeted due to the disposal and write off of infrastructural assets
- h. The transfer of DOC portion of Mōtū Trails asset is to transfer the asset to DOC.

NOTE 31 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET CONTINUED...

Statement of Financial Position

Actual net equity of \$178.045 million versus budget of \$179.256 million, variance of \$1.211 million.

An analysis of the major variances are set out below:

An increase in debtors and other receivables	j	477
An decrease in Property, Plant and Equipment	k	(1,810)
An increase in Investment Property	l	497
An increase in creditors and other payables	m	(284)
		<u>(1,120)</u>

j. The increase in debtors and other receivables is due to an increase in rates debtors of \$80k, Transit New Zealand subsidies accrued of \$100k, water debtors of \$50k and sundry debtors and accruals of \$132k.

k. The decrease in Property, Plant and Equipment is as a result of the correction of an error in the value of infrastructural assets, plus postponement of capital projects for Tirohanga section of Mōtū Trails and reduction in seal extension.

l. The increase in Investment Property is due to the addition of the Scout Hall and higher valuation than budgeted for other investment assets.

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

Statement of Cash Flows

2013 actual movement was a decrease in cash held of \$0.508 million versus a budgeted decrease in cash of \$0.236 million.

Net cash flow from operating activities was \$2.652 million against a budget of \$2.854 million.

The unfavourable variance is due to the lower receipts from other revenue of \$0.400 million.

Net cash flow from investing activities was (\$3.160) million versus a budget of (\$3.132) million.

The favourable variance is due to the purchase of fixed assets being \$0.384 million less than planned partly offset by lower proceeds from sale of investments of \$0.092 million.

Net cash flow from financing activities was \$nil versus a budget of \$0.042 million

The unfavourable variance is due to council not repaying the \$0.042 million of borrowings.

NOTE 32 RECLASSIFICATION AND RESTATEMENT

Reclassification

ODC has changes the presentation of items within income to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011.

the effect of the changes to Income are shown in the table below:-

	Before Reclassification \$000	Actual 2012 Reclassification \$000	After Reclassification \$000
Income			
Rates revenue excluding targeted water	7,898	(736)	7,162
Fees, charges and targeted rates for water supply	0	1,481	1,481
Development and financial contributions	0	68	68
Subsidies and grants	0	3,142	3,142
Financial Income	102	0	102
Other revenue	4,577	(3,955)	622
Gains/(losses)	0	0	0
Total Income	12,577	0	12,577

Council Activities and Performance

Activity Groups

Community and Cultural Sustainability	Page 67
Environmental Sustainability	Page 92
Economic Sustainability	Page 110

The purpose of Local Government

The purpose of local government is to enable democratic local decision-making and action by, and on behalf of communities. It is also to promote the social, economic and cultural wellbeing of communities, in the present and for the future (Section 10, LGA). The Local Government Act 2002 Amendment Act 2012, which came into force on 5 December 2012, removed the well-beings from the purpose for local government and replaced it with:

“(b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.”

In the future we will report against the new purpose but for this financial year we were working towards and hence reporting against, our community well-beings.

Considering community wellbeing in the present and for the future focuses Council's actions towards sustainable development. By identifying Outcomes, the community has an opportunity to voice a direction and to indicate priorities for the district. In particular, Outcomes provide the framework for Council to target specific activities, projects or issues through the provision of its services.

The LGA recognises that different organisations, individuals and Council must work together to achieve Outcomes. This Annual Report provides information to the community on what Council has done to promote the achievement of Outcomes that it can influence.

When developing the 2012-2022 Long Term Plan Council prepared and adopted a new performance framework with Community Outcomes in mind. Given the new performance framework it is not possible to provide comparative information for all of the Key Performance Indicators. Where we have been able to we have provided comparative information.

A guide to the groups of activities

This section explains the Council's significant activities and how they contribute to the future of the district. Information shows how the Council plans, manages, delivers and funds the activities it is involved in. Council services have been banded together into groups of activities. An example of this is Stormwater, Resource Management, Wastewater; all of these activities come under the group Environmental Sustainability. There are three groups with a total of 12 activities. Each group is introduced and then the activities that make up that group follow.

What we do and why

This section gives a brief description of the activity that the Council provides and discusses the reason for providing the particular service.

Contribution to community outcomes

Each activity within the group contributes to specific community outcomes.

You will see the community outcomes symbol in the table.

So whenever you see the community outcomes symbol you can read how that outcome relates to that particular activity and how the activity contributes to the outcomes.

Levels of service

This section says what level of service the Council will provide for a particular activity, states how performance will be measured for the activity and then provides the source that will be used to assess the performance measure.

What effects will the activities have?

It is the Council's job to consider whether there are any significant effects (social, economic, environmental or cultural) for each of the activities it is involved in.

Financial Information

The financial information provided is a set of financial results for each activity over the 2012-13 year. For each Activity the following financial information is provided:

- Funding Impact Statement
- Statement of Capital Expenditure.

Council groups of activities

Community and Cultural Sustainability

Leadership

Community Facilities

Community Development

Economic Development

Regulation and Safety

Environmental Sustainability

Solid Waste Management

Stormwater

Resource Management

Wastewater

Economic Sustainability

Water Supply

Land Transport

Investments



Community and Cultural Sustainability

Why we provide this group of activities:

The group of activities promotes outcomes that help build a strong and cohesive community within the Ōpōtiki District. Council provides a range of services and facilities to the various communities in the Ōpōtiki District in order to achieve this.

Significant Activities Comprised in this Group:

Leadership, Community Facilities, Community Development, Economic Development, Regulation and Safety

Leadership

What we do and Why:

This Activity includes the preparation of advice, strategies and policies to inform Council decision making. It includes the development of statutory and non-statutory policies and plans and reports and includes the facilitation of gaining community input to decision making.

Opportunities for Maori to contribute to our decision making process

Council works to maintain and enhance mutually beneficial relationships with Tangata Whenua so that their views are represented both directly and indirectly through Council forums. Meeting with Tangata Whenua also provides both parties with an opportunity to identify and address issues of mutual concern and encourages involvement in democracy. Council also encourages and partners with Iwi in special projects.

This Significant Activity is important to enable Council to discharge its statutory role as well as ensure that it is satisfactorily discharging its governance role by accurately reflecting community needs and desires in decision making processes.

Activities included in this Significant Activity include:


Representation

Strategic Planning and Policy Development

Cultural Liaison

Monitoring and Reporting

Contribution to Community Outcomes:

Community Outcomes		How This Activity Contributes
	Fair and efficient leadership	To ensure effective and fair community representation and support and that policies and plans are integrated and wherever possible reflect the views of the wider community and stakeholders.
	A strong and distinctive community spirit	

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
It may be possible that at times Council decisions can have a negative effect on the well-being of some individuals or groups within the community.		✓	✓		Council has a role to consider the community at large when making decisions that impact on community well-being and seeks to use the guidance provided by the Local Government Act and its understanding of the Ōpōtiki District Community to weigh up the competing demands of different interest groups.

Levels of Service:

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Council will provide representation and leadership at a local, regional and national level.	Council will hold a minimum of 8 meetings throughout the year	Internal database	8	Achieved	9 Ordinary Council meetings, 6 Extra Ordinary Council meetings and 7 Coast Community Board meetings held in 2012-13 year.
	Improvement with community satisfaction with Council leadership	Customer satisfaction survey	77%	Not achieved	65% of respondents in 2013 rated performance of Mayor and Councillors as very good or fairly good which is the same percentage as the 2011 survey. This rating is on par with the national average.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Council will provide representation and leadership at a local, regional and national level.	Decision making in compliance with the Local Government Act 2002.	Council meeting minutes Annual audit by Audit NZ	No successful challenges to Council decision making process	Achieved	There have been no challenges to Council decision making process in the 2012/2013 year.
	The Annual Plan is adopted in accordance with the Local Government Act 2002 on or before 30 June each year.	Council resolution – meeting minutes	100%	Achieved	Exceptions Annual Plan 2013-14 was adopted at Extra Ordinary Council Meeting 28 June 2013.
	The Annual Report will be published in accordance with the Local Government Act 2002 within four months of the end of each financial year.	Council resolution – meeting minutes	100%	Achieved	The Annual Report 2011-12 was adopted at an Extra Ordinary Council meeting on 30 October 2012.

Financial Information:

FUNDING IMPACT STATEMENT FOR 2012/13 FOR LEADERSHIP

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	1,011	1,187	1,168
Targeted rates (other than targeted rates for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	-	9	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	1,011	1,196	1,168
<i>Application of operating funding</i>			
Payments to staff and suppliers	313	341	312
Finance costs	-	-	-
Internal charges and overheads applied	698	855	768
Other operating funding applications	-	-	-
Total application of operating funding (B)	1,011	1,196	1,080
Surplus (deficit) of operating funding (A - B)	-	-	88
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) reserves	-	-	88
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	-	-	88
Surplus (deficit) of capital funding (C - D)	-	-	(88)
Funding balance ((A - B) + (C - D))	-	-	-

Community Facilities


What we do and Why:

This Activity includes the provision of Parks and other recreation/amenity services to the people of the Ōpōtiki District. These services provide lifestyle opportunities to residents and visitors of the Ōpōtiki District. They provide opportunities for recreation, beautification, conservation of the natural environment and public access. Such facilities promote a range of public good outcomes around health and wellbeing which are becoming increasingly desirable to New Zealanders and visitors alike.

Activities included in this Significant Activity include:

Parks and Recreation (Airport, Cemeteries, Public Toilets, Parks and Reserves, Playgrounds, District Library and Cycle Way)

Contribution to Community Outcomes:

Community Outcomes		How This Activity Contributes
	Development and Protection of the natural environment	The Council will provide quality parks and recreation facilities that meet community expectations for outdoor recreation, a pleasant townscape, protection of the environment and access to the coast.
	A strong and distinctive community spirit	
	History and culture is treasured	Ensure that amenity facilities are maintained to a high standard for the residents and visitors to the Ōpōtiki District. Library services that inspire learning and celebration of our culture.
	Services and facilities meet our needs	

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Community expectations for growth in services and facilities may exceed Council's programme.			✓		Consultation to ensure proposals meet community expectations based on accurate assessments of current and future demand for the use of facilities. Council is of the view that it has the capability to provide for increased growth forecast by the planning assumptions that underpin the 2012-22 LTP.
Ongoing maintenance and depreciation may cause increased or unexpected costs.			✓		Accurate forecasting and budgeting to accommodate ongoing costs of ownership.
Providing access to facilities and services to smaller remote communities within the district could be cost prohibitive.		✓			Consider alternatives such as partnerships with other agencies and transport.

Strategic Goal: The Council will provide quality parks and recreation facilities that meet community expectations for outdoor recreation, a pleasant townscape, protection of the environment and access to the coast.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Planned development of quality parks and recreation facilities.	Management Plans that include facility development plans adopted for principal reserves.	Council resolution – meeting minutes	Management Plans completed for coastal, sports and neighbourhood reserves.	Not achieved	Deliberations on Draft Coastal and Sports Reserve Management Plans held on 11 June, amended plans adopted by Council in Aug 2013. Process delayed due to conflicting consultation on Freedom Camping Act.
High quality parks and recreation facilities provided and accessible to the community.	% of community satisfied with the quality of recreation facilities in annual surveys.	Customer satisfaction survey	>75%	Achieved	78% of those surveyed in 2013 responded that they are very/fairly satisfied with the quality of recreation facilities.
	Appropriate response to all service requests within ten working days.	Service request system	95%	Not achieved	9 Service requests received for 2012-13 year. 6 responded to within 10 days (60%) and 3 longer than 10 days (30%). Council will continue to monitor the nature of complaints and target may require review.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Playgrounds comply with NZSS 5828 (2004).	% of play equipment compliant with NZSS 5828.*	Playground Audit conducted every two years	>50%	Not achieved	Playground audit scheduled for 2013/14 year.

- or subsequent update / replacement of this NZ standard.

Strategic Goal: Ensure that amenity facilities are maintained to a high standard for the residents and visitors to the Ōpōtiki District.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Public toilets are clean, safe and operational.	% of community satisfied with the quality of toilet facilities in annual surveys.	Customer satisfaction survey	>80%	Not achieved	63% of those surveyed in 2013 responded that they are very/fairly satisfied with the quality of toilet facilities.
	Valid service requests are responded to within 24hrs.	Service request system	100%	Not achieved	1 service request/complaint received. Council responded (actioned) that request within timeframe. Response to customer not within 24 hour period.
Cemeteries maintained to a high standard; accurate records maintained and accessible.	90% of community satisfied with the provision of cemetery services and maintenance of grounds.	Customer satisfaction survey	>90%	Not achieved	71% of those surveyed in 2013 responded that they are very/fairly satisfied with the quality of cemetery services and maintenance of grounds. Satisfaction with cemetery services was last measured in 2005 when only 66% were very/fairly satisfied.
	Complaints regarding cemetery records.	Service request system	< 12 per year	Achieved	No complaints regarding Cemetery records received in 2012-13 year.

Strategic Goal: Library services that inspire learning and celebration of our culture.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Provision of a comprehensive community library service for the community.	Percentage of the community satisfied with the library facility and service.	Customer satisfaction survey	>70%	Achieved	71% of those surveyed in 2013 responded that they are very/fairly satisfied with the library facility and service.
	Number of new issues each year.	Quarterly Library report	1,000	Not Achieved	The number of new issues has decreased from 47,968 to 45,312 to the year ended 30 June 2013. This is a trend being experienced across the Country.

Key Achievements for the Community Facilities Activity for the 2012-13 year include:

- Construction and opening Memorial Park Sports Pavilion
- Mōtū Trails celebrates first operating year
- Coastal and Sports Reserve Management Plans drafted for consultation
- New play equipment installed at Memorial Park and Upton Park
- New seats installed in the CBD
- Stage 2 Ōhiwa walkway consented and tendered for construction.

Ōpōtiki District Council wishes to acknowledge and thank the New Zealand Lottery Grants Board for their support of the Memorial Park Sports Pavilion project. The funding they provided of \$250,000 enabled the project to be completed which has benefited the Ōpōtiki community immensely.

Financial Information:**FUNDING IMPACT STATEMENT FOR 2012/13 FOR COMMUNITY FACILITIES**

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	1,226	1,000	984
Targeted rates (other than targeted rates for water supply)	-	35	34
Subsidies and grants for operating purposes	-	-	234
Fees, charges, and targeted rates for water supply	259	315	546
Internal charges and overheads recovered	-	268	290
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	211
Total operating funding (A)	1,485	1,618	2,299
<i>Application of operating funding</i>			
Payments to staff and suppliers	1,026	1,191	946
Finance costs	53	115	62
Internal charges and overheads applied	347	192	186
Other operating funding applications	-	-	269
Total application of operating funding (B)	1,426	1,498	1,463
Surplus (deficit) of operating funding (A - B)	59	120	836
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	112	-	-
Development and financial contributions	188	70	(4)
Increase (decrease) in debt	300	-	140
Gross proceeds from sale of assets	32	32	39
Lump sum contributions	36	-	-
Total sources of capital funding (C)	668	102	175
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	614	835	940
- to improve level of service	128	237	496
- to replace existing assets	238	319	287
Increase (decrease) reserves	(253)	(1,169)	(409)
Increase (decrease) of investments	-	-	(303)
Total application of capital funding (D)	727	222	1,011
Surplus (deficit) of capital funding (C - D)	(59)	(120)	(836)
Funding balance ((A - B) + (C - D))	-	-	-

INTERNAL BORROWING

Amount of Internal Borrowing Community Facilities

Balance 1/07/2012 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2013 \$ 000's	Interest 30/06/2013 \$ 000's
0	140		140	0
0	140	0	140	0

CAPITAL EXPENDITURE PROJECTS FOR COMMUNITY FACILITIES

	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>To meet additional demand</i>		
Memorial Park pavilion	572	912 *
Coastal access	34	-
Walkways urban/rural	70	-
Coast Initiatives	87	-
Cycleway improvements	10	-
Plant - Gen sets	62	28
	835	940
<i>To improve level of service</i>		
Princess Street reserve drainage	20	-
Computer equipment	-	38
Office administration building upgrade	187	343 *
Bench seats	-	9
GPS system	-	7
Library Building	-	18
Cycleway improvements	30	81
	237	496
<i>To replace existing assets</i>		
Playground replacements	50	41
Library book stocks	38	36
Furnishings, fixtures & fittings	27	37
Computer equipment	51	1
Software upgrades (intangibles)	10	-
Vehicles/plant renewals	143	174
	319	289
Total capital expenditure	1,391	1,725

* See Capital Expenditure Variances on pages 128 to 129.

Community Development


What we do and Why:

The Community Development Activity is one where Council, in a number of ways, is involved in helping the community help itself. This activity enables the Council to assist the community to work towards community outcomes that on its own it may not be able to achieve. In many ways similar to the Leadership Activity this is about the Council being connected and partnering with its community and other stakeholders within the community in working towards common objectives.

Functions included in this Significant Activity include:

Community Support, including Community Grants and Healthy and Active Communities.

Contribution to Community Outcomes:

Community Outcomes		How This Activity Contributes
	A strong and distinctive community spirit	To help assist the development of an inclusive community that provides a healthy, safe and friendly place to live, work and visit.
	History and culture is treasured	
	Services and facilities meet our needs	

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Community expectations around funding community development initiatives may not be met.	✓	✓			Pursuing economic development opportunities that will in time provide capacity for community development aspirations.

Levels of Service:

Strategic Goal: To help assist the development of an inclusive community that provides a healthy, safe and friendly place to live, work and visit.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Provide assistance for community support activities.	Grants for the maintenance of the 22 district Urupa will be distributed by 31 December each year.	Financial records	100%	Achieved	100% - All 22 Urupa grants paid on 7 December 2012.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Provide assistance for community support activities.	Service level agreements and/or memorandum of understandings for community grants will be reviewed every three years.	Council meeting minutes Electronic document management system	50%	Not Achieved.	Draft Memorandum of Understanding developed and circulated to relevant community groups in August 2013.
Enhance community Safety.	Routine maintenance checks of CCTV cameras and related systems.	Maintenance reports	Quarterly	Achieved	Service undertaken by Independent Security Consultants and reports returned to Council on 4 October 2012, 9 January 2013, 10 April 2013, and 11 July 2013.
	Number of reported outages of CCTV system.	Service request system	<4 per annum	Achieved	No CCTV system outages reported for 2012-13 year.

Financial Information:**FUNDING IMPACT STATEMENT FOR 2012/13 FOR COMMUNITY DEVELOPMENT**

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	311	367	361
Targeted rates (other than targeted rates for water supply)	-	-	-
Subsidies and grants for operating purposes	70	-	-
Fees, charges, and targeted rates for water supply	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	381	367	361
<i>Application of operating funding</i>			
Payments to staff and suppliers	110	9	7
Finance costs	-	-	-
Internal charges and overheads applied	23	27	25
Other operating funding applications	248	331	429
Total application of operating funding (B)	381	367	461
Surplus (deficit) of operating funding (A - B)	-	-	(100)
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) reserves	-	-	(100)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	-	-	(100)
Surplus (deficit) of capital funding (C - D)	-	-	100
Funding balance ((A - B) + (C - D))	-	-	-

Economic Development

What we do and why:


This significant activity looks to support the development and growth of the Ōpōtiki District by investigating and promoting business development; promoting the district as a tourism destination; operation of an i-SITE service in Ōpōtiki Township and facilitating new events. Key components of this Significant Activity are the economic growth opportunities associated with Ōpōtiki Harbour Transformation project and the developing Aquaculture Industry which is considered central to our future well-being. Economic Development is seen as an essential element to growing a more thriving and cohesive community as it will:

- Impact positively on the overall social, economic and cultural well-being of the Ōpōtiki Community and the Eastern Bay of Plenty
- Promotes investment, industry and employment in the district
- Enhance recreation opportunities and public access to the coast
- Capitalise on opportunities from the Aquaculture Industry already under development off shore from Ōpōtiki
- Assist in flood mitigation for the Ōpōtiki Township and surrounding area and
- Achieve a long standing community aspiration and in doing so take a significant step forward to realising the community's vision for the area.

Activities included in this Significant Activity include:

Investigation, promotion and support of new initiatives that contribute growth of the local economy, with a particular focus on tourism and the Ōpōtiki Harbour Transformation Project.

Contribution to Community Outcomes:

Community Outcomes		How Activity Contributes
	Development and protection of the natural environment	To create a sustainable economic future by broadening the District's economic and therefore employment base.
	Services and facilities meet our needs	
	Purposeful work and learning opportunities	
	A strong and distinctive community spirit	

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Increasing visitor and population numbers may put pressure on infrastructure, environment and other resources, particularly in summer periods.			✓	✓	Council is of the view that it has the capability to provide for increased growth forecast by the planning assumptions that underpin the 2012-22 LTP and that it has made adequate provision for investment in infrastructure to cater for expected demand.
Capital costs associated with Harbour Transformation Project are not sustainable for the Ōpōtiki District alone.			✓		To partner with Central and Regional Government and potentially the private sector to fund the Harbour Transformation Project.

Levels of Service

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

Level of Service	Key Performance Indicator (KPI)	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Redevelopment of the Ōpōtiki Harbour Entrance.	Finalise future harbour ownership maintenance model to support funding agreements.	Council meeting minutes	Concept developed and agreed – 100%	Not Achieved	Background work underway. To be considered formally following BOPRC Regional Infrastructure Fund (RIF) decision. This has been delayed into the 2013-14 financial year.

Level of Service	Key Performance Indicator (KPI)	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Redevelopment of the Ōpōtiki Harbour Entrance.	Flood Modelling Updated with recent data.	Modelling report	100%	Achieved	Flood and salinity modelling completed and presented to the Ōpōtiki Marine Advisory Group in June 2013. Final documents will be received in the 2013-14 financial year.
	Development of secure funding agreements with agreed funding partners based on finalised business case and social impact assessment.	Council meeting minutes Agreement document	Negotiation and development of draft funding agreements	Not achieved	Application lodged to BOPRC RIF in February 2013 and decision from BOPRC has been delayed until the 13-14 financial year.
Investigate and promote investment in a range of economic development opportunities.	Prepare and implement an Economic Development Strategy.	Council meeting minutes Twice yearly monitoring report	Strategy adopted by Council, published and implemented	Not Achieved	Draft Strategy adopted by Council on 4 June 2013 and Strategy adopted by Council on 8 October 2013.
	Maintain a current database of business contacts and communicate regularly with business sector groups.	Database	Achieved	Achieved	Database maintained. Email communication and cluster group meetings facilitated.

Level of Service	Key Performance Indicator (KPI)	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Promote the district as a tourism destination; support tourism operators and events.	Maintain and evaluate visitor numbers to i-SITE quarterly.	Twice yearly i-SITE report	Achieved	Achieved	Statistics collated and reported to Council in October and March
	Number of facilitated community events per year.	Actual events held	Two event per year	Achieved	Summer Festival & Picnic in the Parks completed.
	Maintain a current database of business operators and regular communication with tourism and events sector groups.	Database	Database revised quarterly, 4 bulletins posted per annum	Achieved	Database maintained and updated, bulletins posted to operators in July, November 2012 & March, May 2013.

Key Achievements for the Economic Development Activity for the 2012-13 year include:

- Economic Development Strategy drafted for consultation
- First full year in new i-SITE building saw a 20% increase in visitor numbers

Harbour

- Commissioned & completed an economic assessment (Sapere)
- Commissioned & completed a risk assessment
- Lodged an expression of interest in Bay of Plenty Regional Council Regional Infrastructure Fund (RIF)
- Prepared and lodged comprehensive application for RIF
- Succeeded in short-listing for RIF
- A significant event after balance sheet date was the announcement that Ōpōtiki District Council had been successful in securing \$18m from the BOPRC Regional Infrastructure fund.



Financial Information:**FUNDING IMPACT STATEMENT FOR 2012/13 FOR ECONOMIC DEVELOPMENT**

	2011/12 2009-10 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	331	373	367
Targeted rates (other than targeted rates for water supply)	41	74	80
Subsidies and grants for operating purposes	-	140	142
Fees, charges, and targeted rates for water supply	24	37	3
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	396	624	592
<i>Application of operating funding</i>			
Payments to staff and suppliers	276	463	432
Finance costs	-	-	-
Internal charges and overheads applied	120	161	152
Other operating funding applications	-	-	-
Total application of operating funding (B)	396	624	584
Surplus (deficit) of operating funding (A - B)	-	-	8
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) reserves	-	-	8
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	-	-	8
Surplus (deficit) of capital funding (C - D)	-	-	(8)
Funding balance ((A - B) + (C - D))	-	-	-

Regulation and Safety

What we do and why:


The Regulation and Safety Significant Activity works towards ensuring a healthy and safe environment for residents and visitors to the Ōpōtiki District. This Significant Activity includes a range of functions that are required of Council by legislation and also the administration of a range of bylaws designed to ensure a health and nuisance free District for residents and visitors alike. Further to the legislative requirements behind many of these services, there is a public expectation that the Council will regulate behaviours in public places in a manner that is in the interest of the community at large. The Regulation and Safety Activity is required to assist in maintaining community safety and to enhance community well-being.

Activities included in this Significant Activity include:

Regulation (Environmental Health, Noise Control, Animal Control, Building Control Services and Liquor Licencing)

Safety (Emergency Management and Rural Fire).

Contribution to Community Outcomes:

Community Outcomes		How Activity Contributes
	Development and protection of the natural environment	To ensure that public health and safety is protected and enhanced through the effective and efficient implementation of legislation (Environmental Health, Liquor and Noise Control) and fit for purpose bylaws.
	Services and facilities meet our needs	
	A strong and distinctive community spirit	To protect the interest of public health, safety, infrastructure and ensure the welfare of animals through the delivery of animal (particularly dog) control.
	Development supports the community	To ensure the construction of sustainable buildings to protect current and future users through the administration of the Building Control Act 2004 and relevant regulations.
		To ensure that both the Council and the Community are prepared for a Civil Emergency or Rural Fire Event and adequate systems are in place to enable recovery following a civil emergency.

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Some could consider that the enforcement nature of the Regulation and Safety Activity infringes on the way of life of residents and ratepayers and the experience that the East Coast has to offer visitors.		✓			Council is required to implement legislation as intended by Central Government and will wherever possible take a fit for purpose approach in doing so. The health and safety of the community at large and the protection of public and private property must take priority over individual needs and desires. Council will also continue to explore opportunities for shared service delivery arrangements with other organisations with a view to ensure that fit for purpose solutions are delivered in the most effective and efficient manner. Wherever possible costs will be recovered from the applicant or the exacerbator.
That the cost associated with monitoring and enforcement is beyond the community's ability to pay.			✓		

Levels of Service:

Strategic Goal: To ensure that public health and safety is protected and enhanced through the effective and efficient implementation of legislation (Environmental Health, Liquor and Noise Control) and fit for purpose bylaws.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The Council will provide and maintain a quality service to meet statutory requirements and community expectations.	Liquor Licence applications are processed in accordance with the Sale of Liquor Act 1989 within 5 working days after receipt of all required reports.	Internal database	100%	Achieved	100%. A total of 83 Licences were issued within timeframes.
	Health – Registered premises are inspected a minimum of once per year for compliance with all statutory requirements.	Internal database	100%	Achieved	100%. All 57 registered premises have been inspected at least once in the 2012-13 year.

Strategic Goal: To protect the interest of public health, safety, infrastructure and ensure the welfare of animals through the delivery of animal (particularly dog) control.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The Council will provide and maintain a quality service to meet statutory requirements and community expectations.	An increase in the number of registered dogs in the District.	National Dog Database	1,350	Achieved	1554 dogs were registered.
	All animal control complaints of an aggressive or threatening nature are responded to within 1 hour from receipt of complaint.	Service request system	100%	Not achieved	54 complaints of an aggressive or threatening nature received. 31 complaints (57.40%) responded to within 1 hour and 23 complaints (42.59%) not responded to within 1 hour.
	% of Residents satisfied with animal control services.	Customer satisfaction survey	>60%	Not Achieved	55% of those surveyed in 2013 responded that they are very/fairly satisfied with animal control services.

Strategic Goal: To ensure the development of sustainable buildings that protect current and future users through the administration of the Building Control Act 2004 and relevant regulations.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The Council will provide and maintain a quality service to meet statutory requirements and community expectations.	% of time building consents are issued within the statutory timeframes.	Internal database	100%	Achieved	100%. A total of 139 Building Consents were issued within statutory timeframes in the 2012-13 year.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The Council will provide and maintain a quality service to meet statutory requirements and community expectations.	% of Customer satisfaction with level of service (as measured by the annual BCA survey).	Survey form sent out with Bldg consent summarised in Building Control Authority Annual Report	>75%	Achieved	100% of customers surveyed where satisfied with the level of service.
	Minimum number of public educational activities to keep the community informed on changes to the Building Act 2004 and compliance documents.	Actual Events	4	Achieved	4 newsletters were prepared and circulated.

Strategic Goal: To ensure that both the Council and the Community are prepared for a Civil Emergency or Rural Fire Event.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The Council will provide an emergency management service that meets statutory requirements and community expectations.	The rural fire plan and the civil defence plan are updated in accordance with legislation and are available for operation on an ongoing basis.	Resolution of Council for fire plan and Bay of Plenty CDEM Group resolution for Civil Defence Plan	100%	Achieved	Rural Fire Plan approved – 2011. Next scheduled review is late 2013. Civil Defence Plan approved – 2005 and has bi annual review the last undertaken January 2013.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The Council will provide an emergency management service that meets statutory requirements and community expectations.	Civil Defence refresher training courses are undertaken by staff on basis of one shift group for the Emergency Operating Centre per annum.	Internal database	90%	Achieved	A full general refresher training session was held for all staff on 26 September 2012 on same day as national 'Stop, Drop and Hold' exercise. 2nd training session held on 18 April 2013 for all staff to detail CD roles.
	Rural Fire fighters meet response times provided in contract specification.	Principal Rural Fire Officer database	100%	Achieved	100% as recorded in Ōpōtiki firefighting log.
	Number of public educational activities undertaken per year to raise awareness of emergency management procedures.	Internal database and financial records	2	Achieved	2 exercises carried out: In conjunction with national programme, "Stop, Drop and Hold" public exercise undertaken and media information provided for local newspaper.

Key Achievements for the Regulation and Safety Activity for the 2012-13 year include:

- Warning control infrastructure installed in Ōpōtiki and Waihou Bay Fire Stations so that fire sirens are now available for emergency warning activity
- Two new sirens installed. One each at Ohiwa Harbour site and Island View Camp ground
- The target of increasing the number of registered dogs has been exceeded with 1554 dogs being registered for the 2012/13 year

Financial Information:**FUNDING IMPACT STATEMENT FOR 2012/13 FOR REGULATION AND SAFETY**

	2011/12 2009-10 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	591	588	579
Targeted rates (other than targeted rates for water supply)	-	55	52
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	241	215	287
Internal charges and overheads recovered	30	48	48
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	862	906	966
<i>Application of operating funding</i>			
Payments to staff and suppliers	588	593	558
Finance costs	-	-	-
Internal charges and overheads applied	259	289	267
Other operating funding applications	-	-	15
Total application of operating funding (B)	847	882	840
Surplus (deficit) of operating funding (A - B)	15	24	126
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	-	-
- to improve level of service	15	35	8
- to replace existing assets	-	-	-
Increase (decrease) reserves	-	(11)	118
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	15	24	126
Surplus (deficit) of capital funding (C - D)	(15)	(24)	(126)
Funding balance ((A - B) + (C - D))	-	-	-

CAPITAL EXPENDITURE FOR REGULATION AND SAFETY

	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>To improve level of service</i>		
Civil Defence warning systems	35	8
Total capital expenditure	35	8

Environmental Sustainability

Why we provide this group of activities:

The Environmental Sustainability Group of Activities works towards those community outcomes that promote environmental well-being. Communities have an impact on our natural environment in many ways. This group of activities works towards mitigating and managing those impacts so that future generations can enjoy our Districts' pristine natural environment.

Significant Activities Comprised in this Group:

Solid Waste Management, Stormwater, Resource Management and Wastewater.

Solid Waste Management

What we do and Why:

This Significant Activity provides for the minimisation, collection, management and disposal of Solid Waste in the Ōpōtiki District. The provision of solid waste services is vital to both environmental and public health.

Activities included in this Significant Activity include:


Solid Waste and Recyclables Collection (Kerbside Collection)

Solid Waste Management (Resource Recovery Facilities, Waste Minimisation, Litter Control and the management and monitoring of closed landfills within the District).

Council is responsible under the Waste Minimisation Act 2008 for preparing and implementing a waste management and minimisation plan and for overseeing and promoting effective and efficient waste minimisation and management. The following minimisation and management hierarchy drives Council's philosophical approach to Solid Waste Management and provides context for the Resource Recovery Facilities within the District:

- Reduction
- Reuse
- Recycling
- Recovery
- Treatment
- Disposal

Contribution to Community Outcomes:

Community Outcomes		How Activity Contributes
	Development and protection of natural environment	Ensure the environmentally safe collection and disposal of waste. Minimise the creation of waste within the District.
	Development supports the community	
	Services and facilities meets our needs	

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Public Health, odour and environmental degradation.		✓		✓	The provision of effective and efficient waste collection and disposal facilities.
High waste volumes can increase the costs of waste management.			✓		A focus on waste minimisation through waste reduction, reuse and recycling.
Because of the cost of disposal of waste some community members may resort to fly tipping.			✓	✓	Ensuring a balance between economic incentives for waste reduction and the cost associated with waste disposal through fees and charges.

Levels of Service:

Strategic Goal: Ensure the environmentally safe collection and disposal of waste.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The kerbside collection of bagged refuse and recyclables where the service is provided is efficient and effective. (Note: service provided in Ōpōtiki township, Hikutaia /Woodlands)	Number of service complaints in any one month regarding the quality of the kerbside refuse / recycling collection service. (Note: service conditions outlined on brochure mailed annually)	Service request system	<3	Not achieved	10 complaints received in total for the 2012-13 year. Every month <3 complaints per month except for July 2013 where 3 complaints were received.
The network's recycling facilities are in good condition and 'fit for purpose'.	Number of complaints per month regarding Council's three recycling facilities.	Service request system	<2	Achieved	No complaints received for the 2012-13 year regarding any of Council's three recycling facilities.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Provision of effective waste service for the community.	Customer satisfaction rating of waste transfer stations good or better.	Customer satisfaction survey	60%	Achieved	91% of respondents rated the waste transfer stations as good or excellent.
Comply with the Resource Management Act 1991 (RMA) for closed landfill at Woodlands Road.	Percentage compliance with resource consent conditions at closed landfill.	Regional Council return	100%	Achieved	100% - No advice from BoPRC on non-compliance.

Strategic Goal: Minimise the creation of waste within the District.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Waste minimisation education reduces household waste and good recycling practices.	Number of public education activities completed.	Internal database and financial records	3	Achieved	8 schools visited and education activities completed. These were at Te Whanui Apanui, Maraenui, Whangaparora, Waiotaha, Ōpōtiki Primary, Omaio, Kutarere and Waloeka
Service provided keeps residual waste to minimum quantity.	Residual waste per year is reduced by 10% by 2018 over the 2010 year result (1062 tonnes).	Landfill weight records and financial records	1049 tonnes	Achieved	Residual waste transported to Tirohia landfill 1 July to 30 June 2013 was 983 tonnes.

Key Achievements for the Leadership Activity for the 2012-13 year include:

Solid Waste Activity

- Very high rating of resource recovery centres (91%) by customers
- 100% consent compliance
- Residual waste transport figure 6.3 % better than target
- Operations cost under annual budget.

Financial Information:**FUNDING IMPACT STATEMENT FOR 2012/13 FOR SOLID WASTE MANAGEMENT**

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	3	695	684
Targeted rates (other than targeted rates for water supply)	944	211	208
Subsidies and grants for operating purposes	22	26	20
Fees, charges, and targeted rates for water supply	205	254	226
Internal charges and overheads recovered	54	56	56
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	1,228	1,242	1,194
<i>Application of operating funding</i>			
Payments to staff and suppliers	1,001	1,018	1,003
Finance costs	7	5	-
Internal charges and overheads applied	207	211	204
Other operating funding applications	-	-	-
Total application of operating funding (B)	1,215	1,234	1,207
Surplus (deficit) of operating funding (A - B)	13	8	(13)
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(40)	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	(40)	-	-
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	11	9
Increase (decrease) reserves	(27)	(3)	(22)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	(27)	8	(13)
Surplus (deficit) of capital funding (C - D)	(13)	(8)	13
Funding balance ((A - B) + (C - D))	-	-	-

CAPITAL EXPENDITURE PROJECTS FOR SOLID WASTE

	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>To replace existing assets</i>		
Painting - Ōpōtiki	11	9
Total capital expenditure	11	9

Stormwater

What we do and why:


This Significant Activity provides for the collection and disposal of stormwater predominantly in the urban environment. Stormwater drainage systems are provided in the Ōpōtiki Township and the Waiotahi Drifts subdivision with a view to mitigate surface flooding following rainfall. Council is involved in this activity to fulfil its legal obligations for the control of stormwater systems and to ensure the protection of public health and property.

Activities included in this Significant Activity include:

- Stormwater collection and disposal.

The Local Government Act 2002 empowers Council to be involved in the ownership of stormwater assets and the provision of such services.

Contribution to Community Outcomes:

Community Outcomes		How Activity Contributes
	Development and protection of natural environment	To Protect the environment from the adverse effects of stormwater.
	Development supports the community	To protect public health and property.
	Services and facilities meets our needs	Facilities and services that meet the expectations of the community for quality of life.

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
The discharge of pollutants to stormwater reticulation can be harmful to the natural environment.				✓	Mitigate risk through education, monitoring and where necessary enforcement.
Inadequate stormwater systems may lead to the flooding of property and/or surcharge of the wastewater reticulation network both of which represent risk to public health and property.		✓	✓	✓	<p>Reduce the risk by maintaining existing urban drainage systems and undertake catchment modelling to understand future stormwater management needs in line with future development.</p> <p>Ensure buildings have appropriate stormwater design and suitable drainage fittings.</p>

Levels of Service:**Strategic Goal:** To protect public health and property.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The urban stormwater activity is managed to protect people and property from the impacts of flooding.	Annual incidence of inundation of habitable buildings in urban areas from big storm events. (>50 year return)	Service request system	0	Achieved	No reports of inundation of habitable buildings in urban area received in 2012-13 year.
	The number of complaints of surface water flooding in urban areas in any event.	Service request system	<10	Achieved	Only one report received in the 2012-13 year. Actually private property system issue not Council infrastructure.
A reliable service is provided.	Failure of drainage system due to poor condition or lack of maintenance.	Contractor / Service provider report	0	Achieved	No failures reported by Contractor /service provider up to 30 June 2013.
Service requests and complaints are processed as they come in.	Response times to complete works following requests and complaints for each incidence.	Service request system	<7days	Achieved	There were six Stormwater service requests and complaints received in the 2012-13 year and all completed within 1-2 days.

Strategic Goal: To protect the environment from the adverse effects of stormwater.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Stormwater water quality will be managed effectively for 365 days of the year.	Response time for investigation and setting up response plans of reported pollution incidents is less than 12 hours for each incidence.	Service request system and internal database	<12 hours	Achieved	No reported pollution incidents were recorded in the 2012-13 year.

Strategic Goal: To enable economic development by encouraging growth and development with quality of life benefit.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Overflow stormwater drainage available to all new urban properties where a Council operated stormwater system is provided.	Percentage of new customers within defined urban stormwater drainage areas that can connect to the network.	Planning records	100%	Achieved	Two buildings, one in St John Street and one in King Street required connection and agreement reached for these.

Key Achievements for the Stormwater Activity for the 2012-13 year include:

- New 200 litres/sec pump station in Forsyth Street completed
- No reports received of flooding of habitable buildings and no reports of pollution incidents.



Financial Information:**FUNDING IMPACT STATEMENT FOR 2012/13 FOR STORMWATER**

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	100	226	222
Targeted rates (other than targeted rates for water supply)	-	20	18
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	100	246	240
<i>Application of operating funding</i>			
Payments to staff and suppliers	46	80	133
Finance costs	-	16	-
Internal charges and overheads applied	18	19	19
Other operating funding applications	-	-	-
Total application of operating funding (B)	64	115	152
Surplus (deficit) of operating funding (A - B)	36	131	88
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	42	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	205
Total sources of capital funding (C)	-	42	205
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	-	-
- to improve level of service	32	233	213
- to replace existing assets	-	-	21
Increase (decrease) reserves	4	(60)	59
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	36	173	293
Surplus (deficit) of capital funding (C - D)	(36)	(131)	(88)
Funding balance ((A - B) + (C - D))	-	-	-

CAPITAL EXPENDITURE PROJECTS FOR STORMWATER

	2012/13	2012/13
	LTP	Actual
	\$ 000's	\$ 000's
<i>To improve level of service</i>		
Asset Management	-	
Pump Stations	232	213
Discharge Consents	1	-
	233	213
<i>To replace existing assets</i>		
Reticulation -	-	21
	-	21
Total capital expenditure	233	234



Resource Management

What we do and why:


The purpose of the Resource Management Significant Activity is to provide a framework for managing future growth and land use activities in order that they provide a high quality environment for present and future generations. Council's principal document for the delivery of this significant activity is the District Plan and Council has a statutory responsibility under the Resource Management Act 1991. Under this Significant Activity Council develops appropriate land use controls for the Ōpōtiki District, fosters good working relationships with Tangata Whenua and other stakeholders and monitors and enforces rules and policies.

Activities included in this Significant Activity include:

District Planning (reviewing and amending the District Plan as appropriate)

District Plan Implementation (issuing of resource consents for land use and subdivision and monitoring of consents for compliance with conditions).

Contribution to Community Outcomes:

Community Outcomes		How Activity Contributes
	Development and protection of natural environment	To assist the development of a safe and sustainable environment through the administration of the Ōpōtiki District Plan and the Resource Management Act 1991.
	Development supports the community	
	Services and facilities meets our needs	To provide a District Plan that responds to and manages growth and development in terms of environmental sustainability.

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
The District Plan could be seen as either a barrier to growth or to enabling causing environmental degradation.			✓		Council will ensure that any amendments to the District Plan balance the need for environmental protection and desirable development.
Cost of process could be seen by some as excessive.			✓		Efficient processes while ensuring purpose of Act is met.

Strategic Goal: To assist the development of a safe and sustainable environment through the administration of the Ōpōtiki District Plan and the Resource Management Act 1991.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The Council will provide and maintain a quality service to meet statutory requirements.	% of time resource consents are issued within the statutory timeframes.	Internal database	100%	Achieved	100%. A total of 21 resource consents were issued within statutory timeframes
	Number of successful appeals of Council decisions.	Internal database	100%	Achieved	No appeals were lodged.

Key Achievements for the Resource Management Activity for the 2012-13 year include:

- The number of LIM applications has increased by 19 applications (or 50%) over the previous year.

Financial Information:**FUNDING IMPACT STATEMENT FOR 2012/13 FOR RESOURCE MANAGEMENT**

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	276	338	333
Targeted rates (other than targeted rates for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	59	40	41
Internal charges and overheads recovered	149	169	109
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	484	547	483
<i>Application of operating funding</i>			
Payments to staff and suppliers	271	311	225
Finance costs	-	-	-
Internal charges and overheads applied	213	236	227
Other operating funding applications	-	-	-
Total application of operating funding (B)	484	547	452
Surplus (deficit) of operating funding (A - B)	-	-	31
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) reserves	-	-	31
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	-	-	31
Surplus (deficit) of capital funding (C - D)	-	-	(31)
Funding balance ((A - B) + (C - D))	-	-	-

Wastewater

What we do and Why:

This Significant Activity provides for the environmentally safe collection, treatment and disposal of the District's sewage wastes. Council operates two schemes. One serves the township of Ōpōtiki and the Waiotahi Drifts while the other serves a small subdivision at Waihau Bay. Both schemes discharge primary treated effluent to field soakage systems. All other dwellings in the District are serviced by privately owned septic tank systems.


Council is involved in the Wastewater Significant Activity as the collection, treatment and safe disposal of human and commercial/trade wastes are essential for the protection of public health and environmental outcomes in urban areas.

Activities included in this Significant Activity include:

Reticulation, Treatment and Disposal (Ōpōtiki and Waihau Bay).

The Local Government Act 2002 empowers Council to be involved in the ownership of wastewater assets and the provision of services.

Contribution to Community Outcomes:

Community Outcomes		How Activity Contributes
	Development and protection of natural environment	To protect public health and property from sewage overflows.
	Development supports the community	To enable economic growth with quality of life benefit.
	Services and facilities meets our needs	To protect the environment from the adverse effects of wastewater.

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Groundwater infiltration could overload the treatment and reticulation systems and limit new connections – a barrier to community growth and development.		✓	✓	✓	Robust wastewater asset management planning and design avoids adverse effects on the environment. Council's dedication to a sustainable reticulation renewal programme will mitigate against groundwater infiltration.

Strategic Goal: To protect public health and property from sewage overflows.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
A reliable removal and treatment service is provided in areas serviced by Council operated sewerage systems.	Number of notified sewage overflow events for the Ōpōtiki scheme.	Service request system	<10	Achieved	There were three complaints in the 2012-13 year regarding possible blockages but none of these led to overflow events.
	Number of notified sewage overflows for the Waihou Bay scheme.	Service request system	<2	Achieved	There were no notified sewage overflow events for the Waihou Bay Scheme in the 2012-13 year.
Service requests and failures are responded to as they come in.	Response time for requests for service do not exceed 4 hours.	Service request system	90%	Not achieved	Six requests for service received in the 2012-13 year with four being responded to within four hours (66%) and two responded to within 1-2 days (33%).
Sewage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system.	Service request system	0	Achieved	There were no notified sewage overflows into habitable buildings due to faults in wastewater system recorded for the 2012-13 year.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Service provides social benefits to the whole of the community.	Percentage of connected residents at each Wastewater scheme who are satisfied there are no indicators of environmental pollution from each scheme.	Customer satisfaction survey	100%	Not Achieved	85% of those surveyed in 2013 responded that they are very/fairly satisfied there are no indicators of environmental pollution from each scheme.

Strategic Goal: To enable economic development by encouraging growth and development with quality of life benefit.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Wastewater connections are available within areas serviced by a Council operated service.	Percentage of ratepayers within each serviced area who can connect to the network.	Planning records			Achieved.
	Ōpōtiki scheme		100%	Achieved	2 new applications approved.
	Waihou Bay scheme		100%	Achieved	Nil applications made.

Strategic Goal: To protect the environment from the adverse effects of wastewater.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The quality of effluent leaving the treatment plant is of a standard required by consents.	All test results meet consent conditions.	Bay of Plenty Regional Council compliance report Council's monitoring regime	100%	Achieved	Compliance demonstrated by field sheets

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The quality of effluent leaving the treatment plant is of a standard required by consents.	Water sampling results in the environment meet consent conditions	Council's monitoring regime	100%	Achieved	Refer records.
Effluent is disposed to land without adversely affecting the quality of the adjacent river, estuary and coastline features.	Number of complaints regarding overflows of effluent outside the land disposal area.	Service request system	0	Achieved	There were no complaints received for overflows of effluent outside the land disposal area for the 2012-13 year.

Key Achievements for the Wastewater Activity for the 2012-13 year include:

- Ōpōtiki Township Sewerage Investigation Report completed. This addresses options available for replacing/upgrading the reticulation as outlined in the 2012-22 LTP
- Bypass reticulation for Ford Street rising main completed to relieve overflow effects on one of most stressed area of township north of Ford Street
- No reports of sewage overflow events in Ōpōtiki township and serviced area of Waihou Bay for the year.



Financial Information:**FUNDING IMPACT STATEMENT FOR 2012/13 FOR WASTEWATER**

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	-	52	51
Targeted rates (other than targeted rates for water supply)	478	466	451
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	2	4	(31) *
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	480	522	471
<i>Application of operating funding</i>			
Payments to staff and suppliers	190	239	234
Finance costs	78	31	35
Internal charges and overheads applied	63	59	58
Other operating funding applications	-	-	-
Total application of operating funding (B)	331	329	327
Surplus (deficit) of operating funding (A - B)	149	193	144
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	400	(20)	(100)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	7
Total sources of capital funding (C)	400	(20)	(93)
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	163	87
- to replace existing assets	485	13	-
Increase (decrease) reserves	64	(3)	(36)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	549	173	51
Surplus (deficit) of capital funding (C - D)	(149)	(193)	(144)
Funding balance ((A - B) + (C - D))	-	-	-

* 2012 Income accrual for Supermarket development works has been partially apportioned to Stormwater.

INTERNAL BORROWING**Amount of Internal Borrowing Wastewater**

Balance 1/07/2012	Borrowed	Repaid	Balance 30/06/2013	Interest 30/06/2013
\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
100		100	0	5
100	0	100	0	5

CAPITAL EXPENDITURE PROJECTS FOR WASTEWATER

	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>To improve level of service</i>		
Research & Consultants - Ōpōtiki	88	36
Reticulation - Ōpōtiki	-	39
Pond extension - Ōpōtiki	63	12 *
Telemetry - Waihou Bay treatment plant	12	- *
	163	87
<i>To replace existing assets</i>		
Treatment Plant Switch Board - Waihou Bay	13	- *
	13	-
Total capital expenditure	176	87

* See Capital Expenditure Variances pages on pages 128 and 129

Economic Sustainability

Why we provide this group of activities:

The Economic Sustainability Group of Activities are those that provide infrastructure that enables the community to grow and prosper. The Ōpōtiki District relies on reliable infrastructure to support business and industry development. By way of example primary industries depend on a reliable transport network to enable them to get produce to market. The developing Aquaculture Industry will need a secure and reliable potable water supply for processing its products.

Significant Activities Comprised in this Group:

Water Supply, Land Transport and Investments.

Water Supply

What we do and why:


The Water Supply Significant Activity provides for the environmentally safe collection, treatment and reticulation of potable water supply to certain parts of the community. A reliable and safe Water Supply is provided to approximately 5,750 of the Ōpōtiki District population in Te Kaha, Ōpōtiki, Hikutaia, Waiotahi Drifts and Ōhiwa. Efficient, safe and sustainable water supplies are essential for the social, economic and environmental well-being of the District. Reliable drinking water supports public health outcomes, industry growth and development and community safety by way of providing fire fighting capacity in urban areas.

Activities included in this Significant Activity include:

Extraction, Treatment and Reticulation of potable water.

The Local Government Act 2002 empowers Council to be involved in the ownership of Water Supply assets and the provision of services.

Contribution to Community Outcomes:

Community Outcomes		How Activity Contributes
	Development and protection of natural environment	Safe drinking water in accordance with NZ Drinking Water Standards.
	Development supports the community	Reliable water supplies, minimising supply disruptions through improved maintenance and meeting peak water supply demands.
	Services and facilities meets our needs	Cost effective operation, maintenance of and improvements to water supply systems including treatment facilities, pumping stations, reservoirs and piped reticulation.

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Growth could exceed the capacity of the water supply infrastructure.		✓	✓		Robust Water Supply asset management planning and design avoids adverse effects on the environment. The Water Supply Asset Management Plan adequately provides for projected growth, particularly through extended reticulation.
Excessive abstraction of raw water at the point of intake has the potential for negative impact on the environment.				✓	Robust assessment of effects carried out in support of resource consent to take water. Regional Council monitoring of Aquifer.

Levels of Service:

Strategic Goal: Safe drinking water in accordance with NZ Drinking Water Standards.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Pleasant tasting and looking drinking water is provided from Council operated supplies.	Measure of customers who are satisfied with the quality of their drinking water.	Customer satisfaction survey	80%	Achieved	80% of those surveyed in 2013 responded that they are very/fairly satisfied with the quality of their drinking water.
	Compliance with NZ Drinking Water Standards 2005 (revised 2008).	Ministry of Health Annual Report	100%	Not achieved	Two non-compliance issues –one at source and one in distribution for Hikutia-Woodlands scheme. Follow up tests confirmed compliance.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Pleasant tasting and looking drinking water is provided from Council operated supplies.	Public Health Risk Management Plans adopted and implemented.	Ministry of Health compliance letter	Not available due to new schemes	Not achieved	Achieved for Te Kaha as per legislation. Plans underway for Ōpōtiki, Hikutia-Woodlands and Ohiwa. Completion required by 2014/15.

Strategic Goal: Reliable water supplies, minimising supply disruptions through improved maintenance and meeting peak water supply demands.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Where Council provides a water supply that is reliable.	Measure of customers served by Council supply who are satisfied with the reliability of their water supply services.	Customer satisfaction survey	80%	Achieved	95% of those surveyed in 2013 responded that they are very/fairly satisfied with the reliability of their water supply services.
Failures and service requests are responded to promptly.	Number of incidents a year where restoration of service exceeds 4 hours.	Service request system	0	Not achieved	7 requests received for failure of supply in 2012-13 year. 6 restored within 4 hours and 1 restored within 5 hours. N.B. Of the 6 requests restored within 4 hours, 2 have the date but not the actual time of restoration recorded. Reporting system adjusted to rectify in future.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Water resources are used efficiently and sustainably.	Average daily water consumption per connection at each scheme area where measured. (Applies at Ōpōtiki and Te Kaha schemes).	Internal databases	800 litres	Not achieved	Achieved in first and last quarters for both schemes but not achieved in second and third for both schemes due to drought conditions. Overall for annual figure target not achieved.
Water supply is adequate for fire fighting purposes.	Percentage of serviced properties within each scheme area having an operational fire hydrant within distance specified by Fire Service.	NZ Fire Service Code of Practice and ODC GIS	80%	Not achieved	All hydrants identified within the Ōpōtiki service zone are plotted on Council records. Te Kaha scheme does not comply due to low pressure of water supply.
Water supply is adequate for fire fighting purposes.	Minimum of six fire hydrants tested and meeting tri-annual compliance test with fire fighting standards.	Service request system	6	Achieved	Minimum of 9 hydrants tested and meeting tri-annual compliance test with fire fighting standards.

Strategic Goal: Cost effective operation, maintenance of and improvements to water supply systems including treatment facilities, pumping stations, reservoirs and piped reticulation.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The services are managed at the lowest possible all of life cycle cost for the required level of service.	Percentage of customers who are satisfied that the water supply cost and service is fair and reasonable.	Customer satisfaction survey	75%	Achieved	75% of those surveyed in 2013 responded that they are very/fairly satisfied that the water supply cost and service is fair and reasonable.
	Percentage of capital and renewal projects as set out in the LTP implemented on time and within budget so that level of pressure and flow are not affected by decline in service and growth.	Financial reports	100%	Not achieved	Preparation underway for MoH subsidy application for replacement of Waioeka R crossing for Ōpōtiki scheme. Council approved to defer works to 2013/14 year. Te Kaha capital project 100% complete at 31 December 2012.

Key Achievements for the Water Supply Activity for the 2012-13 year include:

- The Te Kaha water treatment plant underwent a comprehensive upgrade which included the installation of new filters and ultra violet light equipment. The supply is now fully compliant with MoH requirements for both bacterial and protozoa treatment. Works were completed in November 2012
- Notification was received from MoH that the Ōpōtiki supply is the only local authority supply in the Eastern Bay and Taupo sub-region that has reached secure source status.

Financial Information:

FUNDING IMPACT STATEMENT FOR 2012/13 FOR WATER SUPPLIES

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	-	50	49
Targeted rates (other than targeted rates for water supply)	-	-	-
Subsidies and grants for operating purposes	-	230	-
Fees, charges, and targeted rates for water supply	905	962	975
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	905	1,242	1,024
<i>Application of operating funding</i>			
Payments to staff and suppliers	241	377	362
Finance costs	226	213	205
Internal charges and overheads applied	128	116	112
Other operating funding applications	-	-	-
Total application of operating funding (B)	595	706	679
Surplus (deficit) of operating funding (A - B)	310	536	345
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(110)	(43)	(136)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	25
Total sources of capital funding (C)	(110)	(43)	(111)
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	321	208
- to improve level of service	-	-	-
- to replace existing assets	11	81	66
Increase (decrease) reserves	189	91	(40)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	200	493	234
Surplus (deficit) of capital funding (C - D)	(310)	(536)	(345)
Funding balance ((A - B) + (C - D))	-	-	-

LTP figures have been restated to include the uniform charge for water to "Fees charges and targeted rates for Water Supply" to enable better comparison.

INTERNAL BORROWING

Amount of Internal Borrowing Water

Balance 1/07/2012	Borrowed	Repaid	Balance 30/06/2013	Interest 30/06/2013
\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
1170	8	144	1034	61
1170	8	144	1034	61

CAPITAL EXPENDITURE PROJECTS FOR WATER SUPPLIES

	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's	
<i>To meet additional demand</i>			
Treatment Plants - Ōpōtiki	15	-	*
Pressure Monitoring - Ōpōtiki	30	-	*
Treatment Plant - Te Kaha	276	208	
	321	208	
<i>To replace existing assets</i>			
Reticulation - Ōpōtiki	60	55	
WTP Chemical Tanks - Ōpōtiki	18	-	*
Reticulation - Te Kaha	3	11	
	81	66	
Total capital expenditure	402	274	

* See Capital Expenditure Variances on pages 128 and 129

Land Transport

What we do and why:

Council provides on-going management, development and maintenance of the District Land Transport Network. The Land Transport Network in the Ōpōtiki District enables the safe and efficient movement of people and goods and services that avoids damage to the environment. The Land Transport Network contributes to the social and economic development of the District Community.


An efficient, safe and reliable Land Transport Network is essential for the economic well – being of our District. Roads provide access to properties, the passage of traffic and the transportation of goods and services.

Activities included in this Significant Activity include:

Subsidised Roothing

Unsubsidised Roothing

Contribution to Community Outcomes:

Community Outcomes		How Activity Contributes
	Development and protection of natural environment	The transport network supports the economic and lifestyle needs of the District through provision of access to properties, passage of through traffic, and effective transportation of goods and services.
	Development supports the community	
	Services and facilities meets our needs	
	A strong and distinctive community	

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Carbon emissions and safety associated with using the transport network.		✓		✓	Alternative fuel and product sources need to be considered. Education and safer road corridors.
Road standards and capacity could result in delays to the transport of good and services and access to emergency services and daily employment.		✓	✓		Responding to damages and repairs in a timely and appropriate manner.
There may be a gap between community expectations for roading and the subsidised funding from government.	✓	✓	✓		Consultation with community about choice between rates finding and level of service. Focussed Advocacy efforts.

Strategic Goal: The transport network supports the economic and lifestyle needs of the District through provision of access to properties, passage of through traffic, and effective transportation of goods and services.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
The surface of the roading network is maintained in good condition and is 'fit for purpose'.	The number of service complaints in any one month regarding the condition of the roading surface.	Service request system	<20	Achieved	A total of 12 complaints or requests for service were received in the 2012-13 year. The maximum number of complaints in any one month was three.
The transportation system is reliable and travel times are predictable.	Percentage of persons who rate the reliability of the District's roading network as good or excellent in the Customer satisfaction survey.	Customer satisfaction survey	65%	Achieved	78% of those surveyed in 2013 rated the reliability of the District's roading network as good or excellent.
Road users find the road environment predictable and the road safe to use.	Percentage of persons who as users rate the safety of the District's roads as good or excellent in the Customer satisfaction survey.	Customer satisfaction survey	70%	Achieved	76% of those surveyed in 2013 rated the safety of the District's roading network as good or excellent.
Traffic services (street lighting, roadside vegetation, road signs, road markings) are visible and accurate.	Percentage of road users satisfied that traffic services on the network are accurate and visible in the Customer satisfaction survey.	Customer satisfaction survey	70%	Achieved	84% of those surveyed in 2013 responded that they are very/fairly satisfied that traffic services on the network are accurate and visible.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Road Corridor users (pedestrians, joggers, disabled persons etc) are able to use the road corridors in a safe and convenient manner.	The number of users who agree the standard of footpaths is good or excellent in the Customer satisfaction survey.	Customer satisfaction survey	70%	Not achieved	67% of those surveyed in 2013 agreed the standard of footpaths is good or excellent.

Key Achievements for the Land Transport Activity for the 2012-13 year include:

- 1.7 kilometres of seal extension (Gaskill Road) completed in January 2013
- 245 metres of urban upgrade (Wharf and Grey Streets) completed in March 2013
- 11 kilometres of reseal renewal works completed
- 275 metres of new/replaced footpath completed (Ford St, St John St, King St, Wharf St and Grey St sections)
- Despite lower than expected subsidy and reduced budget, expenditure on operations, maintenance, minor safety and renewals all completed below Council budget.



Financial Information:

FUNDING IMPACT STATEMENT FOR 2012/13 FOR LAND TRANSPORT

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	1,689	1,832	1,803
Targeted rates (other than targeted rates for water supply)	88	63	64
Subsidies and grants for operating purposes	866	785	776
Fees, charges, and targeted rates for water supply	-	-	36
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	70	-
Total operating funding (A)	2,643	2,750	2,679
<i>Application of operating funding</i>			
Payments to staff and suppliers	1,721	1,897	1,644
Finance costs	26	20	-
Internal charges and overheads applied	216	211	203
Other operating funding applications	-	-	-
Total application of operating funding (B)	1,963	2,128	1,847
Surplus (deficit) of operating funding (A - B)	680	622	832
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	493	483	493
Development and financial contributions	89	35	3
Increase (decrease) in debt	(155)	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	275	-
Total sources of capital funding (C)	427	793	496
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	316	653	280
- to improve level of service	188	178	94
- to replace existing assets	656	723	697
Increase (decrease) reserves	(53)	(139)	257
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	1,107	1,415	1,328
Surplus (deficit) of capital funding (C - D)	(680)	(622)	(832)
Funding balance ((A - B) + (C - D))	-	-	-

CAPITAL EXPENDITURE PROJECTS FOR LAND TRANSPORT

	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's	
<i>To meet additional demand</i>			
Seal Extension	593	172	*
Footpaths	30	45	*
Urban Kerb & Channel	30	18	
Minor Safety Projects		45	
	653	280	
<i>To improve level of service</i>			
Minor Safety Projects	110	45	*
Major Drainage control	68	49	
	178	94	
<i>To replace existing assets</i>			
Unsealed Roads	131	120	
Sealed road resurfacing - Rural	266	297	
Sealed road resurfacing - Urban	133	107	
Pavement Rehabilitation - Urban	127	72	
Traffic Service Renewals - Rural	23	70	
Traffic Service Renewals - Urban	23	12	
Associated improvements	20	19	
	723	697	
Total capital expenditure	1,554	1,071	

* See Capital Expenditure Variances on pages 128 to 129.



Investments

What we do and why:

The Investment Activity provides for Council's ownership stake in Council Controlled Organisation namely BOP LASS Ltd (Bay of Plenty Local Authority Shared Services) and TOI-EDA (Eastern Bay of Plenty Regional Economic Development Agency). Council has an investment stake in these organisations as by doing so it can leverage outcomes that are important to the Ōpōtiki District that it may not be able to achieve on its own. By having an ownership stake in these organisations Council is partnering with other units of Local Government within the Bay of Plenty Region to achieve common objectives.

Activities included in this Significant Activity include:


BOP LASS Ltd

Established in 2007/08 BOP LASS was created to foster shared services between participating Council's. It provides a vehicle to investigate, procure, develop and deliver shared services where a clear benefit (in terms of quality of service or cost) exists for member local authorities. There has been no change in the nature and scope of the activities undertaken by BOP LASS Ltd.

TOI-EDA

Toi-EDA is the Eastern Bay of Plenty regional Economic Development Agency established by the three territorial authorities (Kawerau, Ōpōtiki and Whakatāne) working together with local Iwi. Toi-EDA has a strong focus on its vision of enhancing the Eastern Bay of Plenty's economic growth and resultant social and economic wealth for its communities. There has been no change in the nature and scope of the activities undertaken by TOI-EDA.

Contribution to Community Outcomes:

Community Outcomes		How Activity Contributes
	Services and facilities meets our needs	Council investments contribute to the social and economic well-being of the District.
	A strong and distinctive community	
	Fair and efficient leadership	

Potential Significant Effects:

Significant Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Other parties with an ownership stake withdraw support.			✓		Council will continue to be an active member of CCO's at both a governance and operational level with a view to ensure they continue to add value to all those with an ownership stake.
CCO's are perceived as a threat to community autonomy.		✓			Council will continue to be an active member of CCO's at both a governance and operational level with a view to ensure they continue be about advancing common objectives.

Strategic Goal: Council investments contribute to the social and economic well-being of the District.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Shared Services.	Investigate and implement shared services.	BOPLASS performance report	Initiate at least one shared service each year and no less than two shared services successfully implemented within three years	Achieved	Shared IT infrastructure developed through the appointment of external hosting provider (data centre), 2012/13.
Shared Services.	Communication.	BOPLASS performance report	Communicate with each shareholding Council at appropriate levels with at least one meeting with each Executive Leadership Team	Achieved	Appropriate communication with each shareholding Council undertaken as required throughout the year.
	Financial Sustainability.	BOPLASS performance report	Ensure sufficient income is available from activities to sustain a viable company	Achieved	Council contributions levied, activity groups levied, contributions received from activities producing savings.

Level of Service	Key Performance Indicator	Data Source	LTP Target for 2012/13	Actual Performance for 2012/13	Commentary
Toi-EDA.	Implementation of agreed Strategic Direction.	Toi-EDA Strategic Plan	Review and implement Economic Development Plan on an annual basis Implement key actions annually from the Toi-EDA Strategic Plan	Achieved. Toi-EDA fully or partially achieved 80 per cent of the actions planned for the year to June 2013, and substituted additional actions for those items that had become less relevant. A significant additional action was the organisation of the Grow Eastern Bay Business and Economic Development Forum in December, the first sub-region-wide forum of its kind. The output from the Forum provided the basis for Toi-EDA's strategic plan for the period 2013-15.	Highlights for the year included: support for the Ōpōtiki Harbour Transformation initiative and; expansion of Toi-EDA's Asia-readiness capability via the sharing of Ōpōtiki's Tourism & Economic Development Officer Simon Appleton.

Key Achievements for the Investment Activity for the 2012-13 year include:

Over the period under report BOP LASS has been working with member Councils to facilitate shared services, add value via joint procurement and to pursue best practice and minimise risk as per Council's Strategic Objectives for its investment in BOPLASS. Important work has been progressed in the area of Inter Council Network and Geographical Information Services. Progress against Key Performance Indicators is reported above.

Financial Information:**FUNDING IMPACT STATEMENT FOR 2012/13 FOR INVESTMENTS**

	2011/12 2009-19 LTP \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>			
General rates, uniform annual general charge, rates penalties	(4)	5	5
Targeted rates (other than targeted rates for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply	149	165	144
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding (A)	145	170	149
<i>Application of operating funding</i>			
Payments to staff and suppliers	119	118	128
Finance costs	-	-	-
Internal charges and overheads applied	26	34	34
Other operating funding applications	-	18	8
Total application of operating funding (B)	145	170	170
Surplus (deficit) of operating funding (A - B)	-	-	(21)
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
<i>Application of capital funding</i>			
Capital Expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) reserves	-	-	(21)
Increase (decrease) of investments	-	-	-
Total application of capital funding (D)	-	-	(21)
Surplus (deficit) of capital funding (C - D)	-	-	21
Funding balance ((A - B) + (C - D))	-	-	-

Funding Impact Statement

The funding impact statement provides an overview of how the Ōpōtiki District Council obtains its funding.

The Council has set out the sources of its funding in the Revenue and Financing Policy. Each property in the district pays toward the provision of facilities and services for the community by way of rates.

All properties pay a **Uniform Annual General Charge** which is the same amount for all properties. They also pay **General Rates** which are calculated on the capital value of the property.

Services are provided to some areas of the district and not in others therefore a **Targeted Rate** is applied to those properties that have access to or benefit from a particular service.

FUNDING IMPACT STATEMENT FOR 2012-13 (WHOLE OF COUNCIL)				
	2011/12 LTP \$ 000's	2011/12 Actual \$ 000's	2012/13 LTP \$ 000's	2012/13 Actual \$ 000's
<i>Sources of operating funding</i>				
General rates, uniform annual general charge, rates penalties	5,714	5,638	6,714	6,603
Targeted rates (other than targeted rates for water supply)	1,485	1,524	922	907
Subsidies and grants for operating purposes	1,368	1,080	855	938
Fees, charges, and targeted rates for water supply	2,531	1,790	2,533	2,597
Interest and dividends from investments	130	102	108	78
Local authorities fuel tax, fines, infringement fees and other receipts	185	1,407	70	233
Total operating funding (A)	11,413	11,541	11,222	11,356
<i>Application of operating funding</i>				
Payments to staff and suppliers	8,752	10,667	8,882	7,770
Finance costs	295	336	333	251
Other operating funding applications	314	-	349	787
Total application of operating funding (B)	9,361	11,003	9,564	8,808
Surplus (deficit) of operating funding (A - B)	2052	538	1,658	2,548
<i>Sources of capital funding</i>				
Subsidies and grants for capital expenditure	1,781	1,036	810	493
Development and financial contributions	155	64	105	(1)
Increase (decrease) in debt	1,251	1,251	42	-
Gross proceeds from sale of assets	16	242	31	39
Lump sum contributions	-	-	275	237
Total sources of capital funding (C)	3,203	2,593	1,263	768
<i>Application of capital funding</i>				
Capital Expenditure				
- to meet additional demand	2,375	1,826	1,864	1,420
- to improve level of service	1,423	396	791	899
- to replace existing assets	1,580	1,161	1,146	1,087
Increase (decrease) reserves	(123)	70	(241)	117
Increase (decrease) of investments	-	(322)	(639)	(207)
Total application of capital funding (D)	5,255	3,131	2,921	3,316
Surplus (deficit) of capital funding (C - D)	(2052)	(538)	(1658)	(2548)
Funding balance ((A - B) + (C - D))	-	-	-	-

2011/12 LTP, 2011/12 Actual and 2012/13 LTP figures have been restated to include uniform charges for water to "Fees, charges and targeted rates for water supply" to enable better comparison.

Local Government (Financial Reporting) Regulations 2011

The funding impact statement is presented for compliance with Local Government (Financial Reporting) Regulations 2011.

In accordance with the regulations, the information is incomplete and not prepared in compliance with generally accepted accounting practice. It should not be relied upon for any other purpose than compliance with the Local Government (Financial Reporting) Regulations 2011.

The key differences between the Funding Impact Statement and the Statement of Comprehensive income are:

- Depreciation, vested assets and gains or losses on revaluation of assets are excluded from the Funding Impact Statements
- The Group of Activities Funding Impact Statements, elsewhere in this document, also include internal borrowing and internal charges.

DEPRECIATION AND AMORTISATION BY GROUP OF ACTIVITIES

	2011/12	2012/13	2012/13
	Annual Plan	LTP	Actual
	\$ 000's	\$ 000's	\$ 000's
Community Facilities	437	432	392
Economic Development	-	-	-
Regulation & Safety	-	4	3
Solid Waste Management	-	8	16
Stormwater	38	156	114
Wastewater	145	195	174
Water Supplies	329	322	301
Land Transport	1,156	1,207	1,219
Total depreciation	2,105	2,324	2,219



Capital Expenditure Variances 30 June 2013

Property – Additional Demand

Construction of the Memorial Park Pavilion is over budget by \$61,000 due to two main factors. The scope of the project increased during detail design stage, there were unbudgeted compliance costs of \$32,000 for geotechnical survey work, and expenditure on ancillary items of \$20,000 including security system, footpaths, seats and carved polls. The increased costs were offset by external funding secured from Lottery Grants Board and Eastern Bay Energy Trust totalling \$350k. The revised budget was approved by Council in December 2011 prior to tendering.

Property – Renewal

The cost of renovations to the office administration building was completed within budget at an overall cost of \$338,000 against the amended budget of \$348,000. The original budget for the office upgrade was prepared in the 2007/08 year however the project was deferred by Council for various reasons. When it was revived the scope of work was changed. This was described in a report to Council with options to either limit the upgrade to the level of the old budget or otherwise meet the greater scope with a revised budget. Council resolved on the latter option.

Wastewater – Renewals

Pump Stations

Pump Stations for storm water are over budget by \$32,000. This is due to the cost of replacement and rerouting of underground cable to Tarawa Creek pump station. There was a change in regulations for metering and deterioration in the cable that made this change necessary.

Pond Extension

The Pond Extension project was deferred to the 2013/14 year to combine this with the decontamination of the old saleyard site work. This was because the contaminated soil could be used to build the pond banks thus reducing the cost of transporting to a landfill site and purchasing clean fill for the pond banks.

Telemetry – Waihou Bay

The telemetry installation and replacement of the Switchboard at Waihou Bay was deferred to the 2013/14 year due to a 6 month delay in securing a telephone link there from Telecom.

Wastewater – Increased Level of Service

Research and Consultants is \$15,000 over budget due to expenditure on preliminary assessment of options for the wastewater upgrade.

Water – Additional Demand

Chemical Tanks

Expenditure of \$15,000 at the Opotiki Treatment Plant was suspended until the 2013/14 year. The work required was to purchase and install a new chemical tank and remove an old tank. A further tank is to be replaced in the current year hence the two projects were combined to save contractor set up costs. The works are now substantially completed.

Pressure Monitoring

The expenditure was to purchase pressure monitoring equipment and obtain specialist consultant assistance.

The consultant has been engaged but asked for work to be undertaken in the 2013/14 year. Similarly equipment type has been selected and will be installed in November 2013.

Transport Renewals

Seal extensions were proposed for Gaskills and Wainui (Tōrere) roads. The latter was to be carried out on condition a \$270,000 contribution was received from Hancock Forest Management. Due to access issues to a forest beyond Wainui Road the forest harvest has been delayed and will be until the Māori Land Court has agreed to resolutions of the issues. The forestry company plans to honour the funding agreement when a resolution is reached. Council agreed to transfer Council's contribution component to the 2013/14 year. Gaskills Road was sealed as per programme.

The total spend on minor safety projects was \$90,000 against the \$110,000 budget. Minor safety works are components of both rehabilitation and new works and are difficult to specify accurately when budget is prepared. NZTA allow for transfer within the 3 yearly allocation period. 60% of funding is obtained from NZTA.

Water – Additional Demand

The Te Kaha Water reticulation project cost is \$315,659 against the amended budget of \$280,000. The project is over budget mainly due to inflation since the project budget was completed for the Ministry of Health two years ago. In addition the need to upgrade the power supply was not anticipated.

Transport – Additional Demand

Footpaths are over budget by \$15,000. The over expenditure is due to unbudgeted works on Ford and Windsor Street and King Street frontage to Te Ao Hou Trust.

State of Significant Acquisitions

Seal Extension

\$172,295

Seal extensions were completed on the following roads after documents were prepared by Council staff and works tendered:
Gaskill Road 1.7 km

Pavement Rehabilitation

\$71,729

Street upgrades were carried out to the following sections in Ōpōtiki Township:
Wharf and Grey Street 245m

Reseals - Urban - Rural

\$106,708

\$297,434

As part of the ongoing reseal programme 0.4 Km of urban and 10.6 km of rural roads were resealed: being approximately 1.7% and 3.3 per cent of the respective part of the network.

Metaling of Unsealed Roads

\$119,746

Te Kaha Water Extension

\$303,659

Upgrade with installation of new filters and ultra violet equipment.

Stormwater

\$234,274

Completion of Stormwater Pump Station and Gravity outlet to river in Forsyth Street Reserve.

Memorial Park Pavilion

\$1,051,174

Construction of new Sports Pavilion situated at Memorial Park completed in March 2013.

Office Administration Building

\$346,342

Upgrade of Councils administration building in St John Street

Plant

\$178,699

Vehicle and plant replacements plus generator capacity and sirens for emergency management.



