



Ōpōtiki District Council

2015/16 Annual Report

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Waiōtahe beach - Ōpōtiki
Photo – Sarah Wilson

Produced by Ōpōtiki District Council
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Directory

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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
Bevan Gray
Finance and Corporate Services Group Manager
Chris Hopman
Engineering and Services Manager
Barbara Dempsey
Planning and Regulatory Manager
Mike Houghton
Community Facilities Manager



Your Representatives

Council

John Harris Forbes (Mayor)	315 7362
Ōpōtiki Ward:	
Shona Browne	315 7347
Arihia Tuoro	0272742268
Barry Howe	315 6003
Coast Ward:	
Haki McRoberts (Deputy Mayor)	325 2833
Waiotaha/Waioeka Ward:	
Lyn Riesterer	3156627
Ken Young	3157919

Community Board

Haki McRoberts (Chairman)
Muriwai Jones
Edward Matchitt
Tiaki (Jack) Parata
Gail Keepa



From the Mayor and CEO

This year we have seen growth in a number of our key industries – kiwifruit, Manuka products, honey and aquaculture. Council is considering how that growth can be supported and the infrastructure needed to ensure those industries flourish.

October 2015 saw a major milestone achieved with the announcement that the government was supporting the Ōpōtiki Harbour Project. A Memorandum of Understanding was signed with the government and the Bay of Plenty Regional Council that commits the parties to working through a range of projects that are required to get the harbour to the point of letting a contract. Government have committed \$3M to fund that work. In February we went to the market to seek contracting companies with the ability to design and construct the harbour, and in May we invited HEB Construction and Brian Perry Civil to submit closed tenders by March 2017. In the meantime two rounds of geotechnical investigation are being carried out in a programme designed with the input of the two tenderers. A close working group has been developed with the government, Bay of Plenty Regional Council and the Whakatōhea Māori Trust Board to oversee the implementation of the project.

Out on the water the farm has been commercially operating for the last two years and is developing well ahead of its previous programme. Supplying spat in New Zealand has meant the farm development could proceed faster than planned and the vessel “Northern Quest” has been purchased by the operating companies.

Our investigation of inflow and infiltration of the town sewer has proceeded to a “Find and Fix” phase in the northern catchment of the Ōpōtiki township focussing on the shallow parts of the system. Council wanted to determine what sort of performance improvement could be achieved by fixing the shallowest (and therefore cheapest) problems – and at what cost. So rather than just investigate the faults, they were identified and then fixed. In parallel, cameras were put into the deep sewers to determine the faults. Information from both of these investigations will put us in a good position to provide options to the community in our next annual plan process. We hope the investigation will mean a cheaper solution, or a solution that is prioritised and spread over time.

The library continues its operational transformation and the visitor numbers are still climbing, having quadrupled in the last two years. We have also been fundraising and making funding applications for the proposed transformation of the building.

The review of the district plan went to stakeholder groups as a draft. This was a non-statutory process that aims to assist the passage of the document through the planning process.

Council still awaits the decision on an application to government for fast broadband in the Ōpōtiki District.

With a range of exciting projects underway, council has increased staff numbers (funded in a variety of ways) and is working hard to ensure business as usual is maintained. This year has seen some slippage in our parks and reserves and facilities activities and the coming year should see these addressed with further resourcing.



John Forbes
Mayor of Ōpōtiki



Aileen Lawrie
Chief Executive Officer



Highlights

• Harbour Development Project

Commitment from government to fund validation work

In October 2015 Ministers Joyce, Tolley and Flavell visited Ōpōtiki to announce the government's commitment to the harbour development project. They announced the signing of a MOU between the government, BOPRC and ODC committing the parties to working together to take the harbour to being ready to let a contract for the build. Government committed \$3M to ensure the project could advance and will consider the remainder of the funding upon receipt of an updated Business Case in 2017.

Project board set up

To ensure the oversight of the 16 workstreams that arise from the MOU, a Project Board was set up, chaired by the Mayor of Ōpōtiki, John Forbes. The Board is made up of representatives of MBIE, MPI, BOPRC and the Whakatōhea Māori Trust Board. The board meets six weekly and is driving progress.

16 workstreams developed

The 16 workstreams are intended to ensure the delivery of the infrastructure and planning required to support an aquaculture industry, and to promote additional value, through other uses and users. While the bulk of expenditure is on advancing the design and construct tenders, there are other important workstreams that underpin the harbour, aquaculture and other growth industries in the district.

Design and Construct Tender process

The government \$3M is allocated to the main workstream of finalising geotechnical investigations, and developing, running and awarding the main design and construct contract. In January, Council resolved to procure its services through an Early Contractor Involvement process, drawing on the expertise of the major contractors, but retaining a competitive pricing element. In February, Council released a request for statements of intent and ability, and after evaluating all submissions, in May invited HEB Construction and Brian Perry Civil into a closed tender process. The timing has meant both tenderers have already had input into two contracts for geotechnical work in the inner harbour and beach and offshore areas.



On water developments

On the water we have seen the mussel farm growing faster than originally planned, to around 87 lines at the end of the financial year, with more being deployed. We understand this has been possible because of the ability of the farm to supply spat (baby mussels) to a spat short New Zealand industry for good return. The Northern Quest, the largest mussel processing barge in NZ has been purchased and is operating out of Whakatāne in the short term, employed on both the Ōpōtiki farm and Coromandel farms. Local jobs are already being created through the aquaculture companies, and the companies supporting them.

A number of companies are now operating in the water space, with Eastern Sea Farms being the “landlord” as holder of the resource consent and owning a good proportion of the infrastructure in the water. Sanford are leasing lines from ESL, and Whakatōhea Mussels (Ōpōtiki) Limited hold a lease for 80% of the space.

Pathways to work

Pathways to work is a project that was catalysed by the harbour but has grown in scope to include all the growing industries in the district, and potentially the Eastern Bay of Plenty. Through work carried out by Toi-EDA it was recognised that aquaculture had the potential to be complementary in its seasonality to the kiwifruit industry, and thereby create all year round work. Additionally construction of the harbour will create a number of jobs and criteria have been included in the Request for Proposal to the contracting companies asking them to show how they will ensure local employment is created.

Bay of Plenty Regional Council Infrastructure fund

Council continues to work with the BOPRC to satisfy their conditions for the \$20M of pledged funding.

• Ōpōtiki District Library

Library services have continued to be a huge hit for local residents with more than 78,000 people walking through the door in the 12 month reporting period. While we all yearn for a bigger, better ‘community hub’ space, Ōpōtiki Library users are incredibly accommodating, happily sharing the cramped space with a diverse range of both traditional and more innovative library activities.

Creating meaningful and memorable library experiences for children now includes providing regular (and enthusiastically attended) school holiday programmes and ongoing weekly story time for toddlers. The recent addition of eAudio Books is also proving to be a big hit with middle-schoolers.

While working hard to stay one step ahead of our many keen book borrowers, we have also continued to develop the online access and digital services which are now a key role for any modern library, particularly so in the Ōpōtiki District where many residents struggle to achieve the digital connectivity enjoyed elsewhere in the country.



• Civil Defence

There has been progress over the past year in developing a more co-ordinated approach to preparing for an emergency. Any local emergency will still be responded to by local Council staff, but we now have support from a team of dedicated Civil Defence staff.

- **District Plan Review**

The process to review the Ōpōtiki District Plan continued this year with staff working with the community to seek feedback on a draft document. The formal notification of the proposed Ōpōtiki District Plan occurred on 20 September 2016.

- **Cycle Trails**

A new challenge - a BMX Pump Track - was installed at Memorial Park, the start of the Dunes Trail, adding a fast and exciting ride for those looking for a quick thrill or to just practice their skills.

Plans for new trails or trail extensions have been delayed while various approvals and consents are obtained. Steady progress has been achieved on this front however and we look forward to work commencing in the next 12 months.

Special mention to the tremendous volunteer effort that has gone into reinstating 5km of the Whakaumu Trail - all at no cost to Council. Thanks everyone!

The success of Mōtū Trails continues to grow largely due to the excellent work by Mōtū Trails Charitable Trust on the marketing and promotion front.

Strategically, discussions continue with our neighbouring Councils to establish an Eastern Bay of Plenty Trail aiming to connect our communities by a dedicated walking/cycle trail that will also support the visitor industry by providing a multi-day experience.

- **Fundraising for Te Tāhuhu o Te Rangi – Ōpōtiki Technology and Research Centre**

Council has committed \$300,000 towards construction and redevelopment of Council's library. A project is underway to raise the remaining funds for the construction of the Ōpōtiki Technology and Research Centre which relies on obtaining funding from fundraising and grant applications. We need to raise a total of \$3.4M. This year we have been successful in one grant application and held several local and national fundraising events including a local PechaKucha evening (with more planned) and a local Pop up Gallery over the Christmas Holidays. The large fundraising effort this year was The Real Ōpōtiki art exhibition. The exhibition launched at Studio One Toi Tu in Auckland on 26 July with an estimated 300 people in attendance. The event was supported by 30 artists with connection to Ōpōtiki. The Real Ōpōtiki has the potential to become a successful regular fundraising event hosted in different cities around NZ.

It is hoped that we can construct in the 2017/18 financial year.



i-SITE Events

It was a massive year for our i-SITE and Events staff delivering a range of full on fun events plus a few stars to Ōpōtiki over the past year.

It kicked off with a send-off for our All Blacks who were victorious in their World Cup campaign (they couldn't have done it without us!). We rolled out the red carpet for Ministers and other dignitaries to announce their formal support of the Harbour Project then celebrated with a street party including food stalls and live entertainment. The Lantern festival headlined by Dave Dobbyn nearly blew over but we found a sheltered spot and our persistence paid off with a large crowd enjoying the show. The Chiefs Rugby team came to town and joined in a frantic fun filled raft race and as if all this wasn't enough we also held the annual Dunes Dash and Summer Festival. We are now looking forward to summer 2017!



• Wastewater

Ōpōtiki Wastewater Project

The Sewerage Advisory Group that was set up last year continues to provide governance oversight of the Wastewater Upgrade project. The group comprises an independent expert and four Councillors. With the assistance of external technical expertise and Council staff the advisory group has overseen the design and implementation of a two major monitoring and investigation projects.

Two major projects completed

Project 1

The Wastewater Pump Station 3 Catchment Find and Fix Project was completed. The Find & Fix Project investigated the improvement that repair of private lines in poor condition could have on the public sewerage system. Wastewater lines in poor condition are characterised by the presence of inflow & infiltration. Inflow is the flow of stormwater into the wastewater lines from open air sources such as illegally connected down pipes or low gully traps. Infiltration is the flow of ground water into wastewater lines from breaks and other faults beneath ground level. By recording flows through pump station 3 before and after repairs Council was able to determine the reduction in inflow and infiltration achieved. Reduction results can now be translated into a cost/benefit assessment to rectify the entire wastewater network.

Project 2

The CCTV Condition Assessment Project was completed. The CCTV Project investigated the condition of the township's public main lines. A selection of the worst known sewer mains as well as a representative sample comprising 15% of the network were water blasted, cleaned, inspected and rated using closed circuit TV cameras. The sewer ratings grade the pipe condition and give a good

Highlights

indication of where infiltration into the main sewer reticulation occurs. This information can be extrapolated to the rest of the network and added to the cost/benefit assessment to rectify the entire network.

The next steps in the project are to develop a recommended solution for the wastewater project by January 2017 with costings and timelines for inclusion in the Annual Plan for 2017/18.

Ōpōtiki Treatment Plant

Replacement of effluent disposal lines was carried out as part of an ongoing renewal programme to ensure effluent disposal to land is kept at a high standard.

Analysis of the wastewater oxidation ponds which treat the town's effluent was carried out. The analysis focused on the content and depth of sludge at the base of the ponds. Sludge is the settlement and collection of solids from effluent over time. When too much sludge accumulates treatment volume and efficiency are reduced and sludge needs to be removed. Analysis found that sludge depths were minimal allowing more than sufficient treatment volume.



- **Transport**

Transport highlights and major works over the 2015/16 year included reseal of 4.8% of paved road surfaces (8.3 km of 168 km), re-metal of 21.0% of unpaved roads (35.1 km of 167.1 km) as well as installation of new drainage, footpaths, entrance ways and kerb & channel along High Street.

Weather events over the year were of lower intensity than previous years and so no major emergency storm damage repairs were required.

The 2015-18 Ōpōtiki Land Transport Plan and budget was prepared and gained NZTA approval.

Pakahi Bridge was designed and tendered for \$950,871. Construction is planned to start in October 2016 and completed by February 2017.

Minor Safety road straightening works were carried out on Old Creamery Rd to improve roading alignment.

An application was submitted for a resource consent to occupy the coastal marine area in the Ōhiwa Harbour to cover the existing roadway, cycleway, retaining walls and culverts.

- **Solid Waste**

Following submissions received for the 2015-25 LTP, Council decided to increase the refuse collection services to peripheral housing clusters around the current serviced urban area. This has increased residual waste to landfill by approximately 50 tonnes per year.

The Ōpōtiki Resource Recovery Centre (RRC) has had equipment upgrades and the Te Kaha RRC roading surfaces have been resealed.

Council continues to support waste minimisation public education activities such as the Woodlands School Trash and Treasure event held every year.



- **Water**

Ōpōtiki

The Hikutaia water supply extensions were completed looping the Grants Rd, Woodlands Rd and Dip Rd lines together. This will provide better service and resilience to the network in the area.

A water supply pipe main was drilled under the Waioeka River establishing the third connection between the township and the Hikutaia area. The new line added resilience to the supply of water to the Hikutaia area and permitted decommission of the Hikutaia bore. With the old shallow bore gone water quality has also been improved.

Te Kaha

Progress was made on both the southern and northern water supply extensions which will connect additional users along Parekura Hei Rd and SH35 to the north. Design and modelling was completed and consultation is set to begin in October. Construction is planned for April 2017.

- **Stormwater**

Ōpōtiki

The newly upgraded St John St/High St Flood Pump Station was completed, providing faster relief from flooding in the High St area.

The comprehensive stormwater consent, catchment management plan and flood model covering all of Ōpōtiki Township and Waiotahi Drifts was submitted to Bay of Plenty Regional Council (BOPRC) for comment before final submission and approval. The consent will act as to govern the operation of the stormwater network to ensure environmental protection.

Council's monitoring and alarm system designed to alert staff of faults and record data for analysis has been upgraded in all critical pump stations.

Preliminary investigation for the Tarawa Creek Flood storage area was completed. Ground strata were mapped and contamination issues were identified due to the old landfill. All findings have been taken into consideration for the in depth investigation and design which will begin in October 2016.



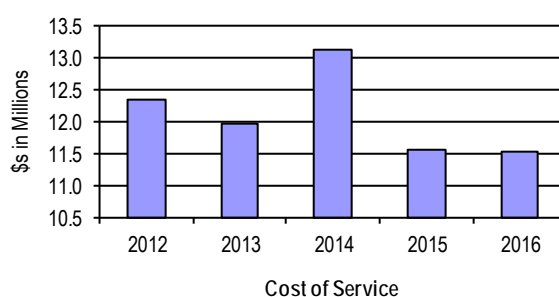
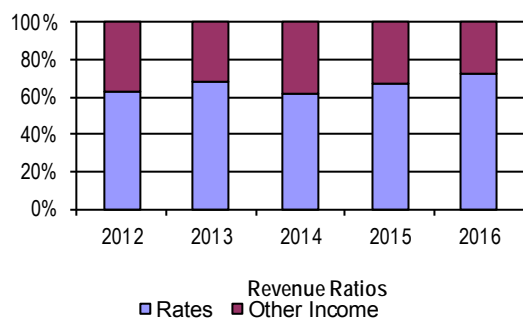
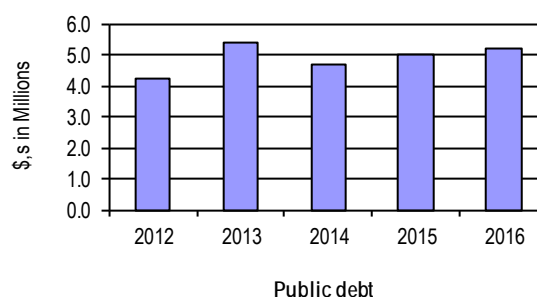
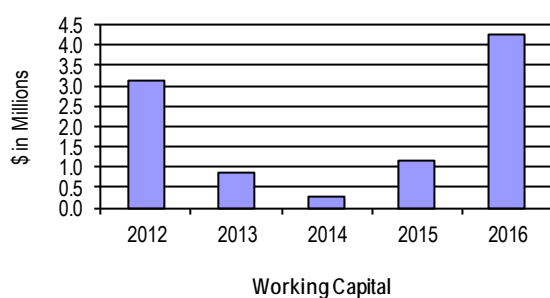


5 Year Financial Summary

FIVE YEAR FINANCIAL SUMMARY

For the year to 30 June:

	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000
Income Statement					
Rates (including penalties)	7,898	8,217	7,920	8,896	9,850
Other income	4,679	3,868	4,992	4,264	3,848
	12,577	12,085	12,912	13,160	13,698
Cost of services	12,363	11,968	13,141	11,568	11,526
Net surplus/(deficit)	214	117	-229	1,592	2,171
Financial Position					
Current assets	6,685	6,086	5,537	6,366	8,159
Current liabilities	3,564	5,198	5,257	5,199	3,919
Working capital	3,121	888	280	1,167	4,240
Non current assets	180,481	181,262	180,513	181,862	182,421
	183,602	182,150	180,793	183,029	186,661
Term Liabilities	5,674	4,105	2,610	3,679	5,139
Net assets	177,928	178,045	178,183	179,350	181,522
Financed by:					
Ratepayers equity	125,625	125,753	126,355	128,079	127,971
Reserves	52,303	52,292	51,828	51,271	53,552
	177,928	178,045	178,183	179,350	181,522



5 Year Financial Summary

The graphs and summary tables above demonstrate Council's financial prudence over time. Council is focused on keeping levels of debt as low as possible before the two large capital expenditure projects of the harbour and wastewater replacement begin. There is always a lot of public scrutiny on Council debt levels nationally, and there are a number of cases where some Councils have let debt levels get out of hand. Sustainable debt levels and debt management is extremely important to Council, and is an area which is managed well. Debt levels for Ōpōtiki are some of the lowest in the country currently and as the financial prudence measures outline further on in this report, are very sustainable in terms of Council's ability to meet its financial obligations.

It does need to be mentioned that the appropriate utilisation of debt means that rates increases can be managed more effectively over a longer term. Take for example Council undertaking a capital project costing \$100,000. This represents over a 1% increase in rates. But if it was funded by borrowing, then the impact on rates would be 0.1% of rates, meaning we could undertake \$1,000,000 worth of projects for the same rating impact of one \$100,000 project. The use of debt also helps smooth rate increases out between years, by spreading the impact of a large capital project over a number of rating years. This reduces the lumpiness and rate increases of big projects.

Whilst debt is crucial to ensuring the Council is managing its assets appropriately, it also plays a significant role in ensuring that Council meets the service level needs of its community. Where there are new requirements for services driven by growth, Council needs to be able to respond to these needs. Debt is the appropriate tool to fund this response as the cost is spread over a long period. This promotes the term intergenerational equity. Intergenerational equity is a term used widely in Local Government because the assets we tend to build last many generations. Sometimes three or more generations. It is fair that the cost of the future benefit received by future generations is paid by future generations. Otherwise it would be the "now" generation paying for the benefit that those in the future would receive.





2015/16 Performance Overview

Overall Council has achieved an operating surplus of \$2.17 million for the year against a budgeted surplus of \$3.39 million.

Operating revenue is \$2.28 million lower than budgeted for the year mainly due to subsidies and grants received being significantly lower as we did not receive funding for the library development project.

Rates revenue received for the year was \$135k higher than budget due to a change in reporting requirements. We have had to include \$280k of fees and charges for metered water as rates, if we excluded this change we would have been lower than budget by \$157k due to the additional rates rebates, remissions, and write offs of outstanding rates debts this year. We are doing this as we get a better understanding of the challenges in dealing with some of the unproductive land that we have within the district.

Fees and charges revenue was \$25k higher than budget, which doesn't seem like very much. However if you took into account that we had to reclassify \$280k of metered water charges to rates, then fees and charges revenue would have been \$312k higher than budgeted, this increase is due to additional revenue received on borrowing from the LGFA during the year, increased rental from Council owned buildings and facilities, as well as increased consenting activity in the district over the last 10 months following the government announcement to fund the validation stage of the harbour development, and in response to the significant growth in the Kiwifruit and Manuka industries.

Other revenue is \$76k higher than budgeted due to sales of plant and machinery on trade in, receipt of petrol tax, and an increase in the valuation of Council investment property.

Operating Expenditure is \$690k lower than budget for the year as a significant amount of operating expenditure related to projects that needed to be delayed. More information about variances in operational expenditure is available at an activity level in the following activity statements.

Depreciation and amortisation is \$205k lower than budgeted due to having a lower carrying value of assets following revaluation in 2014 than expected. This is always a difficult amount to budget for as we set the budgets effectively two years ahead and make informed estimates of what revaluation movement we expect to see in the \$180 million worth of assets we manage. Just minor movements in asset inflation rates can have a significant impact on the actual outcome of revaluations.

Employee benefit costs are also lower than budget by \$75k due to a few budgeted roles being filled part way through the year, where budget was allocated for the full year.

Finance costs are \$99k less than budget for the year, this was brought about by transitioning all Council debt across to LGFA this year, obtaining some very favourable rates in the interim, and also by changing the way that we manage interest payments internally within Council.



Financial Reporting and Prudence

Annual report disclosure statement for year ending 30 June 2016

What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of the terms used in this statement.

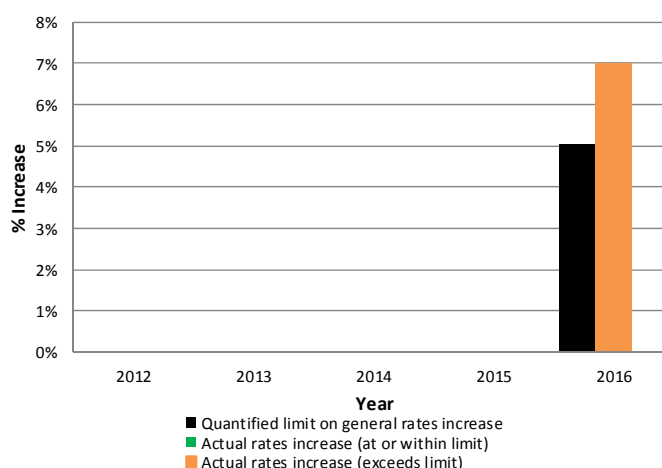
Rates Affordability Benchmark

The council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

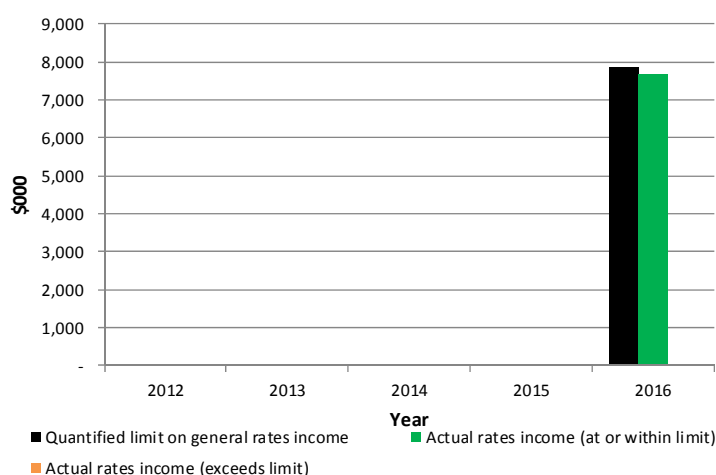
Rates (increases) Affordability Benchmark – General Rates

The following graph compares the council's actual general rates increases with a quantified limit on general rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is LGCI plus 3%.



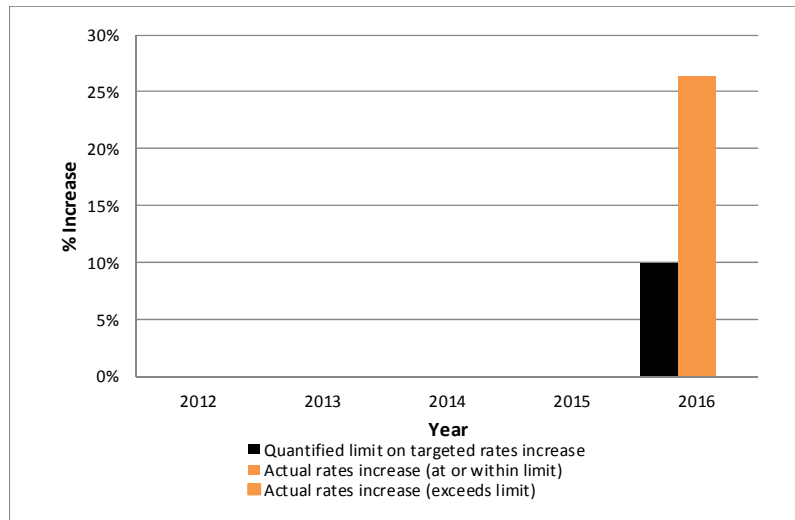
Rates (Income) Affordability Benchmark – General Rates

The following graph compares the council's actual general rates income with a quantified limit on general rates income contained in the financial strategy included in the council's long-term plan. The quantified limit is \$7.856 million.



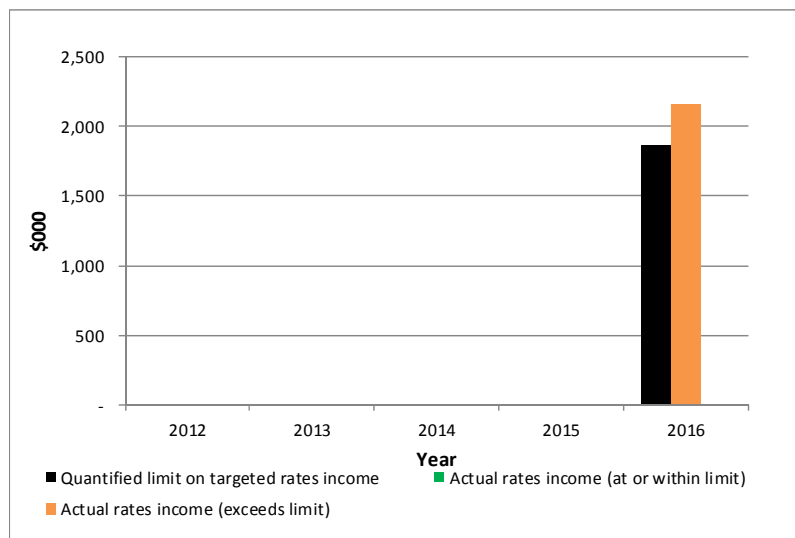
Rates (increases) Affordability Benchmark – Targeted Rates

The following graph compares the council's actual targeted rates increases with a quantified limit on targeted rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is 10%



Rates (Income) Affordability Benchmark – Targeted Rates

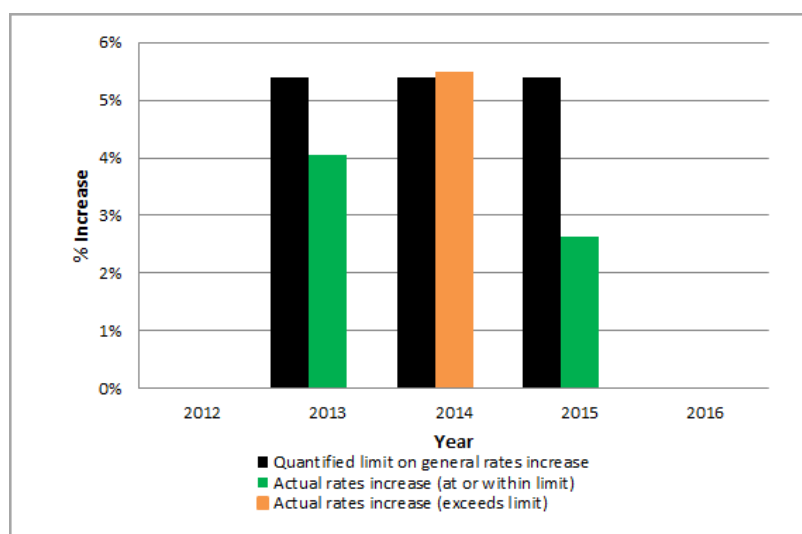
The following graph compares the council's actual targeted rates income with a quantified limit on targeted rates income contained in the financial strategy included in the council's long-term plan. The quantified limit is \$1.873 million.



Rates (Increases) Affordability Benchmark – Total Rates

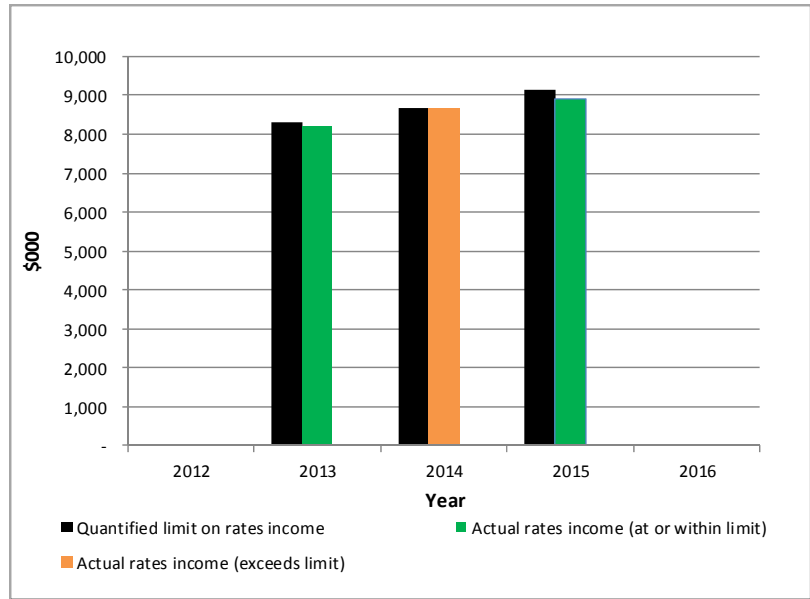
The following graph compares the council's actual total rates increases with a quantified limit on total rates increases contained in the financial strategy included in the council's 2012-22 long-term plan. The quantified limit is 5.40%. This limit was amended in the 2015-25 Long Term Plan, and two separate limits have been created on general and targeted rates.

We have included this graph for complete the picture of financial prudence in previous years.



Rates (Income) Affordability Benchmark – Total Rates

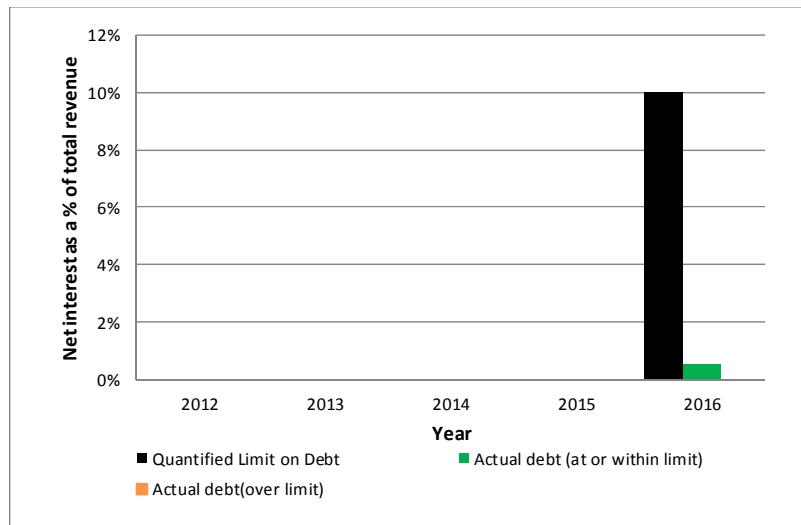
The following graph compares the council's actual total rates income with a quantified limit on total rates income contained in the financial strategy included in the council's 2012-22 Long-Term Plan. In the 2015-25 Long Term Plan the limits on rates were split between General and Targeted Rates, we have included this graph to complete the picture of financial prudence over prior years.



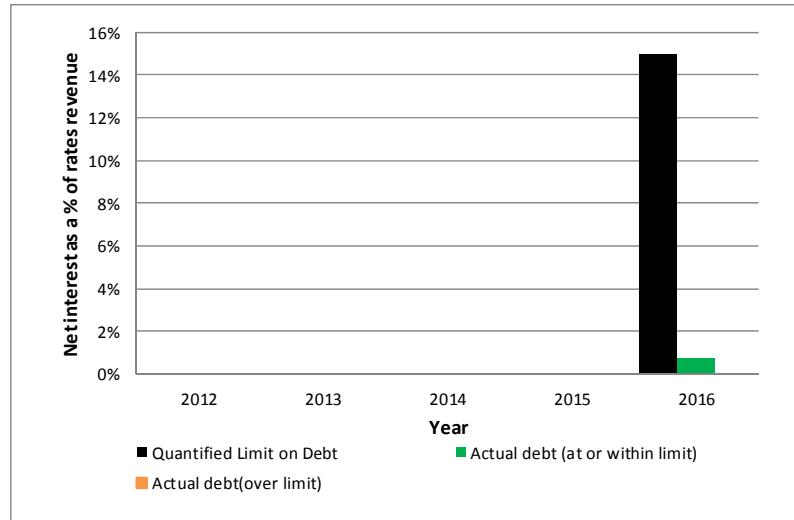
Debt Affordability Benchmark

The council meets the debt affordability benchmarks if its actual borrowings are within each quantified limit on borrowing. The following graphs compare the council's actual borrowings with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.

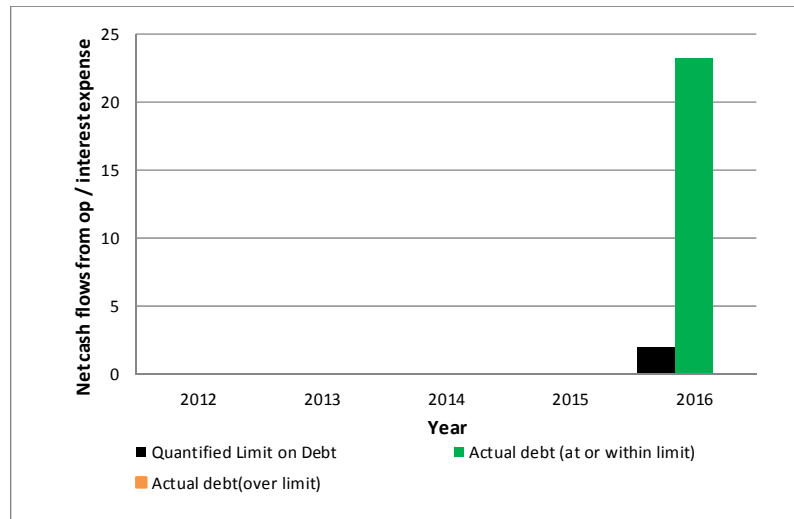
The quantified limit is net interest expense/total revenue is less than or equal to 10%.



The quantified limit is net interest expense/rates revenue is less than or equal to 15%



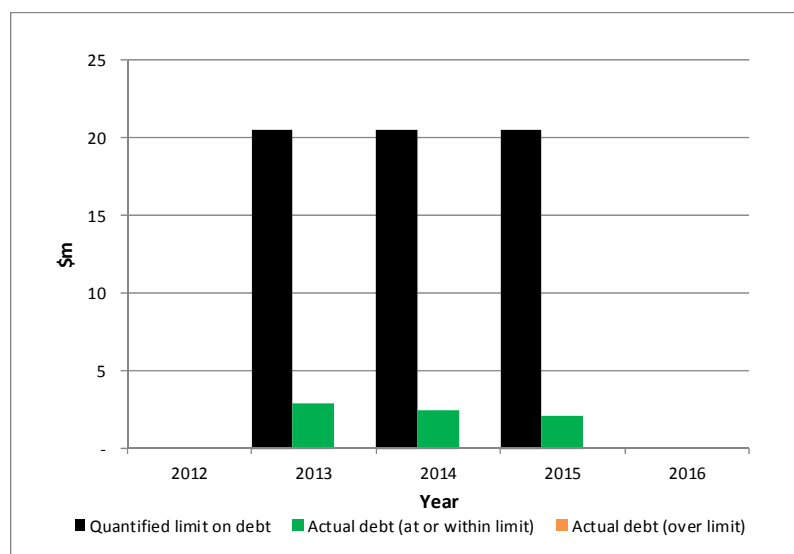
The quantified limit is net cash flows from operating activities/interest expense is greater than or equal to 2.



Debt Affordability Benchmark

The council meets the debt affordability benchmarks if its actual borrowings are within each quantified limit on borrowing. The following graphs compare the council's actual borrowings with a quantified limit on borrowing stated in the financial strategy included in the council's 2012-22 Long-Term Plan.

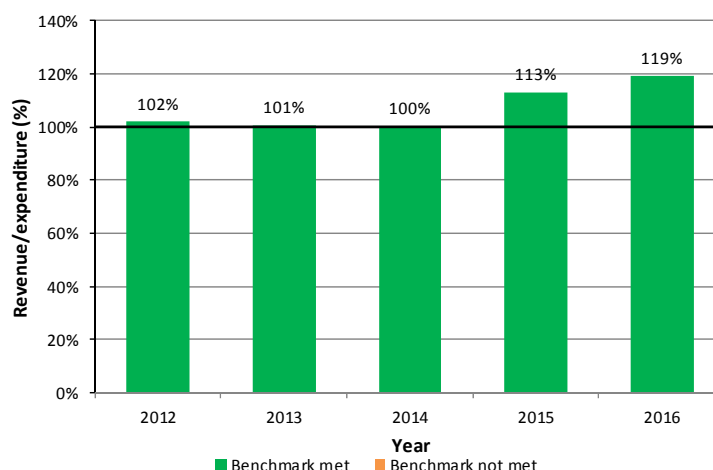
The quantified limit was net debt will be less than \$20.5 million. This limit was changed in the 2015-25 Long Term Plan to be based upon ability to service the debt as a more accurate reflection of financial prudence. We have included this graph to complete the picture of financial prudence in prior years.



Balanced Budget Benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

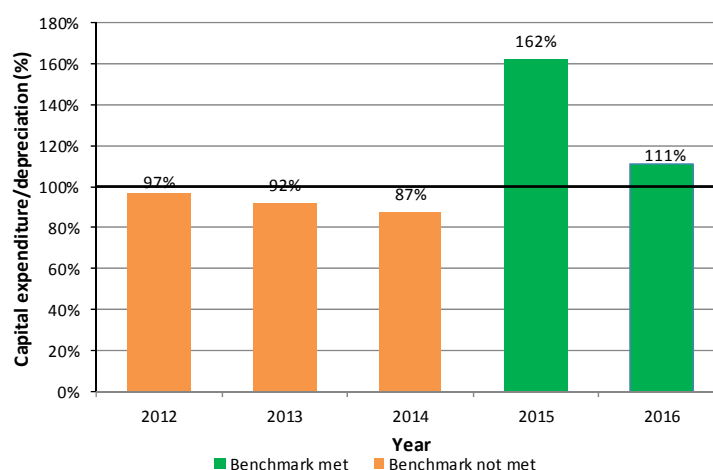
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services Benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

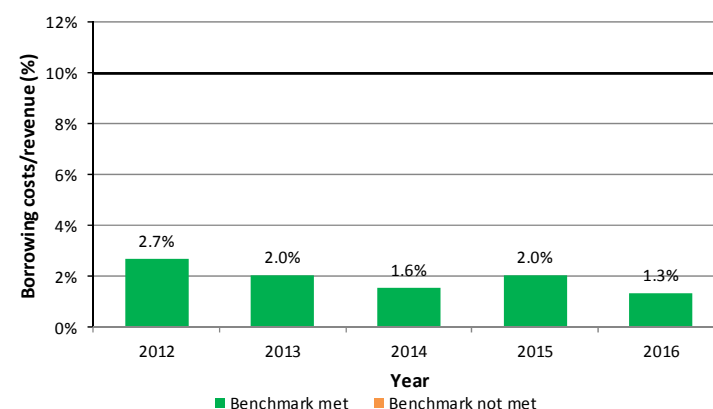
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and costs equal revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

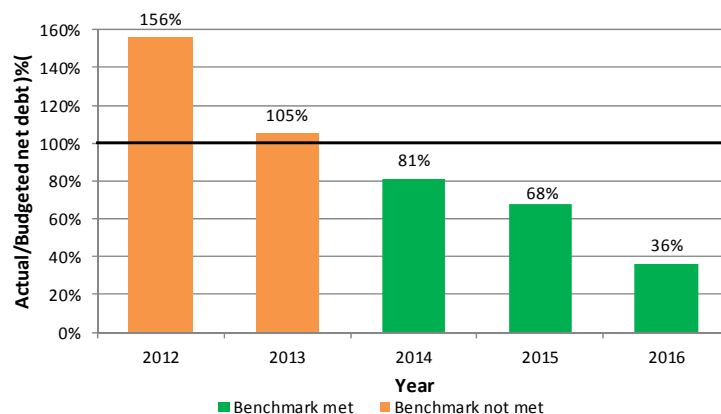


Debt Control Benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt.

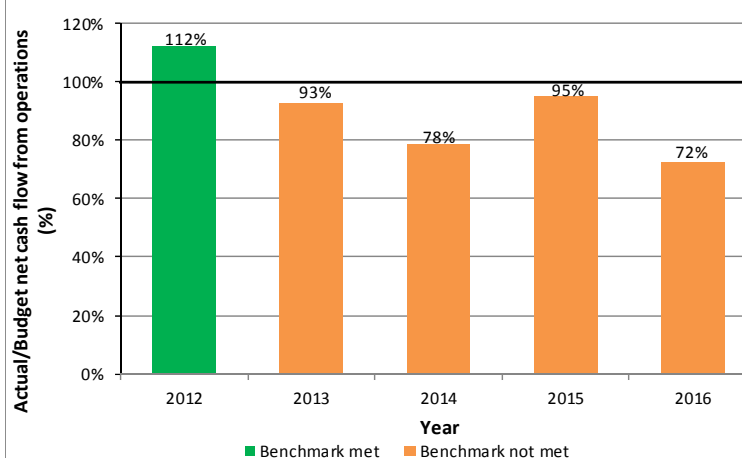
In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

**Operations Control Benchmark**

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

**Reasons for Benchmarks not being achieved**

The rates (increases) affordability benchmark was not met for general rates due to the general rates increase for 2015 being much less than anticipated, which drives up the percentage increase for 2016 as the starting point is lower. The provision for doubtful debts this year required an adjustment of \$67,000 upwards due to a reassessment of the calculation methodology. In contrast however the rates income benchmark was met, which measures the actual rates vs what was budgeted.

The rates (income and increases) affordability benchmark for targeted rates was not met this year when compared to the limit set in the 2015-25 LTP. This is due to a change in the disclosure requirements for targeted rates and also metered charges on water, in the 2015-25 LTP these were disclosed under fees and charges revenue because Council philosophically believes that charging this by a direct fee drives water conservation behaviours and creates a more transparent user pays system. When taking these change into account the Council meets the benchmark. However we are legislatively required to report against figures that are no longer current as the caps do not reflect the reclassification of metered water charges.

The operations control benchmark was not met due to the reduced subsidy revenue that we received for capital projects, in some ways this measure doesn't truly reflect cash from operating activities when it includes revenue for capital expenditure. Where there are significant capital projects relying on subsidy revenue from third parties that is not received, this measure is very difficult to meet.

There are a number of seemingly incomplete graphs disclosed in these prudence measures. This is due to the very prescriptive way that we are required, by legislation, to report them. We have had to include additional graphs that relate to limits set in the last LTP approved in 2012. This means the graphs have little relevance for the period that this Annual Report covers. This is due to Council changing the limits and methodology for rates and borrowing in the 2015-25 LTP, so we have had to provide separate graphs for the 2012-22 LTP limits. There have also been changes in the way that Council has been required to disclose revenue received from targeted rates and metered charges for water supply, yet the limits do not reflect these changes. In most cases we think that the prudence measures provide a fair and reasonable reflection of a Council's financial management, however in cases like this where there have been changes to caps set in a LTP process, these measures can be somewhat confusing to readers, and don't reflect the actual situation or the financial prudence of the organisation.



Capital Expenditure 30 June 2016

Community Facilities

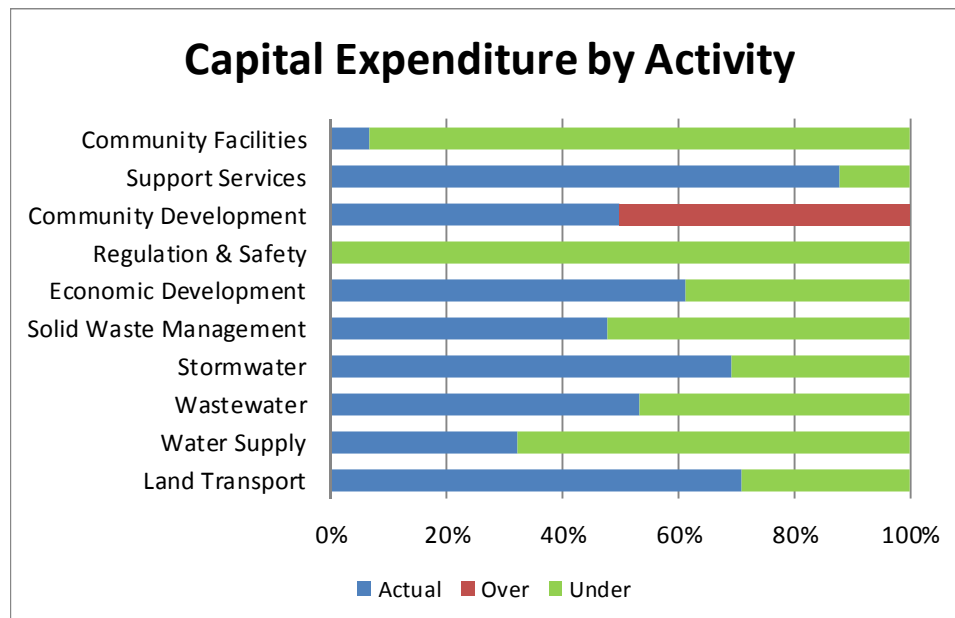
We budgeted to spend \$2.5 million on community facilities over the year but only spent \$166,000. The variance is partly due to the Library redevelopment project for which Council budgeted to spend \$1.7 million has been delayed until sufficient external funding can be obtained to progress the development. The remaining variance is due to Wharf Removal and rebuild project for which the council budgeted to spend \$500,000 which did not commence during the year.

Regulation & Safety

We budgeted to spend \$30,000 for the year for civil defence equipment but we didn't spend any. We did this as the Civil Defence function regionally has been undergoing a review and reshape. Once the new structure has been resolved and bedded in we will have a clearer understanding of what our contribution towards the role will be. We will be using \$8,000 to replace a damaged aerial for siren alert and the remaining budget will be carried forward.

Solid Waste

We budgeted to spend \$20,000 on resealing the Resource Recovery Centre yard but only spent \$10,000. The works were completed and came in under budget.



Stormwater

We budgeted to spend \$360,000 but only spent \$249,000. The High Street/ St John Street pump station works were under budget by \$100,000 this arose due to the use of contractors that were managed by Council staff rather than via consultants.

Wastewater

We budgeted to spend \$380,000 and actually spent \$202,000. Capital Expenditure budgeted for the Ōpōtiki Wastewater Project was later allocated to operational expenditure.

Water Supplies

We budgeted to spend \$1.1 million on water supplies over the year but only spent \$346,000. The Factory Road Loop Main Project was delayed which had a budget of \$ 550,000. The Northern and Southern Extension Projects are awaiting design and installation, these had a total budget of \$495,000 in the Long Term plan.

Land Transport

We budgeted to spend \$1.7 million on roading capital over the year but only needed to spend \$1.2 million, the bulk of this was for budgeted renewals and stormwater damage repair.

Economic Development

This year we budgeted to spend \$741,000 but only spent \$454,000. This is due to the delay in the harbour development project which has been mentioned earlier in the report, and a requirement to expense some of these costs as operational expenditure.

Support Services

We budgeted to spend \$335,000 but only spent \$294,000. This budget covers vehicle, computer hardware and software, furniture and fittings, and plant replacement.

Community Development

This year we spent \$28,000 of unbudgeted expenditure on the CBD CCTV project to connect the cameras up to a battery powered solution, this was necessary because the streetlights only have power at night when the lights are on. Council received a grant from Eastern Bay Energy Trust for \$21,000 of this cost.



Council Organisation










Council Values

<p>Ngakau- tapatahi me te Pononga</p> <p>Kaore matou a marie i a matou uaratanga a, ka mahi i roto i te huatanga matatika i nga wa katoa.</p>	<p>Integrity and Honesty</p> <p>We will not compromise our values and will act in a trustworthy manner at all times.</p>
<p>Manakuratanga</p> <p>Ka kakama matou i roto i nga take e pa ana ki to tatou iwi whanui ma te whakahaere tikanga, ma te kanohi, kai tautoko arahitanga me te whakaaro.</p>	<p>Leadership</p> <p>We will take an active role in issues that affect our community by providing governance, representation, advocacy, guidance and opinion.</p>
<p>Mahorahora me nga Herenga</p> <p>Ka whakahaeretia a matou mahi i roto i te aria kia kitea ai e te iwi whanui a, kia mohiotia a matou mahinga me nga tutukitanga me te whakaae ano mo aua kawenga.</p>	<p>Openness and Accountability</p> <p>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.</p>
<p>Tokeke me te Ture o te Tika</p> <p>Ka mahi matou ia hua ai ka orite te whiwhi mea angitu o te katoa me te noho tokeke i roto i iaga whakatinanatanga o uga kaupapa.</p>	<p>Fairness and Equity</p> <p>We will act to ensure that all have equal opportunities and we will be unbiased in the implementation of policies.</p>
<p>Whakatutukitanga Whakawaiatanga</p> <p>Ka whiwhi hua i roto i te auaha me te ngawaritanga.</p>	<p>Achievements Orientated</p> <p>We will gain results in a timely, innovative and economic manner.</p>
<p>Tikanga Tutohungatanga</p> <p>Ka manako matou i te wahi motuhake o te Tangata Whenua i roto i te iwi whanui a me te whakarite ano i nga kitenga rereketanga, me nga uaratanga o to tatou iwi whanui.</p>	<p>Relationships</p> <p>We will acknowledge the special place of Tangata Whenua in our community, and respect the different views and values of our community.</p>
<p>Tumanako Manawareka</p> <p>Ka ahei tonu matou kia mohio ki nga tumanako o to tatou iwi kainga me te whakamatau kia taea te tairanga teitei o te whakanatanga o te iwi whanui.</p>	<p>Satisfying Expectations</p> <p>We will always look to understand our community's expectations and try to achieve a high level of community satisfaction.</p>



Representation

Ōpōtiki District Council 2013 to 2016

		Contact Details	Ward
	Mayor John Forbes	PH 07 315 7362 PH Mobile 029 255 7702 johnf@odc.govt.nz Jonrobforbes@clear.net.nz	District
	Deputy Mayor Haki McRoberts	PH Mobile 027 668 6683 07 325 2833 Phone & Fax microberts833@gmail.com	Coast
	Councillors Barry Howe	07 315 6003 Home 07 315 6335 Work PH Mobile 027 315 6345 bazzshazz@xtra.co.nz	Ōpōtiki
	Shona Browne	PH HM 07 315 7347 PH Mobile 027 477 3761 shonab@xtra.co.nz	Ōpōtiki
	Arihia Tuoro	PH Mobile 027 274 2268 arihiatuoro@gmail.com	Ōpōtiki
	Lyn Riesterer	PH Home 315 6627 PH Mobile 0211602040 lynr@Opotikicol.school.nz	Waioeka/Waiotahe
	Ken Young	PH 07 3157919 Mobile 027 245 8690 kw.young@xtra.co.nz	Waioeka/Waiotahe



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 Chris Hopman	Consultancy BU Solid Waste Roading Rural Fire Sewerage Stormwater Water Supply	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 Group Manager Bevan Gray	Cash Receipting Debtors/Creditors Financial Reporting Investments Insurance Payroll Public Debt	Water Billing Rates Communications Customer Services Creative New Zealand Governance Support
	Community Facilities Manager Mike Houghton	Parks and Reserves Airport Cemetery Tourism and Promotions Economic Development	Events i-SITE Information Centre Sports Co-ordination Library



Priorities for Council action

1

Economic Growth

- Ōpōtiki Harbour Development
- Providing visitor and business investment information and support
- Supporting local and regional business growth and workforce development
- Promotion of facilities and activities to increase visitors, including historic precinct development and Motu Trails cycleway.

2

Quality of Life

- Provision of infrastructure e.g. roads, water, storm water, sewerage, waste management, renewal of Ōpōtiki Township wastewater reticulation network
- Advocacy with and on behalf of Ōpōtiki communities to central government
- The development of the Technology and Research Centre
- Walkways and cycleways maintenance
- Support initiatives for development in the Coast ward.

3

Strong Community Spirit

- Tri-annual community awards event
- Promotion and support for community events.

4

Environmental Quality

- District Plan review and implementation
- Maintenance and enhancement of parks and reserves
- Partnership with community groups and BOPRC and DOC to undertake environmental restoration projects
- Continuing the partnership with Gisborne District Council, Whakatōhea, DOC and Mōtū Trails Charitable Trust in maintaining and enhancing the Mōtū Trails cycleway.

Council's vision for the district is:
'Strong Community – Strong future'



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.



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:

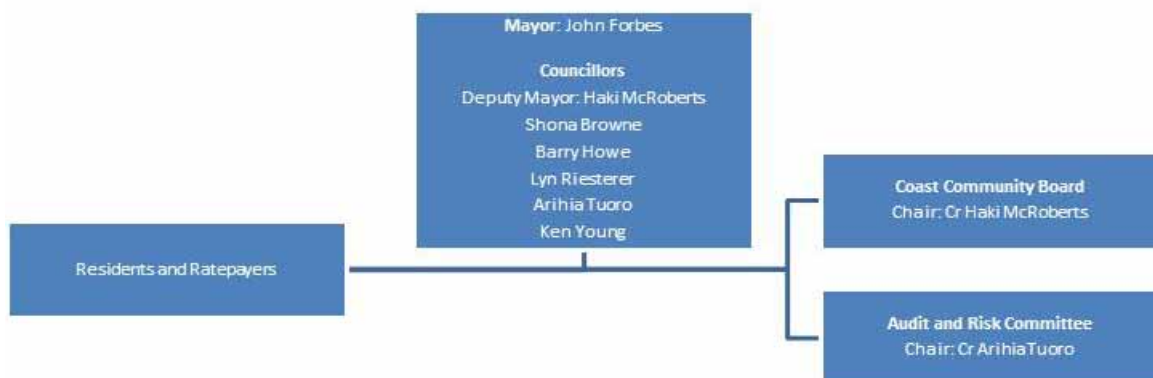
- things the local authority is prohibited from doing by law (examples from the Act include charging a membership fee for a library, or selling water and sewage disposal assets to the private sector)
- things the local authority must do by law (e.g. Local authorities must prepare a district plan or regional 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). Committee resolves and/or recommends solutions pertaining to the Coast ward.
Coast Community Board Members
Chairperson Haki McRoberts
Muriwai Jones
Edward Matchitt
Tiaki (Jack) Parata
Gail Keepa

- **Audit and Risk Committee** (meets as required – Chair: Cr Arihia Tuoro). 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 31 October 2013 the following appointments were approved for the 2013-2016 Triennium.

Council Committees

Audit and Risk

2013-2016 Triennium

Chairperson: Cr Tuoro
Member 2: Cr Young
Mayor Forbes Ex Officio

Hearings Committee - Dog Control

Member 1: Cr Young
Member 2: Cr McRoberts
Member 3: Cr Browne
Member 4: Cr Howe
Chairperson to be elected at first meeting

Technical Advisory Group

Sewerage Upgrade
Steering Committee

Mayor Forbes
Cr Howe
Cr Browne
Cr Tuoro
Independent Expert: Richard Kirby

Joint Committees

Eastern Bay of Plenty Joint Committee

Mayor Forbes
Cr Riesterer

Regional Transport Committee

Mayor Forbes
Reserve: Cr Young

Civil Defence Emergency Management Group Joint Committee

Mayor Forbes
Alternate - Shona Browne

Eastern Bay Road Safety Committee

Deputy Mayor McRoberts

Ōpōtiki Marine Advisory Group (OMAG)

Mayor Forbes
Cr Howe

External Organisation

2013-2016 Triennium

Creative Communities New Zealand

Cr Riesterer
Cr Browne

CAO Pool Administration Committee (One required)

Cr Howe

Waioeka-Otara Flood Scheme Liaison Group (Two required)

Cr Young
Cr Tuoro

Ōpōtiki Fibre and Fleece Trust (One required)

Cr Tuoro

Ohiwa Harbour Implementation Forum (One required)

Cr Riesterer

Ōpōtiki Theatre Trust

Cr Browne

Sport NZ Rural Travel Fund

Cr Riesterer

Council Activities and Performance



Activity Groups

Community and Cultural Sustainability

Page 30

Environmental Sustainability

Page 47

Economic Sustainability

Page 59

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 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.

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.



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, District Plan, 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.

A 'traffic light' system has been used to clearly show at a glance which Key Performance Indicators have been achieved and which haven't.

Green for achieved



Red for not achieved



Blue if no target was set/required for 2016/17 year



Council groups of activities

Community and Cultural Sustainability

Leadership
Community Facilities
Community Development
Economic Development
Regulation and Safety

Environmental Sustainability

Solid Waste Management
Stormwater
District Plan
Wastewater

Economic Sustainability

Water Supply
Land Transport
Investments

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.

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 negative effects will the activities have?

It is the Council's job to consider whether there are any significant negative 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 2015-16 year. For each Activity the following financial information is provided:

- Funding Impact Statement
- Statement of Capital expenditure
- Statement of Internal borrowing.

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:

Representation, Strategic Planning and Policy Development, Cultural Liaison, Monitoring and Reporting.

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 Negative Effect	Affected Well-being	Sustainable Solution
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.	Social, Economic	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.

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
LEADERSHIP					
Council will provide representation and leadership at a local, regional and national level					
Council will hold a minimum of 8 meetings throughout the year	8	22	20	Achieved - Council held 9 Ordinary Council meetings, 2 Extra Ordinary Council meetings, 7 Coast Community Board meetings and 4 Audit and Risk Committee Meetings	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Community satisfaction with Council leadership	80%	63%	60%	Not achieved – 63% rated their satisfaction of the Mayor and Councillors as Very or Fairly good	
Decision making in compliance with the Local Government Act 2002.	No successful challenges to Council decision making process	No successful challenges to Council decision making process	Achieved	Achieved	
The Annual Plan is adopted in accordance with the Local Government Act 2002 on or before 30 June each year	100%	100%	N/A	Achieved - 2016/17 Annual Plan adopted at Ordinary Council Meeting 31 May 2016	
The LTP is adopted in accordance with the Local Government Act 2002 on or before 30 June every three years	N/A	N/A	100%	Not applicable for the 2015/16 year as the next LTP is not due to be adopted until 2018	
The Annual Report will be published in accordance with the Local Government Act 2002 within four months of the end of each financial year	100%	100%	100%	Achieved – 2014/15 Annual Report adopted at Extra Ordinary Council Meeting 27 October 2015	

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - LEADERSHIP ACTIVITY	LTP	LTP	Actual
	2015	2016	2016
	(\$000)	(\$000)	(\$000)
FUNDING IMPACT STATEMENT FOR 30 JUNE 2016			
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,286	771	762
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	10	-	1
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	1
Total Operating Funding (A)	1,296	771	763
Applications of Operating Funding			
Payments to staff and suppliers	366	645	581
Finance Costs	-	2	-
Internal charges and overheads applied	930	124	144
Other operating funding applications			-
Total applications of operating funding (B)	1,296	771	725
Surplus (deficit) of operating funding (A-B)	-	-	38
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	-	15	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	15	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	15	38
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	15	38
Surplus (deficit) of capital funding (C-D)	-	-	(38)
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).

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.
Services and facilities meet our needs	
	Library services that inspire learning and celebration of our culture.

Potential Significant Negative Effect	Affected Well-being	Sustainable Solution
Community expectations for growth in services and facilities may exceed Council's programme.	Economic	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 2015-25 LTP.
Ongoing maintenance and depreciation may cause increased or unexpected costs.	Economic	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.	Social	Consider alternatives such as partnerships with other agencies and transport.

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Planned development of quality parks and recreation facilities					
Management Plans for principal reserves completed; staged development implemented.	Management Plans developed for key reserves; management and development of reserves consistent with Management Plans.	2 out of 3 compendium Management Plans developed for key reserves; management and development of reserves consistent with Management Plans for developed plans	In progress – not achieved	Not achieved - compendium Management Plan still to be developed for Harbour Zone reserves	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
High quality parks and recreation facilities provided and accessible to the community					
% of community satisfied with the provision of recreation facilities in annual surveys	>80%	76%	75%	Not achieved - 76% rated their satisfaction with the provision of recreation facilities as Very or Fairly Satisfied	
Playgrounds comply with NZSS 5828 (2004)					
% of play equipment compliant with NZSS 5828 or relevant standard	60%	71%	61%	Achieved - No non-compliant playground items. Ongoing capital renewal investment required to maintain compliant playground equipment that meets community demand	
Public toilets are clean, safe and operational					
% of community satisfied with the quality of toilet facilities in annual surveys	>80%	57%	59%	Not achieved – 57% rated their satisfaction with the quality of toilet facilities as Very or Fairly satisfied	
Cemeteries maintained to a high standard; accurate records maintained and accessible					
90% of community satisfied with the provision of cemetery services, maintenance and records	90%	73%	71%	Not achieved – 73% rated their satisfaction with the provision of cemetery services, maintenance and records as Very or Fairly satisfied	
Provision of a comprehensive community library service for the community					
Percentage of the community satisfied with the library facility and service	>70%	80%	72%	Achieved - 80% rated their satisfaction with the library facility and services as Very or Fairly satisfied	
Number of Library facilitated programmes per year	6 programmes per year	>6	New measure in 2015-25 LTP	Achieved - weekly story time; 35 school holiday sessions; 2 author visits.	

Internal Borrowing

INTERNAL BORROWING	Opening Balance 1/07/2015	Borrowed	Repaid	Balance 30/06/2016	Interest
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Cycleway	428	16	12	433	25
Property	1,289	45	33	1,301	74
Playgrounds	12	-	0	11	1
Community Development	-	4	0	4	0
Parks & Reserves	-	6	0	6	0
Public Toilets	-	19	0	19	1
	1,729	91	45	1,774	101

Capital Expenditure

CAPITAL EXPENDITURE PROJECTS FOR COMMUNITY FACILITIES ACTIVITY

NOTES

	2015/16 Actual \$ 000's	2015/16 LTP \$ 000's	
<i>To meet additional demand</i>			
Wharf Removal and Rebuild	36	500	
Ōpōtiki - Waiōtahe Beach - Ōhiwa	8	80	Construction awaiting various approvals and consents
Waiōtahe Bridge Cycleway	3	-	Construction awaiting various approvals and consents
Tirohanga Military Track	6	40	Awaiting land owner consent
Trail Enhancements	6	10	
New toilet Ōhiwa Spit	19	50	Work commenced - to be completed September 2016
	78	680	
<i>To improve level of service</i>			
Land Purchase	8	-	
Library Relocation Costs	-	40	Subject to start of construction of new library
New Technology and Research Centre	1	1,650	Subject to external funding
Recreation enhancement - Memorial Park	-	10	
	9	1,700	
<i>To replace existing assets</i>			
Furniture and fittings replacement	30	5	
Book stock replacement	49	45	
Earthquake Prone Buildings	-	50	
	79	100	
Total capital expenditure	166	2,480	

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - COMMUNITY FACILITIES ACTIVITY	LTP	LTP	Actual
	2015	2016	2016
	(\$000)	(\$000)	(\$000)
FUNDING IMPACT STATEMENT FOR 30 JUNE 2016			
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,267	1,875	1,853
Targeted rates	44	26	32
Subsidies and grants for operating purposes	-	-	10
Fees and charges	339	217	250
Internal charges and overheads recovered	296	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	42	48
Total Operating Funding (A)	1,946	2,160	2,193
Applications of Operating Funding			
Payments to staff and suppliers	1,265	1,221	1,117
Finance Costs	155	113	101
Internal charges and overheads applied	212	461	489
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,632	1,795	1,706
Surplus (deficit) of operating funding (A-B)	314	365	487
Sources of capital funding			
Subsidies and grants for capital expenditure	-	1,525	-
Development and financial contributions	75	-	-
increase (decrease) in debt	-	803	42
Gross proceeds from sale of assets	63	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	138	2,328	42
Applications of capital funding			
Capital expenditure			
- to meet additional demand	251	680	78
- to improve the level of service	37	1,700	9
- to replace existing assets	350	100	79
Increase (decrease) in reserves	(186)	213	363
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	452	2,693	528
Surplus (deficit) of capital funding (C-D)	(314)	(365)	(487)
Funding Balance ((A-B)+(C-D))	-	-	-

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.

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

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Provide assistance for community support activities					
Grants for the maintenance of the 22 district Urupa will be distributed by 31 December each year	100%	100%	100%	Achieved. All payments made 15 December 2015	
Service level agreements and/or memorandum of understandings for community grants will be reviewed every three years	100%	100%	N/A	Achieved - MoU's were created last year and renewed this year to tie in to LTP period	
Enhance community Safety					
Routine maintenance checks of CCTV cameras and related systems	Quarterly	Quarterly	Quarterly	Achieved - Report provided by ISCL quarterly with checks undertaken monthly	

Capital Expenditure

CAPITAL EXPENDITURE PROJECTS FOR COMMUNITY DEVELOPMENT ACTIVITY

NOTES

2015/16	2015/16
Actual	LTP
\$ 000's	\$ 000's

To improve level of service

CBD Cameras	28	-	Power connection for CBD cameras funded by Eastern Bay Energy Trust.
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Total capital expenditure	28	-
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Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - COMMUNITY DEVELOPMENT ACTIVITY	LTP	LTP	Actual
	2015	2016	2016
	(\$000)	(\$000)	(\$000)
FUNDING IMPACT STATEMENT FOR 30 JUNE 2016			
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	369	204	202
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	8
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	3
Total Operating Funding (A)	369	204	212
Applications of Operating Funding			
Payments to staff and suppliers	-	124	133
Finance Costs	-	-	-
Internal charges and overheads applied	29	80	85
Other operating funding applications	340	-	-
Total applications of operating funding (B)	369	204	217
Surplus (deficit) of operating funding (A-B)	-	-	(5)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	24
Development and financial contributions	-	-	-
increase (decrease) in debt	-	-	4
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	28
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	28
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(5)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	23
Surplus (deficit) of capital funding (C-D)	-	-	5
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.

Community Outcomes	How This 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 Negative Effect	Affected Well-being	Sustainable Solution
Increasing visitor and population numbers may put pressure on infrastructure, environment and other resources, particularly in summer periods.	Economic, Environmental	Council is of the view that it has the capability to provide for increased growth forecast by the planning assumptions that underpin the 2015-25 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.	Economic	To partner with Central and Regional Government and potentially the private sector to fund the Harbour Transformation Project.

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Redevelopment of the Ōpōtiki Harbour Entrance.					
BOPRC Funding - Comply with conditions of Regional Infrastructure fund Heads of Agreement/Funding Agreement and Sea farm funding confirmed 1 July 2016	N/A	N/A	New 2015-25 LTP target	Not applicable as no KPI/target set or required for the 2015/16 year in the 2015-2025 Long Term Plan	
Crown Funding - Complete secure funding agreement with Crown 1 July 2016	N/A	N/A	New 2015-25 LTP target	Not applicable as no KPI/target set or required for the 2015/16 year in the 2015-2025 Long Term Plan	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Redevelopment of the Ōpōtiki Harbour Entrance.					
Construction works	N/A	N/A	New 2015-25 LTP target	Not applicable as no KPI/target set or required for the 2015/16 year in the 2015-2025 Long Term Plan	
Construction works	N/A	N/A	New 2015-25 LTP target	Not applicable as no KPI/target set or required for the 2015/16 year in the 2015-2025 Long Term Plan	
Social Planning	Finalise needs by 1 July 2016	Report presented to Council on 30 June 2016	New 2015-25 LTP target	<p>Achieved - needs identified as per report including a need for government funding and interagency collaboration:</p> <p>Requirement for Workforce Development role through to July 2018</p> <p>Assessment of accommodation in Ōpōtiki and likely workforce requirements going forward</p> <p>Driver Licensing in Ōpōtiki</p> <p>Scoping of approach and costs to establish Eastern BoP system to support industry-school liaison</p> <p>Support for local industry leadership to engage youth in industry-relevant education, training and work</p> <p>Communications, monitoring and evaluation systems to capture effort and collaboration by stakeholders</p>	
Long Term Success - Growth in the number of new rating units	N/A	N/A	New 2015-25 LTP target	Not applicable as no KPI/target set or required for the 2015/16 year in the 2015-2025 Long Term Plan	
Investigate and promote investment in a range of economic development opportunities.					
Implement Economic Development Strategy	Strategy actions implemented	On-going. Not achieved	On-going. Not achieved	Annual report commissioned	
Maintain a current database of business contacts and communicate regularly with business sector	Achieved	Achieved	Achieved	Database maintained and regular communications held with business sector	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Promote the district as a tourism destination; support tourism operators and events.					
Maintain and evaluate visitor numbers to i-SITE quarterly	Achieved	Achieved	Achieved	i-SITE / Events activity reported to Council	
Facilitate community events	Two events per year	>6	Achieved	Achieved - over six events held	
Maintain a current database and regular communication with tourism sector	Database revised quarterly, 4 bulletins posted per annum	Database revised quarterly, 4 bulletins posted per annum	Achieved	Achieved - Four bulletins to tourism sector, effective relations maintained with industry agencies	

Capital Expenditure

CAPITAL EXPENDITURE PROJECTS FOR ECONOMIC DEVELOPMENT ACTIVITY

NOTES

2015/16
Actual
\$ 000's

2015/16
LTP
\$ 000's

To meet additional demand

Harbour Development Project - Project Management	454	741	Delayed due to later than expected funding announcement.
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Total capital expenditure	454	741
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Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - ECONOMIC DEVELOPMENT ACTIVITY	LTP	LTP	Actual
FUNDING IMPACT STATEMENT FOR 30 JUNE 2016	2015	2016	2016
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	400	374	370
Targeted rates	79	93	115
Subsidies and grants for operating purposes	72	-	70
Fees and charges	39	16	18
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	9	12
Total Operating Funding (A)	590	492	583
Applications of Operating Funding			
Payments to staff and suppliers	351	250	463
Finance Costs	52	18	-
Internal charges and overheads applied	175	216	235
Other operating funding applications	-	-	-
Total applications of operating funding (B)	578	484	698
Surplus (deficit) of operating funding (A-B)	12	8	(114)
Sources of capital funding			
Subsidies and grants for capital expenditure	188	667	472
Development and financial contributions	-	-	-
increase (decrease) in debt	200	67	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	388	734	472
Applications of capital funding			
Capital expenditure			
- to meet additional demand	370	741	454
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	30	1	(96)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	400	742	358
Surplus (deficit) of capital funding (C-D)	(12)	(8)	114
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).

Community Outcomes	How This Activity Contributes
Development and protection of the natural environment	<p>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.</p> <p>To protect the interest of public health, safety, infrastructure and ensure the welfare of animals through the delivery of animal (particularly dog) control.</p> <p>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.</p> <p>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.</p>
Services and facilities meet our needs	
A strong and distinctive community spirit	
Development supports the community	

Potential Significant Negative Effect	Affected Well-being	Sustainable Solution
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.	Social	<p>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.</p>
That the cost associated with monitoring and enforcement is beyond the community's ability to pay.	Economic	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	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 Sale and Supply of Alcohol Act 2012 within 15 working days after receipt of all reports and information required	100%	98%	100%	Not achieved - there were 64 liquor applications for the 2015/16 financial period. 63 of the applications were issued within timeframe with 1 managers certificate outstanding awaiting approval of the Ōpōtiki District Licensing Committee. High workload	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Health – Registered premises are inspected a minimum of once per year for compliance with all statutory requirements	100%	73%	100%	Not achieved - 60 registered premises/mobile shops for 2015/16 year with 44 of the premises inspected. Vacancy for Environment Health Officer to be filled	
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	1500	1580	90%	Achieved 1580 dogs registered	
All animal control complaints of an aggressive or threatening nature are responded to within 1 hour from receipt of complaint	100%	100%	98%	Achieved - 51 complaints received and all responded to within 1 hour of receipt	
% of time building consents are issued within the statutory timeframes	100%	97%	100%	Not achieved - 146 consents processed 4 outside timeframes High workload	
% of Customer satisfaction with level of service (as measured by the annual BCA survey)	>80%	100%	100%	Achieved	
% of roles that have been identified and staffed for 24 hours operation of the Emergency Coordination Centre	100% of roles filled by identified staff for 2 shifts	100% of roles filled by identified staff for 2 shifts	New 2015-25 LTP target	Achieved - Sufficient staff identified to staff two EOC shifts	
% of staff identified for roles in the Emergency Operations Centre that are trained to an appropriate level agreed by the Group	100%	100%	New 2015-25 LTP target	Achieved - CIM's training conducted in March 2016 and EOC training conducted 1 June 2016	
Council actively engages with the wider community to increase the level of awareness preparedness and resilience					
Minimum number of council delivered initiatives to promote community resilience and safety	4 initiatives delivered annually	4 initiatives delivered	4	Achieved – - Shake out Promotion - Pop Up Shop - A&P Show - Youth in Emergency Services Programme	
The Council will provide an emergency management service that meets statutory requirements and community expectations.					
Rural Fire fighters meet response times provided in contract specification	100%	100%	100%	Achieved	
The Council will provide and maintain a quality service to meet statutory requirements.					
% of time resource consents are issued within the statutory timeframes	100%	100%	100% (Previously came under Resource Management Activity which is now District Plan activity)	Achieved	

Capital Expenditure

CAPITAL EXPENDITURE PROJECTS FOR REGULATION & SAFETY ACTIVITY

NOTES

	2015/16 Actual \$ 000's	2015/16 LTP \$ 000's
<i>To replace existing assets</i>		
Civil Defence Renewals	-	30
Total capital expenditure	-	30

\$8 will be used to replace damaged aerial for siren alert in times of fair and other emergencies. Remainder to be carried forward for ongoing maintenance.

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - REGULATION & SAFETY ACTIVITY	LTP	LTP	Actual
FUNDING IMPACT STATEMENT FOR 30 JUNE 2016	2015	2016	2016
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	624	722	713
Targeted rates	60	82	101
Subsidies and grants for operating purposes	-	-	-
Fees and charges	229	353	419
Internal charges and overheads recovered	51	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	6
Total Operating Funding (A)	964	1,157	1,239
Applications of Operating Funding			
Payments to staff and suppliers	610	825	671
Finance Costs	-	1	-
Internal charges and overheads applied	318	324	336
Other operating funding applications	-	-	-
Total applications of operating funding (B)	928	1,150	1,007
Surplus (deficit) of operating funding (A-B)	36	7	232
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	-	23	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	23	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	21	-	-
- to replace existing assets	-	30	-
Increase (decrease) in reserves	15	-	232
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	36	30	232
Surplus (deficit) of capital funding (C-D)	(36)	(7)	(232)
Funding Balance ((A-B)+(C-D))	-	-	-

*Aspects of this activity were amended in the 2015-25 Long Term Plan and moved from the District Plan Activity, this is the reason for the variation between 2015 and 2016 years. Some aspects of this activity were catered for under the activity previously known as the Resource Management Activity

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

Community Outcomes	How This 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 Negative Effect	Affected Well-being	Sustainable Solution
Public Health, odour and environmental degradation.	Social, Environmental	The provision of effective and efficient waste collection and disposal facilities.
High waste volumes can increase the costs of waste management.	Economic	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.	Economic, Environmental	Ensuring a balance between economic incentives for waste reduction and the cost associated with waste disposal through fees and charges.

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
The kerbside collection of bagged refuse and recyclables where the service is provided is efficient and effective. (NB: 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)	<3	2	1	Achieved - No more than 2 service complaints received in any one month. A total of 5 complaints received	
Provision of effective waste service for the community					
Customer satisfaction rating of waste transfer stations good or better	>65%	91%	83%	Achieved – 91% rated their satisfaction of waste transfer stations as good or better	
Waste minimisation education reduces household waste and increases good recycling practices					
Number of public education activities completed	3	10	3	Achieved - Ōpōtiki Primary x 3, Whangaparua school/Ko hanga reo, Maraenui, Torere, Waioeka, Waiotahi Valley, Woodlands, Happy Feet Pre-School	
Service provided keeps residual waste to minimum quantity.					
Residual waste per year does not exceed 120 kg per person per year	120 kg / person / year	117.66kgs / person / year	New 2015-25 LTP target	Achieved - 117.66kgs per person per year. 992.26 tonne divided by 8433 (population as per 2013 Census)	

Internal Borrowing

INTERNAL BORROWING	Opening Balance 1/07/2015	Borrowed	Repaid	Balance 30/06/2016	Interest
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Solid Waste	78	-	5	73	4

Capital Expenditure

CAPITAL EXPENDITURE PROJECTS FOR SOLID WASTE ACTIVITY

NOTES

	2015/16 Actual \$ 000's	2015/16 LTP \$ 000's	
<i>To replace existing assets</i>			
Reseal Te Kaha RRC yard	10	20	Area over estimated in budget.
Total capital expenditure	10	20	

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - SOLID WASTE MANAGEMENT ACTIVITY	LTP	LTP	Actual
FUNDING IMPACT STATEMENT FOR 30 JUNE 2016	2015	2016	2016
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	754	1,037	1,025
Targeted rates	225	330	269
Subsidies and grants for operating purposes	28	27	15
Fees and charges	271	288	245
Internal charges and overheads recovered	59	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1	3
Total Operating Funding (A)	1,337	1,683	1,557
Applications of Operating Funding			
Payments to staff and suppliers	1,084	1,183	1,145
Finance Costs	6	3	4
Internal charges and overheads applied	229	479	412
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,319	1,665	1,561
Surplus (deficit) of operating funding (A-B)	18	18	(4)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	-	3	(5)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	3	(5)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	11	-	-
- to replace existing assets	-	20	10
Increase (decrease) in reserves	7	1	(19)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	18	21	(9)
Surplus (deficit) of capital funding (C-D)	(18)	(18)	4
Funding Balance ((A-B)+(C-D))	-	-	-

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.

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

Potential Significant Negative Effect	Affected Well-being	Sustainable Solution
The discharge of pollutants to stormwater reticulation can be harmful to the natural environment.	Environmental	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.	Social, Economic, Environmental	Reduce the risk by maintaining existing urban drainage systems and undertake catchment modelling to understand future stormwater management needs in line with future development. Ensure buildings have appropriate stormwater design and suitable drainage fittings.

Key Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
The urban stormwater activity is managed to protect people and property from the impacts of flooding.					
The number of flooding events that occur in the district	5	3	New 2015-25 LTP target		
For each flooding event the number of habitable floors affected per 1000 connections	0	0	New 2015-25 LTP target	Achieved - No reports of habitable floors affected for 1 July 2015 to 30 June 2016 period	
Service requests and complaints are processed as they come in.					
Median response time to attend a flooding event, from notification to personnel on site	3 days	30 minutes	New 2015-25 LTP target	Achieved - 11 complaints received in total for 1 July 2015 to 30 June 2016 period	

Key Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Number of complaints about the performance of the stormwater system per 1000 connections	<5	16	New 2015-25 LTP target	Not achieved - 11 complaints received in total which is 16 per 1000 connections. This result is based on an estimated 700 connections as Council does not have knowledge of the exact number of connections in the district. This estimate has been based on half of the available connections	
Stormwater water quality will be managed effectively for 365 days of the year.					
The number of Abatement notices received regarding discharge compliance	0	0	New 2015-25 LTP target	Achieved	
The number of Infringement notices received regarding discharge compliance	0	0	New 2015-25 LTP target	Achieved	
The number of Enforcement orders received regarding discharge compliance	0	0	New 2015-25 LTP target	Achieved	
The number of convictions regarding discharge compliance	0	0	New 2015-25 LTP target	Achieved	

Internal Borrowing

INTERNAL BORROWING	Opening Balance 1/07/2015 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2016 \$ 000's	Interest \$ 000's
Stormwater	248	249	7	491	21

Capital Expenditure

CAPITAL EXPENDITURE PROJECTS FOR STORM WATER ACTIVITY

	2015/16 Actual \$ 000's	2015/16 LTP \$ 000's	NOTES
<i>To improve level of service</i>			
Comprehensive Discharge Resource Consent	51	100	Modelling Work Undertaken in-house rather than consultant.
Condition and Performance Assessments	9	10	
High St/St John St Pump Station	110	210	Project completed under budget
Ricardo Performance & Maintenance Monitoring System	16	20	
Tarawa Creek Flood Water Storage Area	17	20	
Victoria St Pump Station	33	-	Response to rate payer request due to localised flooding issue.
Wellington/Brabant St Pump Station	14	-	Geotech investigation of stormwater basins.
Total capital expenditure	249	360	

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - STORMWATER ACTIVITY

FUNDING IMPACT STATEMENT FOR 30 JUNE 2016

	LTP	LTP	Actual
	2015	2016	2016
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	258	416	411
Targeted rates	22	45	56
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1	16
Total Operating Funding (A)	280	462	483
Applications of Operating Funding			
Payments to staff and suppliers	85	227	166
Finance Costs	18	21	21
Internal charges and overheads applied	21	55	42
Other operating funding applications	-	-	-
Total applications of operating funding (B)	124	303	229
Surplus (deficit) of operating funding (A-B)	156	159	254
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	-	335	242
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	335	242
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	88	360	249
- to replace existing assets	-	-	-
Increase (decrease) in reserves	68	134	247
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	156	494	496
Surplus (deficit) of capital funding (C-D)	(156)	(159)	(254)
Funding Balance ((A-B)+(C-D))	-	-	-

District Plan

What we do and why:

The purpose of the District Plan 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).

Community Outcomes	How This 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. To provide a District Plan that responds to and manages growth and development in terms of environmental sustainability.
Development supports the community	
Services and facilities meets our needs	

Potential Significant Negative Effect	Affected Well-being	Sustainable Solution
The District Plan could be seen as either a barrier to growth or to enabling causing environmental degradation.	Economic	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.	Economic	Efficient processes while ensuring purpose of Act is met.

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Maintain an operative District Plan that is compliant with Legislation.					
Review District Plan in accordance with the RMA	Review in accordance with project plan	Review progressed as per project plan	New 2015-25 LTP target	Achieved - Proposed plan to be adopted in August 2016	

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - DISTRICT PLAN ACTIVITY	LTP	LTP	Actual
FUNDING IMPACT STATEMENT FOR 30 JUNE 2016	2015	2016	2016
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	378	234	231
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	7
Fees and charges	43	-	-
Internal charges and overheads recovered	191	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	4	5
Total Operating Funding (A)	612	238	243
Applications of Operating Funding			
Payments to staff and suppliers	353	223	239
Finance Costs	-	-	-
Internal charges and overheads applied	259	11	7
Other operating funding applications	-	-	-
Total applications of operating funding (B)	612	234	246
Surplus (deficit) of operating funding (A-B)	-	4	(3)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	1
increase (decrease) in debt	-	4	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	(4)	1
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(2)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	(2)
Surplus (deficit) of capital funding (C-D)	-	(4)	3
Funding Balance ((A-B)+(C-D))	-	-	-

*Aspects of this activity were amended in the 2015-25 Long Term Plan and moved to the Regulation and Safety Activity, this is the reason for the variation between 2015 and 2016 years. This activity was also previously recognised in the 2012-22 LTP as the Resource Management Activity.

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 Waiotaha Drifts while the other serves a small subdivision at Waihou 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 Waihou Bay).

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

Community Outcomes	How This 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 Negative Effect	Affected Well-being	Sustainable Solution
Groundwater infiltration could overload the treatment and reticulation systems and limit new connections – a barrier to community growth and development.	Social, Economic, Environmental	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.

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
A reliable removal and treatment service is provided in areas serviced by Council operated sewerage systems.					
Number of complaints about sewerage system faults per 1000 connections	<5	7.2	New 2015-25 LTP target	Not achieved - total of 12 complaints received which is 7.2 per 1000 connections based on a total of 1661 connections	
Number of complaints about sewerage system blockages per 1000 connections	<5	6	New 2015-25 LTP target	Not achieved - total of 10 complaints received which is 6 per 1000 connections based on a total of 1661 connections	
Number of complaints about council's response to issues within the sewerage system per 1000 connections	<10	0	New 2015-25 LTP target	Achieved - no complaints received	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Service requests and failures are responded to as they come in.					
Median fault attendance time; time from notification to personnel on site	4 hours	13 minutes	100%	Achieved – Total of 12 complaints received with median response to personnel on site of 13 minutes	
Median fault attendance time; time from notification to resolution of problem	4 days	3 hours and 28 minutes	New 2015-25 LTP target	Achieved – Total of 12 complaints received with median response to resolution of problem 3 hours and 28 minutes	
Number of complaints about sewerage odour per 1000 connections	<10	1	New 2015-25 LTP target	Achieved - 1 complaint received which is 0.6 per 1000 connections based on 1661 connections rounded to the nearest number	
Sewage is managed without risk to public health.					
Number of sewage overflows into habitable buildings due to faults in the wastewater system	0	0	0	Achieved - No reports of sewage overflows into habitable buildings received	
The number of dry weather sewerage overflows per 1000 connections	2	1	New 2015-25 LTP target	Achieved - 1 complaint received which is 0.6 per 1000 connections based on 1661 connections rounded to the nearest number	
The quality of effluent leaving the treatment plant is of a standard required by consents.					
Number of Abatement notices regarding discharge compliance	0	0	New 2015-25 LTP target	Achieved	
Number of Infringement notices regarding discharge compliance	0	0	New 2015-25 LTP target	Achieved	
Number of Enforcement orders regarding discharge compliance	0	0	New 2015-25 LTP target	Achieved	
Number of Convictions regarding discharge compliance	0	0	New 2015-25 LTP target	Achieved	

Internal Borrowing

INTERNAL BORROWING	Opening Balance 1/07/2015 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2016 \$ 000's	Interest \$ 000's
Ōpōtiki Sewerage	998	339	40	1,297	66

Capital Expenditure

CAPITAL EXPENDITURE PROJECTS FOR WASTE WATER ACTIVITY		NOTES
	2015/16 Actual \$ 000's	2015/16 LTP \$ 000's
<i>To meet additional demand</i>		
Waioeka Sewerage Pump & Reticulation	43	- Fencing, Ground works, sealing, tidy-up of site.
Waioeka Sewerage Road Extension	84	- Telemetry, electrical, fencing. Completion of extension works.
	126	-
<i>To replace existing assets</i>		
Soakage Lines Renewal	38	25 Additional lines replaced.
WW Ōpōtiki Wastewater Replacement Preliminary Design	24	355 Excludes \$212K for find and fix.
WW Stage 1 - Reticulation	2	-
Waihau Bay Sewerage Pump Replacement	13	- Unbudgeted renewal.
	76	380
Total capital expenditure	202	380

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - WASTEWATER ACTIVITY

FUNDING IMPACT STATEMENT FOR 30 JUNE 2016

	LTP	LTP	Actual
	2015	2016	2016
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	59	243	240
Targeted rates	530	564	567
Subsidies and grants for operating purposes	-	-	-
Fees and charges	8	8	71
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	6	11
Total Operating Funding (A)	597	821	889
Applications of Operating Funding			
Payments to staff and suppliers	257	362	538
Finance Costs	87	99	62
Internal charges and overheads applied	66	138	128
Other operating funding applications	-	-	-
Total applications of operating funding (B)	410	599	728
Surplus (deficit) of operating funding (A-B)	187	222	161
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	950	169	299
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	950	169	299
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	126
- to improve the level of service	1,074	-	-
- to replace existing assets	-	380	76
Increase (decrease) in reserves	63	11	258
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,137	391	460
Surplus (deficit) of capital funding (C-D)	(187)	(222)	(161)
Funding Balance ((A-B)+(C-D))	-	-	-

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, Waiotaha 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.

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

Potential Significant Negative Effect	Affected Well-being	Sustainable Solution
Growth could exceed the capacity of the water supply infrastructure.	Social, Economic	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.	Environmental	Robust assessment of effects carried out in support of resource consent to take water. Regional Council monitoring of Aquifer.




Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	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	>85%	90%	95%	Achieved – 90% rated satisfaction with the quality of their drinking water as Very or Fairly satisfied	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Council will provide safe drinking water					
Number of complaints about; drinking water clarity per 1000 connections	<5	1	New 2015-25 LTP target	Achieved - 2 complaints received which is 1 (0.8 rounded to the nearest full number) per 1000 connections based on 2455 connections	
Number of complaints about; drinking water taste per 1000 connections	<5	0	New 2015-25 LTP target	Achieved - No complaints about drinking water taste received	
Number of complaints about; drinking water odour per 1000 connections	<5	0	New 2015-25 LTP target	Achieved - No complaints about drinking water odour received	

Key Performance Indicator									
Council will provide safe drinking water									
Compliance with NZ Drinking Water Standards 2005 (revised 2008)			Performance Achieved 2015/16	Performance Achieved 2014/15	Performance Achieved 2015/16	Performance Achieved 2014/15	Performance Achieved 2015/16	Performance Achieved 2014/15	
Bacterial Compliance	100%	Location	Ōpōtiki	Ōpōtiki	Te Kaha	Te Kaha	Ohiwa	Ōhiwa	
Protozoal Compliance	100%	Bacterial Compliance	Compliant	Compliant	Compliant	Compliant	Non-compliant	Compliant	
		Protozoal Compliance	Compliant	Compliant	Non-compliant	Non-compliant	Non-compliant	Non-compliant	
<p>COMMENTARY</p> <p>The Hikutaia scheme was joined to the Opotiki scheme in April 2016.</p> <p>The Bacterial non-compliance at Ōhiwa was due to the bore water testing positive for e-coli. (No e-coli was found in the reticulation). Council is currently working on a chlorination unit for Ōhiwa. It will be installed in November/December 2016.</p> <p>The Protozoal non-compliance at Ōhiwa is due to the fact there is no Protozoal barrier in place. A UV unit is planned for approx. 2021.</p> <p>The Protozoal non-compliance at Te Kaha is due to the UV not being effective because of the high turbidity of the source water following rain events. Council is investigating the option of increasing storage capacity and adding a further UV unit so that the plant can be shut down when the turbidity is high.</p>									



Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Council provides supplies that are reliable and are managed at the lowest possible all of life costs					
Measure of customers served by Council supply who are satisfied with the reliability and cost of their water supply services	80%	90%	98%	Achieved – 90% rated their satisfaction with the reliability and cost of their water supply services as Very or Fairly satisfied	
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	100%	100%	100%	Achieved	
Failures and service requests are responded to promptly.					
For urgent call outs; median time from notification to personnel on site	<4 hours	5 minutes	New 2015-25 LTP target	Achieved - 8 urgent requests received and median time from notification to personnel on site is 5 minutes	
For urgent call outs; median time from notification to resolution of problem	<1 day	1 hour and 27 minutes	All urgent requests responded to within 2 hours	Achieved - 8 urgent requests received and median time from notification to resolution of problem is 1 hour and 27 minutes	
For non-urgent call outs; median time from notification to personnel on site	<1 day	20 minutes	New 2015-25 LTP target	Achieved - 70 non-urgent requests received and median time from notification to personnel on site is 20 minutes	
For non-urgent call outs; median time from notification to resolution of problem	<4 days	23 hours and 52 minutes	New 2015-25 LTP target	Achieved - 71 non-urgent requests received and median time from notification to resolution is 23 hours and 52 minutes	
Number of complaints about drinking water pressure of flow per 1000 connections	<10	1	New 2015-25 LTP target	Achieved - 2 complaints received which is 1 (0.8 rounded to the nearest full number) per 1000 connections based on 2455 connections	
Number of complaints about continuity of supply per 1000 connections	<10	0	New 2015-25 LTP target	Achieved - no complaints received about continuity of supply	
Number of complaints about council's response to any of the drinking water issues per 1000 connections	<5	0	New 2015-25 LTP target	Achieved - no complaints about Councils response to any of the drinking water issues received	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Water resources are used efficiently and sustainably.					
Average consumption of drinking water per day per resident	<400L	279L	New 2015-25 LTP target	Achieved - Te Kaha - 357L/p/d, Ōpōtiki - 215L/p/d, Ohiwa - 92L/p/d	
Percentage of real water loss from networked reticulation system	<10%	Ōpōtiki 7.0% Te Kaha 22%	New 2015-25 LTP target	Monitoring of Te Kaha Water Supply shows high water losses. The proportion of real water losses versus apparent water losses is under investigation. Ohiwa unrecorded	
Water supply is adequate for fire fighting purposes.					
Minimum of six fire hydrants tested and meeting tri-annual compliance test with fire fighting standards	6	7	14	Achieved	

Internal Borrowing

INTERNAL BORROWING	Opening Balance 1/07/2015 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2016 \$ 000's	Interest \$ 000's
Ōpōtiki Water	3,074	145	98	3,121	179
Ōhiwa Water	21	-	0	20	1
Te Kaha Water	51	13	2	63	3
	<u>3,145</u>	<u>158</u>	<u>100</u>	<u>3,204</u>	<u>183</u>

Capital Expenditure

CAPITAL EXPENDITURE PROJECTS FOR WATER SUPPLIES ACTIVITY

NOTES

	2015/16 Actual \$ 000's	2015/16 LTP \$ 000's	
<i>To meet additional demand</i>			
Under River Crossing	234	-	Pipe installation, pipe thrusting, pump station works and decommission well.
Woodlands-Grant Road Extension	59	-	Hakitaia pipeline installation.
Northern Ext Stage 1	4	280	Design, awaiting installation.
Southern Ext Stage 2a - Southern Ring Main	9	154	Design, awaiting installation.
Southern Ext Stage 2b - Reservoir - New Main	-	61	Design, awaiting installation.
	<u>307</u>	<u>495</u>	
<i>To improve level of service</i>			
Factory Road 1.2km Loop Main	-	550	Not installed as no subsidy approved.
Condition and Performance Assessments	20	20	
	<u>20</u>	<u>570</u>	
<i>To replace existing assets</i>			
Opotiki Reservoir Lid - Repair	11	-	Preliminary investigations due to reservoir lid wear.
WTP Treatment Equipment & Service Pumps	5	5	
Te Kaha Valves, Hydrants etc.	3	-	Renewal due to deterioration.
	<u>19</u>	<u>5</u>	
Total capital expenditure	346	1,070	

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - WATER SUPPLY ACTIVITY

FUNDING IMPACT STATEMENT FOR 30 JUNE 2016

	LTP	LTP	Actual
	2015	2016	2016
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	55	145	143
Targeted rates	783	727	1,020
Subsidies and grants for operating purposes	-	-	-
Fees and charges	272	283	6
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	12	68
Total Operating Funding (A)	1,110	1,167	1,238
Applications of Operating Funding			
Payments to staff and suppliers	412	534	445
Finance Costs	250	159	183
Internal charges and overheads applied	129	167	172
Other operating funding applications	-	-	-
Total applications of operating funding (B)	791	860	800
Surplus (deficit) of operating funding (A-B)	319	307	438
Sources of capital funding			
Subsidies and grants for capital expenditure	-	767	168
Development and financial contributions	-	-	-
increase (decrease) in debt	(3)	104	58
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	1
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(3)	871	227
Applications of capital funding			
Capital expenditure			
- to meet additional demand	288	495	307
- to improve the level of service	-	570	20
- to replace existing assets	19	5	19
Increase (decrease) in reserves	9	108	319
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	316	1,178	665
Surplus (deficit) of capital funding (C-D)	(319)	(307)	(438)
Funding Balance ((A-B)+(C-D))	-	-	-

*Council was required to reclassify metered water charges from fees and charges revenue to rates revenue this year.

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.

Community Outcomes	How This 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 Negative Effect	Affected Well-being	Sustainable Solution
Carbon emissions and safety associated with using the transport network.	Social, Environmental	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.	Social, Economic	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.	Cultural, Social, Economic	Consultation with community about choice between rates finding and level of service. Focussed Advocacy efforts.

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
The surface of the roading network is maintained in good condition and is 'fit for purpose'					
Percentage of requests relating to roads and footpaths that are responded to within timeframes set in Long Term Plan: Urgent calls: 1 day Non-urgent: 4 days					
Urgent calls - Response within 1 day	100%	100%	New 2015-25 LTP target	Achieved - 15 urgent requests received and all responded to within 1 day	
Non-urgent calls - Response within 4 days	100%	93%	New 2015-25 LTP target	Not achieved - 151 Non-urgent calls received and 140 responded to within 4 days	
Percentage of sealed road network resurfaced	>6%	Not fully achieved	New 2015-25 LTP target	Not achieved due to sealing times conflicting with kiwifruit picking season. 8.343kms sealed	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
To undertake grading on unsealed roads in accordance with the operations & maintenance contract specification	100%	100%	New 2015-25 LTP target	Achieved - Grading achieved as directed by work priorities and weather conditions	
To apply new gravel to unsealed roads to the renewal schedule outlined in the operations & maintenance contract specification	>\$100,000	\$158,865	New 2015-25 LTP target	Achieved	
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	>75%	79%	78%	Achieved – 79% 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	>80%	73%	74%	Not achieved – 73% rated the safety of the District's roads as good or excellent	
Average ride quality of sealed road network	94%	94%	New 2015-25 LTP target	Achieved. Data collected from Smooth Travel Exposure Report dated 2013 for the 2013 year. Smooth Travel Exposure is calculated each year. There is no requirement to measure roughness each year but condition rating is required every two years. Council will move to the two year roughness survey to tie in with the condition rating from 2016/17.	
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.	>80%	87%	92%	Achieved – 87% stated they were Very or Fairly satisfied that the traffic services on the network are accurate and visible.	
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.	>75%	65%	60%	Not achieved – 65% rated the standard of footpaths as good or excellent.	
Percentage of footpaths that are up to standard as set in plans	70% of qualifying footpath faults scheduled for repair	57%	New 2015-25 LTP target	Not achieved. As many footpaths as possible were scheduled in the repair programme based on the available budget. \$50,000.00 was spent in Contract 125 2015/16 financial year. The back log is slowly being addressed although does not include new footpaths	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Change from previous financial year in number of fatalities and serious injury crashes on the local road network	Not targeted - Recorded for analysis purposes only	Achieved - data analysed - no significant change	New 2015-25 LTP target	No fatalities within the ODC local roading network for 2015/16 - no change from 2014/15. 2 serious injuries in the 2015/16 year which was an increase of 1 accident to previous year 2014/15. Both injuries were in an off-road accident.	

Internal Borrowing

INTERNAL BORROWING	Opening Balance 1/07/2015 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2016 \$ 000's	Interest \$ 000's
Roading	103	41	103	41	7

Capital Expenditure

CAPITAL EXPENDITURE PROJECTS FOR LAND TRANSPORT ACTIVITY

NOTES

	2015/16 Actual \$ 000's	2015/16 LTP \$ 000's	
<i>To improve level of service</i>			
Minor Improvements	93	110	Numerous improvements made.
	93	110	
<i>To replace existing assets</i>			
Urban Kerb & Channel	-	32	Included under drainage renewals (see below).
Emergency Reinstatement - Storm Damage	-	260	No emergency work expended 2015-16.
Drainage Renewals	103	67	Includes urban kerb & channel.
Ngarue Road bridge to culvert conversion	11	250	Investigation costs to date.
Pakihi Bridge Renewal	214	-	Investigation, design and procurement.
Pavement Rehabilitation	123	194	Otara Road and High Street competitive rates.
Sealed Resurfacing	351	392	Reduced distance undertaken due to spray effect on kiwifruit.
Seismic Assessments for Bridges	50	166	Costs spread over 3 year programme.
Traffic Services Renewals	34	45	
Unsealed road metalling and rehab	152	128	Additional expenditure as underspent pavement rehabilitation.
Footpath	58	32	Additional works undertaken based on need.
	1,095	1,565	
Total capital expenditure	1,187	1,675	

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - LAND TRANSPORT ACTIVITY	LTP	LTP	Actual
FUNDING IMPACT STATEMENT FOR 30 JUNE 2016	2015	2016	2016
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,962	2,045	2,021
Targeted rates	108	-	-
Subsidies and grants for operating purposes	759	900	851
Fees and charges	-	42	51
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	75	16	66
Total Operating Funding (A)	2,904	3,003	2,988
Applications of Operating Funding			
Payments to staff and suppliers	1,962	1,621	1,574
Finance Costs	23	37	7
Internal charges and overheads applied	233	559	579
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,218	2,217	2,160
Surplus (deficit) of operating funding (A-B)	686	786	828
Sources of capital funding			
Subsidies and grants for capital expenditure	509	854	605
Development and financial contributions	37	-	-
increase (decrease) in debt	-	49	(62)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	546	903	543
Applications of capital funding			
Capital expenditure			
- to meet additional demand	418	-	-
- to improve the level of service	178	110	93
- to replace existing assets	750	1,565	1,095
Increase (decrease) in reserves	(114)	14	183
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	1,232	1,689	1,371
Surplus (deficit) of capital funding (C-D)	(686)	(786)	(828)
Funding Balance ((A-B)+(C-D))	-	-	-

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.




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.

Community Outcomes	How This 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 Negative Effect	Affected Well-being	Sustainable Solution
Other parties with an ownership stake withdraw support.	Economic	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.	Social	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.

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
BOPLASS					
Investigate new Joint Procurement initiatives for goods and service for BOPLASS councils	A minimum of four new procurement initiative investigated	Minimum of four new procurement initiatives investigated	New 2015-25 LTP target	Achieved - Joint procurement of Internal Audit services was undertaken in December 2015, and joint procurement of Health and Safety Software is currently underway. Other initiatives are Natural Hazard Insurance and Loss Modelling, EFTPOS Services, Aerial Photography, Section 17a reviews collaboration, Radio Telephony, video conference and On-line Services.	

Key Performance Indicator	Performance target 2015/16	Performance Achieved 2015/16	Performance Achieved 2014/15	Commentary	
Communication	Communicate with each shareholding Council at appropriate levels with a least one meeting with each Executive Leadership Team	Communication with each shareholding Council at appropriate levels with at least four meetings held and at least one meeting with each Executive Leadership Team	New 2015-25 LTP target	Achieved - There are a number of communication forums amongst BOPLASS and the comprising Councils, BOPLASS directors committee, BOPLASS operations committee, BOPLASS health and safety committee. These committees meet at least 4 times per year.	
Toi-EDA					
Develop and implement a Strategy and Annual Work Plan that supports and develops key sectors in the Eastern Bay economy to grow employment and wealth	80% achievement of Work Plan actions	80%	New 2015-25 LTP target	Achieved - 80% of Work Plan actions achieved	
Represent the Eastern Bay in all relevant wider economic development activities, planning strategies and initiatives.	Submissions lodged on all regional and EBOP district plans. Active participation in 80% of Regional Governance Group and Management Group Meetings	Submissions lodged on all available regional and district plans. Active participation in 95% of Governance and Management Group Meetings	New 2015-25 LTP target	Achieved	

CAPITAL EXPENDITURE PROJECTS FOR SUPPORT SERVICES ACTIVITY

	2015/16 Actual \$ 000's	2015/16 LTP \$ 000's
<i>To improve level of service</i>		
BOPLASS Archive Project	-	20
Plant - Animal Control Vehicle	39	-
New software systems and improvements	10	53
Archive Shed Fit out	20	22
	69	95
<i>To replace existing assets</i>		
Computer Hardware & Software	41	20
Fleet vehicle and plant renewal	184	200
Vault Healthy & Safety Software	-	20
	225	240
Total capital expenditure	294	335

Funding Impact Statement

OPOTIKI DISTRICT COUNCIL - INVESTMENTS ACTIVITY

FUNDING IMPACT STATEMENT FOR 30 JUNE 2016

	LTP	LTP	Actual
	2015	2016	2016
	(\$000)	(\$000)	(\$000)
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	5	80	79
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	176	19	1
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	181	99	80
Applications of Operating Funding			
Payments to staff and suppliers	124	54	57
Finance Costs	-	-	-
Internal charges and overheads applied	38	45	47
Other operating funding applications	19	-	-
Total applications of operating funding (B)	181	99	105
Surplus (deficit) of operating funding (A-B)	-	-	(25)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(25)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	(25)
Surplus (deficit) of capital funding (C-D)	-	-	25
Funding Balance ((A-B)+(C-D))	-	-	-

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 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 revenue.

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 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.

Funding Impact Statement

Notes to Financial Statements

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



Ōpōtiki District Council - Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2016

		Actual 2016 000's	Budget 2016 000's	Actual 2015 000's
	Note			
Revenue				
Rates	2	9,850	9,715	8,896
Subsidies and Grants	4	2,229	4,740	2,035
Development and Financial Contributions		1	-	41
Fees and Charges	3	1,432	1,407	1,487
Finance Revenue	5	110	119	105
Other Revenue	6	76	-	596
Total Revenue		13,698	15,981	13,160
Expenditure				
Other Expenses	8	6,012	6,702	6,131
Depreciation and Amortisation	13, 14	2,259	2,464	2,171
Personnel Costs	7	3,073	3,148	3,000
Finance Costs	5	182	281	266
Total Expenditure		11,526	12,595	11,568
Net Surplus		2,171	3,386	1,592
Other Comprehensive Revenue and Expense				
Gain on Asset Revaluations		-	51	-
Total Other Comprehensive Revenue and Expense		-	51	-
Total Comprehensive Revenue and Expense		2,171	3,437	1,592

The accompanying notes form part of these financial statements

Explanations of significant variances against budget are detailed in note 29



Ōpōtiki District Council – Statement of Changes in Equity

For the Year Ended 30 June 2016

		Actual 2016 000's	Budget 2016 000's	Actual 2015 000's
	Note			
Equity balance at 1 July		179,350	178,048	178,183
Comprehensive revenue and expense for year	22	2,171	3,437	1,592
Transfers	22	-	-	(425)
Equity Balance 30 June		181,522	181,485	179,350
Components of Equity				
Retained Earnings at 1 July		128,079	126,325	126,355
Net Surplus/(Deficit)		2,171	3,430	1,592
Transfers to / (from) equity		(2,280)	-	132
Retained earnings 30 June		127,970	129,755	128,079
Asset Revaluation Reserves at 1 July		50,043	50,016	50,081
Transfers to / (from) reserves		-	-	(38)
Revaluation Gains		-	51	-
Revaluation Reserves 30 June		50,043	50,067	50,043
Special Funded Reserves at 1 July		1,229	1,707	1,747
Transfers to / (from) reserves		2,280	(44)	(518)
Council created Reserves 30 June		3,509	1,663	1,229
Equity at 30 June		181,522	181,485	179,350

The accompanying notes form part of these financial statements

Explanations of significant variances against budget are detailed in note 29



Ōpōtiki District Council - Statement of Financial Position

As at 30 June 2016

	Note	Actual 2016 000's	Budget 2016 000's	Actual 2015 000's
ASSETS				
Current Assets				
Cash & Cash Equivalents	9	4,524	64	2,759
Debtors & Other Receivables	10	3,583	3,167	3,193
Other Financial Assets	11	-	1,348	365
Available for Sale Assets	12	-	-	2
Prepayments		52	-	46
Total Current Assets		8,159	4,579	6,366
Non-Current Assets				
Investment Property	15	2,115	2,366	2,103
Investments in CCO's and Other Similar Entities	11	103	21	79
Property Plant & Equipment	13	180,128	183,550	179,598
Intangible Assets	14	75	8	81
Total Non-Current Assets		182,421	185,945	181,862
TOTAL ASSETS		190,580	190,524	188,227
LIABILITIES				
Current Liabilities				
Trade & Other Payables	17	3,408	3,221	3,081
Borrowings	21	-	-	1,360
Employee Benefit Liabilities	20	341	295	326
Provisions	18	169	-	432
Total Current Liabilities		3,919	3,516	5,199
Non-Current Liabilities				
Borrowings	21	5,000	5,174	3,500
Derivative Financial Instruments	19	-	-	9
Provisions	18	139	349	170
Total Non-Current Liabilities		5,139	5,523	3,679
TOTAL LIABILITIES		9,058	9,039	8,877
NET ASSETS (assets minus liabilities)		181,522	181,485	179,350
EQUITY				
Retained Earnings	22	127,970	129,755	128,079
Asset Revaluation Reserves	22	50,043	50,067	50,043
Council Created Reserves	22	3,509	1,663	1,229
TOTAL EQUITY		181,522	181,485	179,350

The accompanying notes form part of these financial statements

Explanations of significant variances against budget are detailed in note 29

JH Forbes
MAYOR

Date: 31 October 2016

A Lawrie
CHIEF EXECUTIVE

Date: 31 October 2016



Ōpōtiki District Council - Statement of Cashflows

For the Year Ended 30 June 2016

	Actual 2016 000's	Budget 2016 000's	Actual 2015 000's
Cashflow from Operating Activities			
Cash was provided from:			
Rates	11,509	9,715	11,307
Grants & Subsidies	2,229	4,740	2,035
Fees and Charges	1,432	1,407	1,487
Interest and dividends from investments	110	119	105
GST (net change)	(53)	-	187
Other Revenue	40	-	638
	15,267	15,981	15,759
Cash was disbursed to:			
Payments Staff & Suppliers	(9,082)	(9,849)	(9,848)
Payments to/on behalf of other authorities*	(1,868)	-	(1,807)
Finance Costs	(182)	(281)	(266)
	(11,132)	(10,130)	(11,921)
Net Cashflow from Operating Activity	4,135	5,851	3,839
Cashflow from Investing Activities			
Cash was provided from:			
Proceeds Sale of Assets	(1)	-	103
Proceeds from Investments	367	2,000	708
	367	2,000	811
Cash was disbursed to:			
Purchase of Assets	(2,852)	(7,091)	(3,458)
Purchase of Investments	(24)	(498)	(764)
	(2,876)	(7,589)	(4,222)
Net Cashflow from Investing Activity	(2,509)	(5,589)	(3,411)
Cashflow from Financing Activities			
Cash was provided from:			
Loans Raised	1,500	5,174	3,444
	1,500	5,174	3,444
Cash was disbursed to:			
Loan Repayments	(1,360)	(5,436)	(3,305)
	(1,360)	(5,436)	(3,305)
Net Cashflow from Financing Activity	140	(262)	139
Net Increase (Decrease) in Cash Held	1,766	-	567
Add Opening Cash brought forward	2,759	64	2,192
Closing Cash Balance	4,524	64	2,759
Closing Balance made up of Cash and Cash Equivalents	4,524	64	2,759

* Rates collected on behalf of the Bay of Plenty Regional Council are included in Receipts of Rates Revenue and the subsequent payment in Payments to/on behalf of other authorities. These are not included in the budget figures.

The accompanying notes form part of these financial statements

Explanations of significant variances against budget are detailed in note 29



Ōpōtiki District Council - Funding Impact Statement

Ōpōtiki District Council Funding Impact Statement	Annual Plan	Annual Report	Annual Plan	Actual
For Year Ended 30 June 2016 (Whole of Council)	2015	2015	2016	2016
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	7,479	7,186	7,847	7,689
Targeted rates	1,703	1,710	1,868	2,160
Subsidies and grants for operating purposes	744	905	927	960
Fees and charges	1,963	1,624	1,407	1,427
Interest and dividends from investments	143	105	119	110
Local authorities fuel tax, fines, infringement fees, and other receipts	75	417	-	75
Total Operating Funding (A)	12,107	11,947	12,168	12,422
Applications of Operating Funding				
Payments to staff and suppliers	9,618	9,132	9,848	9,102
Finance Costs	343	266	281	182
Other operating funding applications	376	-	-	-
Total applications of operating funding (B)	10,337	9,398	10,129	9,284
Surplus (deficit) of operating funding (A-B)	1,770	2,549	2,039	3,139
Sources of capital funding				
Subsidies and grants for capital expenditure	1,946	1,130	3,812	1,269
Development and financial contributions	22	41	-	1
Increase (decrease) in debt	1,090	139	(262)	140
Gross proceeds from sale of assets	42	-	-	-
Lump sum contributions	275	43	-	1
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	3,375	1,353	3,550	1,410
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,754	1,124	1,916	965
- to improve the level of service	2,033	789	2,855	467
- to replace existing assets	1,213	1,545	2,320	1,504
Increase (decrease) in reserves	149	444	498	1,613
Increase (decrease) of investments	(4)	-	(2,000)	-
Total applications of capital funding (D)	5,145	3,902	5,589	4,549
Surplus (deficit) of capital funding (C-D)	(1,770)	(2,549)	(2,039)	(3,139)
Funding Balance ((A-B)+(C-D))	-	-	-	-

The accompanying notes form part of these financial statements

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.

Local Government (Financial Reporting) Regulations 2014

The Funding Impact statement is presented for compliance with Local Government (Financial Reporting) Regulations 2014. 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 2014.

The key differences between the Funding Impact Statement and the Statement of Comprehensive Revenue and Expense 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 BY GROUP OF ACTIVITY	2015/16 Budget \$000's	2015/16 Actual \$000's
Community Facilities	213	197
Economic Development	9	1
Land Transport	1,226	1,169
Regulation & Safety	7	8
Solid Waste Management	17	16
Stormwater	148	141
Support Services	342	240
Wastewater	216	210
Water Supply	285	265
Community Development	-	12
Total depreciation	2,464	2,259



Notes to Financial Statements

NOTE 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

REPORTING ENTITY

Ōpōtiki District Council (ODC) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations include the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of ODC are for the year ended 30 June 2016. The financial statements were authorized for issue by Council on 31 October 2016.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of ODC have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with New Zealand generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with the reduced disclosure of a Tier 2 PBE accounting entity. ODC qualifies for the Tier 2 exemptions as it does not have debt or equity instruments that are traded in a public market nor hold assets in a fiduciary capacity for a broad group of outsiders; and has total expenses between \$2 million and \$30 million. These financial statements comply with PBE Standards.

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.

Presentation currency and rounding

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

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at the fair value.

The specific accounting policies for significant revenue items are explained below:

Exchange Transactions

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below.

Interest and dividends

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Sale of goods

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

Provision of Commercially based Services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date.

Other gains and losses

Other gains and losses includes fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of PPE held at cost.

Non-Exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed below.

Rates revenue

The following policies for rates have been applied:-

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when ODC has received an application that satisfies its rates remission policy.
- 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.

Development and Financial Contributions

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

As of 1 July 2015 Council ceased collection of development contributions, this was following consultation through the 2015-25 Long Term Plan.

New Zealand Transport Agency Roadway Subsidies

ODC receives funding assistance from New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other Grants Received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and Resource Consent Revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Infringement Fees and Fines

Infringement Fees and Fines mostly relate to fees and fines for use of library books. The fair value is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when ODC obtains control over the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developers, the fair value is based on the construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), ODC immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and Bequeathed Financial Assets

Donated and Bequeathed Financial Assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Direct charges

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such services is recognised when the Council or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

Borrowing Costs

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 from income tax.

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 surplus or deficit 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. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Receivables

Receivables are recorded at their face value, less any provision for impairment.

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 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 has 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 or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

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.

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 surplus or deficit

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 surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is 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 revenue and expense

Financial assets at fair value through other comprehensive revenue and expense 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 revenue and expense, 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 receivables, and held-to-maturity investments

Impairment is established when there is evidence that ODC 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 indicators that the asset 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. 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 surplus or deficit.

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). Impairment in term deposits, local authority stock, government stock, government bonds, and community loans, are recognised directly against the instruments carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

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 surplus or deficit.

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.

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.

Revaluation of property, plant and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the value of the amount previously expensed, and then recognised in other comprehensive revenue and expense.

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.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, 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.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with this item will flow to ODC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

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.

Costs associated with development and maintenance of the Council's website is 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 the surplus or deficit.

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

Computer software 3 to 5 years (20% - 33%)

Impairment of property, plant and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or not yet available for use, and goodwill are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in Use for Non-cash-Generating Assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in Use for Cash-Generating Assets

Cash-Generating Assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating units is the present value of expected future cash flows.

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 at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in surplus or deficit.

Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. 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 expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured 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, and sick leave.

A liability for sick leave is recognised 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.

A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of Employee Entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vesting long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions

A provision is recognised 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 an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 and is included in "finance costs".

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 the following components.

- Accumulated funds
- Restricted reserves
- Property revaluation reserves
- Fair value through other comprehensive revenue and expense 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.

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 assets classified as fair value through other comprehensive revenue and expense.

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 2016.

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 2016 \$000	Actual 2015 \$000
General rate	7,936	7,186
Targeted rates attributable to activities		
Communities of Interest	304	268
Sewerage	567	496
Urban Refuse Collection	269	198
Water Supplies*	733	748
Metered Water*	288	-
Rate penalties	173	158
Rates Remissions	(419)	(158)
Total rates income	9,850	8,896

*In the 2014/15 Annual Report targeted rates for water supplies was disclosed under fees and charges

*In the 2014/15 Annual Report and in the 2015-25 Long Term Plan metered water rates was disclosed under fees and charges

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.

Maori land general remission

Council will consider a remission on Maori 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

Maori 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.

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.

Rating Base Information as at 30 June 2016

	2016	2015
Number of rating units within the district	5,568	5,643
Total capital value of rating units within the district	1,691,651,400	1,671,751,060
Total land value of rating units within the district	963,042,900	958,778,090

The rating base information disclosed is based on the rating base information as at the end of the preceeding year.

Note 3: Fees and Charges

	Actual 2016 \$000	Actual 2015 \$000
User fees and charges*	1,013	1,059
Regulatory and resource consent charges	391	362
Infringements and fines	20	27
Rendering of services	8	39
	<u>1,432</u>	<u>1,487</u>

*In the 2014/15 Annual Report targeted rates for water supply was disclosed here under fees and charges, this year it has been disclosed under rates revenue

*In the 2014/15 Annual Report and the 2015-25 Long Term Plan metered charges for water supply was disclosed here under fees and charges, this year it has been disclosed under rates revenue

Note 4: Subsidies and grants

	Actual 2016 \$000	Actual 2015 \$000
New Zealand Transport Rooding Subsidies	1,431	1,394
Grants towards Harbour Development	542	290
Grant from Bay of Plenty Regional Council for Rooding	24	-
Grant from Bay of Plenty Regional Council for Wainui Road	-	192
Grant from Bay of Plenty Regional Council for Parks	10	-
Grant from Bay of Plenty Regional Council for District Planning	7	-
Grant from Ministry of Health for Healthy Communities	8	-
Ministry of Health subsidy towards Te Kaha water supply	-	32
Ministry of Health subsidy towards Ōpōtiki/Hikutaia water supply	168	61
Grant from Eastern Bay Energy Trust for CCTV Cameras	24	-
Grant from Transpower for development of Maraetai Bay Playground	-	29
Grant for Waste Minimisation	15	-
Grant from Ministry of Business, Innovation & Employment for Cycleway	-	15
Grant from the Southern Trust for the 2014 Summer Festival	-	9
Grant from the Eastern Bay Energy Trust for the 2014 Summer Festival	-	6
Grant from Zoe's Campsite for the 2014 Summer Festival	-	7
	<u>2,229</u>	<u>2,035</u>

Note 5: Finance revenue and finance costs

	Actual 2016 \$000	Actual 2015 \$000
Finance revenue		
Interest revenue		
- term deposits	110	105
Total finance revenue	<u>110</u>	<u>105</u>
Finance costs		
Interest expense		
- interest on borrowings	182	266
Total finance costs	<u>182</u>	<u>266</u>
Net finance costs	<u>72</u>	<u>161</u>

Note 6: Other revenue

	Actual 2016 \$000	Actual 2015 \$000
Rental revenue from investment property (included in fees and charges)	-	204
Petrol tax	49	58
Vested assets	-	14
Profit on disposal of property, plant and equipment	(1)	11
Swap Valuation - in the money	9	8
Write out of abandoned assets	-	(25)
Gain (Loss) on changes in fair value of investment property (note 15)	12	118
Other Revenue	7	208
	<u>76</u>	<u>596</u>

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

Rental revenue from investment is now disclosed as part of fees and charges, note 3 as per the Long Term Plan.

Note 7: Personnel costs

	Actual 2016 \$000	Actual 2015 \$000
Salaries & wages	2,930	2,953
Defined contribution plan employer contributions	74	13
Increase/ (decrease) in employee benefit liabilities	15	(27)
Training costs	54	61
Total employee benefit expenses	<u>3,073</u>	<u>3,000</u>

Note 8: Other expenses

	Actual 2016 \$000	Actual 2015 \$000
Fees paid to principal auditor:		
Audit fees for financial statement audit	93	92
Audit fees for Debenture Trust Deed assurance engagement	4	-
General grants	77	90
Impairment of receivables (note 10)	(38)	296
Impairment of property, plant and equipment (note 13)	-	-
Minimum lease payments under operating leases	8	3
Direct expenses from investment property generating income	58	8
Roading - Rural Services	966	1,122
Roading - Urban Services	234	188
Transport costs	337	119
Contractor costs	258	278
Pumping costs for water supplies, stormwater and wastewater	218	218
Treatment costs for water supplies and wastewater	165	240
Subscription and license fees	250	244
Materials and services	101	91
Rates expense on Council property	143	95
Insurance	92	81
Other operating expenses	3,047	2,967
	<u>6,012</u>	<u>6,131</u>

Note 9: Cash and cash equivalents

	Actual 2016 \$000	Actual 2015 \$000
Cash at bank and in hand	1,100	16
Short term deposits maturing three months or less from date of acquisition	3,424	2,743
Total cash and cash equivalents	4,524	2,759

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 2016 \$000	Actual 2015 \$000
Rates receivable	4,490	4,155
Other receivables	858	705
Sundry debtors	291	427
	5,639	5,287
Less provision for impairment of receivables	(2,056)	(2,094)
Total debtors and other receivables	3,583	3,193

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

	Actual 2016 \$000	Actual 2015 \$000
At 1 July	2,094	1,798
Additional provisions made during the year	(38)	491
Receivables written off during the period	0	(195)
At 30 June	2,056	2,094
Total receivables comprise:		
Exchange Transactions	261	278
Non-exchange Transactions	3,322	2,915
	3,583	3,193

Receivables from exchange transactions includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.

Receivables from non-exchange transactions includes outstanding amounts for rates, grants infringements, and fees and charges that are partly subsidised.

Note 11 Other financial assets - Investment in CCO's and other similar entities

	Actual 2016 \$000	Actual 2015 \$000
Current portion		
<i>Loans and receivables</i>		
Short term deposits with maturities of 4 -12 month	-	365
Total loans and receivables	-	365
Non-current portion		
<i>Held to maturity</i>		
Local Government Funding Authority Borrowing Notes	80	56
	80	56
<i>Fair value through equity</i>		
Unlisted shares in Bay of Plenty Local Authority Shared Services Ltd	5	5
Unlisted shares in Civic Assurance Ltd	18	18
	23	23
	103	79

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.

Term Deposits

The carrying amount of term deposits approximates fair value.

Impairment

There were no impairment provisions for other financial assets.

Note 12 Assets available for sale

	Actual 2016 \$000	Actual 2015 \$000
Assets available for sale are:		
Listed shares Horizon Energy Ltd	-	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, Maria McHugh BCom(VPM) MPINZ of QV Asset and Advisory. 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 2014.

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 as at 30 June 2014. The Three Waters valuation was performed by ODC engineering staff and peer reviewed by Robert Berghuis of Beca Valuations Ltd. The roading asset valuation was performed by Sid Christy of Beca Ltd.

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 \$1,612,210 (2015 \$1,766,035)

Restrictions

Land and buildings in the "Restricted Asset" category are subject to either restrictions on use, or disposal or both. This includes restrictions from legislation (such as land declared as a Reserve under the Reserves Act 1977), or other restrictions (such as land and buildings under a bequest or donation that restricts the purpose for which assets can be used).

Leasing

The net amount of plant and equipment held under finance leases is \$Nil (2015 \$Nil)

Note 13 Property, plant and equipment - continued**Core Infrastructure Assets**

Included within the Council infrastructure assets are the following core Council Assets:-

	Closing book value \$'000	Additions constructed by Council \$'000	Additions transferred to Council \$'000	Replacement Cost estimate \$'000
2016				
Roading network	140,041	912	-	145,372
Water systems				
- Treatment Plants & Facilities	2,479	5	-	3,748
- Other	5,920	383	-	8,305
Sewerage system				
- Treatment Plants & Facilities	1,449	38	-	1,070
- Other	4,450	877	-	11,736
Stormwater	6,119	284	-	8,744
2015				
Roading network	140,286	1,136	-	146,673
Water systems				
- Treatment Plants & Facilities	2,553	13	-	9,194
- Other	5,725	314	-	4,626
Sewerage system				
- Treatment Plants & Facilities	1,463	57	-	9,612
- Other	3,732	210	-	2,537
Stormwater	5,996	105	-	8,580
Insurance		Actual 2016 \$000	Actual 2015 \$000	
The total value of all assets that are covered by insurance contracts		17,379	17,512	
The maximum amount to which they are insured		17,368	17,501	
The total value of all assets that are covered by financial risk-sharing arrangements		10,000	10,000	
The maximum amount available under this arrangement		9,900	9,900	
The total value of assets that are self insured		-	-	
There is no fund maintained for this purpose.				

Note 13 Property, plant and equipment continued...

2015	Cost/ revaluation 30-Jun-14	Accumulated depreciation and impairment charges 30-Jun-14	Carrying amount 30-Jun-14	Current year additions	Current year additions Vested	Current year impairment charges	Current year disposals	Current year depreciation	Depreciation Write Back	Revaluation surplus	Cost/ revaluation 30-Jun-15	Accumulated depreciation and impairment charges 30-Jun-15	Carrying amount 30-Jun-15
Operational assets													
Land	647		647	9							656	-	656
Buildings	1,348		1,348	17				47			1,365	47	1,318
Plant, machinery and vehicles	1,344	655	689	127			35	153	12		1,436	796	640
Fixtures, fittings and equipment	694	549	145	29				56			723	605	118
Library collections	657	538	119	39				38			696	576	120
Work in progress	94		94	91							185		185
Total operational assets	4,784	1,742	3,042	312	-	-	35	294	12	-	5,061	2,024	3,037
Infrastructural assets													
Roads & footpaths	140,285		140,285	1,136				1,135			141,421	1,135	140,286
Work in progress - Roads & footpaths	13		13	171							184		184
Water systems													
- Treatment Plants & Facilities	2,632		2,632	13				92			2,645	92	2,553
- Other	5,588		5,588	314				177			5,902	177	5,725
Work in progress - Water				68							68		68
Sewerage system													
- Treatment Plants & Facilities	1,447		1,447	57				41			1,504	41	1,463
- Other	3,693		3,693	210			6	165	-		3,897	165	3,732
Work in progress - Sewerage				712							712		712
Stormwater drainage	6,048		6,048	105			26	133	2		6,127	131	5,996
Work in progress - Stormwater drainage				35							35		35
Mōtū Trails	1,090		1,090	46				11			1,136	11	1,125
Work in Progress - Harbour	454		454	128							582	-	582
Total infrastructural assets	161,250	-	161,250	2,995	-	-	32	1,754	2	-	164,213	1,752	162,461
Restricted assets													
Land	10,028		10,028	-							10,028	-	10,028
Buildings	4,120		4,120	75				123			4,195	123	4,072
Work in progress	-	-	-								-	-	-
Total restricted assets	14,148	-	14,148	75	-	-	-	123	-	-	14,223	123	14,100
Total property, plant and equipment	180,182	1,742	178,440	3,382	-	-	67	2,171	14	-	183,497	3,899	179,598

The net carrying amount of PPE held under finance lease is \$0 (2014: \$0)

Note 13 Property, plant and equipment continued...

2016	Cost/ revaluation 30-Jun-15	Accumulated depreciation and impairment charges 30-Jun-15	Carrying amount 30-Jun-15	Current year additions	Current year additions Vested	Current year impairment charges	Current year disposals	Current year depreciation	Current year Write Back	Current year Revaluation surplus	Cost/ revaluation 30-Jun-16	Accumulated depreciation and impairment charges 30-Jun-16	Carrying amount 30-Jun-16
Operational assets													
Land	656	-	656								656	-	656
Buildings	1,365	47	1,318	49				47			1,414	94	1,320
Plant, machinery and vehicles	1,436	796	640	271			225	91	129		1,482	758	724
Fixtures, fittings and equipment	723	605	118	67			1	58			789	663	126
Library collections	696	576	120	45				40			741	616	125
Work in progress - Operational	185	-	185	38							223	-	223
Total operational assets	5,061	2,024	3,037	470	-	-	226	236	129	-	5,305	2,131	3,174
Infrastructural assets													
Roads & footpaths	141,421	1,135	140,286	912				1,157			142,333	2,292	140,041
Work in progress - Roads & footpaths	184	-	184	275							459	-	459
Water systems	-	-	-								-	-	
- Treatment Plants & Facilities	2,645	92	2,553	5				79			2,650	171	2,479
- Other	5,902	177	5,725	383				188			6,285	365	5,920
Work in progress - Water	68	-	68	25			68				25	-	25
Sewerage system	-	-	-								-	-	
- Treatment Plants & Facilities	1,504	41	1,463	38				52			1,542	93	1,449
- Other	3,897	165	3,732	877			20	158	19		4,754	304	4,450
Work in progress - Sewerage	712	-	712				712				-	-	-
	-	-	-								-	-	
Stormwater drainage	6,127	131	5,996	284			57	141	37		6,354	235	6,119
Work in progress - Stormwater drainage	35	-	35				35				-	-	-
Mōtū Trails	1,136	11	1,125	6				12			1,142	23	1,119
Work in Progress - Cycleway				16							16	-	16
Work in Progress - Harbour	582	-	582	454			148				888	-	888
Total infrastructural assets	164,213	1,752	162,461	3,275	-	-	1,040	1,787	56	-	166,448	3,483	162,965
Restricted assets													
Land	10,028	-	10,028	8							10,036	-	10,036
Buildings	4,195	123	4,072					124			4,195	247	3,948
Work in progress	-	-	-								-	-	-
Total restricted assets	14,223	123	14,100	8	-	-	-	124	-	-	14,231	247	13,984
Total property, plant and equipment	183,497	3,899	179,598	3,753	-	-	1,266	2,147	185	-	185,984	5,861	180,128

The net carrying amount of PPE held under finance lease is \$0 (2015: \$0)

Plant, machinery and vehicles carry forward figures for cost and depreciation were overstated by \$67k in 2015, the net effect of which is Nil.

Plant, machinery and vehicles, disposals and depreciation have been adjusted by \$67k in 2016 to ensure correct carry forward figures for cost and depreciation at the end of 2016, the net effect of which is Nil.

Roads & footpaths carry forward figure for depreciation was overstated by \$10k in 2015, in 2016 depreciation has been adjusted by \$10k to ensure correct carry forward figures for depreciation at the end of 2016.

Note 14 Intangible assets

	2016 Computer software	2016 Easement	2016 Total
Cost			
Balance at 1 July	306	10	316
Additions	31	-	31
Disposals	-	-	-
Balance 30 June	<u>337</u>	<u>10</u>	<u>347</u>
Accumulated amortisation and impairment			
Balance at 1 July	235	-	235
Amortisation charge	37	-	37
Disposals	-	-	-
Balance 30 June	<u>272</u>	<u>-</u>	<u>272</u>
Carrying amounts			
Balance at 1 July	71	10	81
Balance at 30 June	<u>65</u>	<u>10</u>	<u>75</u>

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 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 2016 \$000	Actual 2015 \$000
Balance 1 July	2,103	2,031
Additions	-	-
Disposals	-	(46)
Fair value gains/(losses) on valuation (note 6)	12	118
Balance 30 June	<u>2,115</u>	<u>2,103</u>

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 Michael Power MPINZ SPINZ an independent valuer from of QV Asset & Advisory. QV Asset & Advisory are an experienced valuer with extensive market knowledge in the types of properties owned by ODC.

The fair value of investment property has been determined using the highest and best use method.

Highest and best use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financial feasible, and which results in the highest value.

Note 16 Council Controlled Organisations

Council make contributions to both BOP LASS and Toi EDA. This has currently been included under Note 25 Related party transactions. Council has 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, Opoitiki 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.

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 shareholders 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.

BOPLASS Performance Report

The nature and scope of the activities provided by BOPLASS are that of collaborative procurement

The key performance target, performance measures and actual results have been listed in the following table:

Levels of Service	Measures	Actual Results
Investigate new joint procurement initiatives for goods and services for BOPLASS Councils	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings and/or improved service levels to the participating councils.	Achieved: Joint procurement for; 1. Internal audit services 2. EFTPOS Services 3. Natural Hazard Insurance 4. Insurance Loss Modelling 5. Aerial Photography 6. Section 17A Reviews 7. Thomson Reuter/Brookers collective subscription service
Provide support to BoPLASS Councils managing or investigating Shared Services Projects	0.25 FTE resource and expertise assigned to assist councils in shared services developments and projects	Achieved: 37% of IT Manager's time committed directly to individual council support. Support for: 1. Inter Council Network (ICN) Management 2. Collaboration Portal 3. Health & Safety Advisory Group 4. Radio Telephony Strategy 5. Support & Development of Broadband solutions for Ōpōtiki District 6. GIS Services Regionally 7. After Hours Phone Service Regionally 8. Regionally Based Data Centre 9. On-Line Services 10. Video Conferencing
Further develop and extend the Collaboration Portal for access to, and sharing of project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	All NZ Councils aware of the Collaboration Portal & its benefits. Portal is operational outside of the BOPLASS group with a minimum of 5 additional councils having utilised the portal.	Achieved: Activity Areas for councils to share documentation, information & training information: 1. Collaboration portal further developed to include Activity Areas for councils to share documentation, information and training information. 2. Ongoing training provided to councils to ensure understanding and increased update. 3. Marketing flyer and proposal templates developed and circulated to councils outside of BOPLASS.

Levels of Service	Measures	Actual Results
Ensure vendors remain competitive & continued best value is returned to shareholders	<p>Contracts due for renewal are tested for competitiveness in the market place</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors</p>	<p>Achieved: Contracts negotiated and/or renewed for:</p> <ol style="list-style-type: none"> 1. Video Conferencing 2. ESRI 3. Printer/Copier Agreement 4. GIS Software 5. Print Media Copyright Agency 6. Media Monitoring
Review governance performance and structure to ensure it supports BoPLASS Strategic Direction	Affirmative feedback received from shareholding councils at least annually	<p>Achieved:</p> <ol style="list-style-type: none"> 1. Strategic Review of Board 2. Independent Director Re-Appointed 3. Board structure altered to include position of Independent Chair 4. Board Reviews of Operations governance structure & performance 5. 2016-17 Statement of Intent, including governance changes accepted by all shareholding councils
Communicate with each shareholding council at appropriate levels	At least one meeting per year	<p>Achieved:</p> <p>Executive Level meetings held with councils</p>
Ensure current funding model is appropriate	<p>Performance against budgets reviewed quarterly.</p> <p>Company remains financially viable</p>	<p>Achieved:</p> <ol style="list-style-type: none"> 1. Council Contributions Levied 2. Contributions received from activities producing savings 3. Vendor rebates collected 4. Monthly & quarterly performance reviewed

TOI EDA

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

The trust structure of Toi-EDA is designed to enable access to various types of funding. It is run by talented professionals and governed by a board of accomplished and experienced trustees.

Toi-Eda plays an important role in the Bay of Plenty regional partnership – Bay of Connections, particularly in terms of representing Eastern Bay of Plenty economic development interests and assisting to implement sector strategies.

Subsidiaries: Nil

Significant Policies and Objectives In Regard to Ownership and Control:-

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 that the settlers have no power to give directions to or exercise control over the Trustees or any part of the Trust's activities.

The key activities during the year have been:

- Continued support for the Ōpōtiki sea farm and harbour developments, facilitation of service and support activities, contribution to the harbour business case and advocacy at regional and national level
- Commissioning a new collaborative workforce development project across the kiwifruit and emerging aquaculture industries
- Advocating the expansion of the high productivity vehicle network in the eastern bay to service our key manufacturing industries
- Representing the eastern Bay in the Bay of Connections economic development framework at operational and governance levels and the implementation of BOC freight logistics, forestry, aquaculture and Māori economic development strategies
- Steering group roles for the Tertiary Strategy, Regional Growth study and land utilisation projects

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 Māori and the Eastern Bay of Plenty Community
- Promote the economic, environmental, cultural and social wellbeing of Māori 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 Māori 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 (GDP Growth)

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

Toi-EDA Performance Report

The nature and scope of the activities provided by Toi-EDA are that of economic development with focus on the harbour project to inject vitality into an emerging aquaculture industry and a focus upon workforce development to support economic activity.

The key performance target, performance measures and actual results have been listed in the following table:

Levels of Service	Measures	Actual Results
Support the establishment of an aquaculture industry in Eastern Bay of Plenty (EBoP)	Ōpōtiki District Council gains funding for harbour development	Achieved: Ōpōtiki District Council awarded \$3million for investigation & design of harbour
	Advocate at district, regional & national level in support	Achieved: Active participation in 5 of 6 meetings
	New significant user commences using the harbour	Achieved: Sea farm operator WMOL commenced use of Whakatāne Harbour for construction & servicing of farm
	Membership of OMAG	Achieved: Active participation in all 6 OMAG meetings
	Champion the case for sector growth to meet the BoP Regional Strategy Goal of \$250million by 2015	Achieved: Support championed on every occasion
Maximize local employment opportunities in kiwifruit & aquaculture industries	Complete Phase 2 of the kiwifruit & aquaculture Workforce Development Project	Achieved: Focus now upon Harbour Construction Workforce
Increase the level of value added processing of the regional forest harvest	Highways between Kawerau/Whakatāne Mill & Port permitted for 25m-64 tonne	Achieved: Full HPMV Stalled in VDAM Rules Review
	Participation in BOC, FWAG & FLAG	Achieved: 100% participation

Levels of Service	Measures	Actual Results
Work with Eastern Bay Iwi & Hapū to implement He Mauri Ohohoho (Bay of Connections Māori ED Strategy)	Achieve effective Iwi Participation in Toi-EDA Governance	Not Achieved: Limited Effectiveness in involving Iwi Leaders in Toi Governance
	Support/Progress 3 Māori/Iwi ED Projects in Eastern Bay	Achieved: Ōmaio Kiwifruit Development Commissioned Scoping Study on Land Optimization in Whakatāne District Implementation delayed by WDC budget constraints
Provide information & analysis on key economy measures & trends	Two reports completed & provided to partners	Not Achieved: One economic profile report commissioned & published
Facilitate/Coordinate Youth engagement, training & employment	Engage with existing programmes & projects	Achieved: Workforce project completed Training Pathways to work
	Support at least 3 public presentations on youth engagement, training & employment	Achieved: Support 3 presentations on youth engagement, training & employment
Communicate with Community & Partners	Strategic Plan on website and promoted to councils & other stakeholders	Achieved:
	Presentation to each partner on activities & achievements for feedback	Achieved: Presentation made to each council partner
Secure Funding & diversify TOI-EDA Funding Base	Submissions made to Annual Plan	Achieved
	Meet CEs & Other funding sources	Achieved: Regular communications with 3 of 4 partner council executives
	Secure 50% funding from outside sources	Not Achieved: \$49,000 achieved (32%)
MBIE/MPI Regional Growth Implemented in EBoP	3 significant EBoP growth opportunities developed	Achieved: Ōmaio Land Development Ōpōtiki Aquaculture Pathways to Work

Note 17 Trade and other payables

	Actual 2016 \$000	Actual 2015 \$000
Trade payables	1,408	1,073
Retained contract monies	178	141
Deposits and bonds	111	111
Accrued expenses	84	200
Rates in advance	316	288
Rates due to Bay of Plenty Regional Council	714	616
GST Liability	330	382
Other payables	267	269
Total trade and other payables	3,408	3,081
Exchange Transactions	1,993	1,737
Non-exchange Transactions	1,415	1,344
	3,408	3,081

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 2016 \$000	Actual 2015 \$000
Current provisions are represented by:		
Landfill aftercare provision	7	7
Development Contributions Repayment	162	425
	169	432
Non-current provisions are represented by:		
Landfill aftercare provision	89	93
Weathertightness claims	50	77
	139	170

	Landfill Aftercare \$000	Weathertightness Claims \$000	Development Contributions \$000
Balance at 1 July 2015	100	77	425
Additional provisions made during the year	4	23	-
Amounts used during the year	(2)	(50)	(263)
Unused amounts reversed during the year	-	-	-
Discount unwinding	(6)	-	-
Balance as at 30 June 2016	96	50	162

Landfill aftercare provision

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% (2015 4.50%).

Weathertightness claims provision

One of two weathertightness claims made in 2015 was settled for \$50,000 in 2016.

The remaining claim has not been settled. The expected outflow is the excess of the insurance policy that the Council has for these issues. Therefore, an adjustment of \$23,000 was added to the remaining claim bringing the expected outflow to be \$50,000.

Development Contributions Provision

Council provided \$425,000 in 2015 for the repayment of development contributions collected for the proposed events centre.

In the 2012 Long Term Plan the proposal to build an events centre was discontinued, and Council resolved in September 2015 to refund contributions attributable to the events centre. Previously this was disclosed as a contingent liability. As at 30 June 2016 \$162,000 remains to be claimed.

Note 19 Derivative financial instruments

	Actual 2016 \$000	Actual 2015 \$000
Current liability portion		
Interest rate swap	-	-
Total current liability portion	-	-
Non-current liability portion		
Interest rate swap	-	9
Total non-current liability portion	-	9

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 nil (2015 \$1,360,000). The fixed interest rate of cash flow interest rate swap was 4.80%.

Note 20 Employee benefit liabilities

	Actual 2016 \$000	Actual 2015 \$000
Accrued pay	108	69
Annual leave	233	255
Retirement gratuities	-	-
Sick leave	-	2
Total employee benefit liabilities	341	326
Comprising		
Current	341	326
Non-current	-	-
Total employee benefit liabilities	341	326

Note 21 Borrowings

	Actual 2016 \$000	Actual 2015 \$000
Current		
Bank overdraft	-	-
Secured loans	-	1,360
Debentures	-	-
Lease liabilities	-	-
Total current borrowings	-	1,360
Non-current		
Secured loans	5,000	3,500
Debentures	-	-
Lease liabilities	-	-
Total non-current borrowings	5,000	3,500

Secured loans

ODC's secured debt is \$5,000,000 (2015 \$4,860,000). Of this \$2,000,000 (2015 \$2,000,000) 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 \$3,000,000 (2015 \$2,860,000) is issued at fixed rates of interest.

Security

ODC's loans are secured over either separate or general rates of the Council.

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

Internal Borrowings

Information about internal borrowings is provided on pages 28 to 71 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Refinancing

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

Finance lease liabilities

ODC has no finance lease liabilities.

Note 22 Equity

	Actual 2016 \$000	Actual 2015 \$000
Retained Earnings		
Ast at 1 July	128,078	126,355
Transfers to:		
Council created reserves	(4,369)	(119)
Transfer to Provisions	-	(425)
Transfers from:		
Council created reserves	2,089	637
Property revaluation reserves on disposal	-	38
Surplus/(deficit) for year	2,171	1,592
As at 30 June	127,969	128,078
Council Created Reserves		
Ast at 1 July	1,229	1,747
Transfers to:		
Retained Earnings	(2,089)	(637)
Transfers from:		
Retained Earnings	4,369	119
As at 30 June	3,509	1,229
Asset Revaluation Reserve		
Ast at 1 July	50,043	50,081
Revaluation gains/(losses)	-	-
Transfer to accumulated funds on disposal of property	-	(38)
As at 30 June	50,043	50,043
	181,521	179,350
	Actual 2016 \$000	Actual 2015 \$000
Asset revaluation reserve consists of:		
<i>Operational assets</i>		
Buildings	139	139
<i>Infrastructural Assets</i>		
Roading	33,097	33,097
Roading components	5,840	5,840
Water systems	3,511	3,511
Sewerage systems	2,420	2,420
Stormwater system	4,622	4,622
Mōtū Trails	79	79
<i>Restricted assets</i>		
Buildings	334	334
	50,043	50,043

Note 22: Council Created Reserve Funds
Reserve

Special Reserves	Activity	Purpose	Balance 1-Jul-15 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-16 \$000
Cash in Lieu of Reserves	Economic Development	For general purpose funding	145	5	-	149
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	4	0	-	5
General Purposes (Electricity Proceeds)	Economic Development	For general purpose funding	34	2	-	36
Development Contributions - Facilities	Community Facilities	For development of recreational facilities	370	21	-	391
Development Contributions - Roading	Land Transport	For development of roads	-	-	-	-
Road Upgrade Reserve	Land Transport	For upgrading of roading	87	22	-	108
Destination Playground	Community Facilities	For Development of Playground	3	0	-	3
Elections Reserve	Leadership	For Funding Triennial Elections	-	16	-	16
Coast Community Board Reserve	Community Development	For Funding CCB Projects	-	65	(16)	49
Library Redevelopment Reserve	Community Facilities	For the Library Development Project	2	116	-	117
Whakaari Taonga Management Reserve	Community Facilities	For the development of reserves	3	4	-	7
District Plan Reserve	District Planning	For District Plan	81	5	-	86
			728	255	(16)	967
Treasury Reserves						
Ōpōtiki Water	Water Supply	For operating surpluses and deficits	182	10	-	192
Te Kaha Water	Water Supply	For operating surpluses and deficits	9	-	-	9
Ōhiwā Water	Water Supply	For operating surpluses and deficits	1	-	-	1
Roading - Urban	Land Transport	For operating surpluses and deficits	60	3	-	64
Ōpōtiki Sewerage	Wastewater	For operating surpluses and deficits	143	8	-	151
Waihou Bay Sewerage	Wastewater	For operating surpluses and deficits	1	-	-	1
Stormwater	Stormwater	For operating surpluses and deficits	15	1	-	16
Stormwater - Rural	Stormwater	For operating surpluses and deficits	1	-	-	1
Refuse Recovery Centre	Solid Waste Management	For operating surpluses and deficits	9	1	-	10
General Funds	Economic Development	For operating surpluses and deficits	5	-	-	5
Property - Administration buildings	Community Facilities	For operating surpluses and deficits	48	3	-	51
Parks & Reserves	Community Facilities	For operating surpluses and deficits	7	-	-	7
Airport Reserve	Community Facilities	For operating surpluses and deficits	-	59	-	59
Cycleway	Community Facilities	For operating surpluses and deficits	20	1	-	22
			501	87	-	588

Reserve

Special Reserves

Depreciation Reserves

	Purpose
Community Facilities	For funding replacement of existing assets
Community Development	For funding replacement of existing assets
Economic Development	For funding replacement of existing assets
Regulation & Safety	For funding replacement of existing assets
Solid Waste Management	For funding replacement of existing assets
Stormwater	For funding replacement of existing assets
Wastewater	For funding replacement of existing assets
Water Supply	For funding replacement of existing assets
Land Transport	For funding replacement of existing assets
Support Services	For funding replacement of existing assets

Balance 1-Jul-15 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-16 \$000
-	240	(196)	44
-	13	-	13
-	(4)	-	(4)
-	21	-	21
-	34	(10)	24
-	282	(105)	177
-	426	(343)	83
-	575	(98)	477
-	1,855	(939)	916
-	585	(382)	203
-	4,027	(2,073)	1,954
1,229	4,368	(2,089)	3,509

Reserve			Balance	Deposits	Withdrawals	Balance
			1-Jul-14			30-Jun-15
			\$000	\$000	\$000	\$000
Special Reserves	Activity	Purpose				
Cash in Lieu of Reserves	Economic Development	For general purpose funding	119	26	-	145
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	4	-	-	4
General Purposes (Electricity Proceeds)	Economic Development	For general purpose funding	33	1	-	34
Development Contributions - Facilities	Community Facilities	For development of recreational facilities	813	39	(482)	370
Development Contributions - Roading	Land Transport	For development of roads	137	18	(155)	-
Road Upgrade Reserve	Land Transport	For upgrading of roading	83	4	-	87
Destination Playground	Community Facilities	For Development of Playground	-	3	-	3
Library Redevelopment Reserve	Community Facilities	For the Library Development Project	-	2	-	2
Whakaari Taonga Management Reserve	Community Facilities	For the development of reserves	-	3	-	3
District Plan Reserve	District Planning	For District Plan	78	3	-	81
			1,267	99	(637)	728
Treasury Reserves						
Ōpōtiki Water	Water Supply	For operating surpluses and deficits	175	7	-	182
Te Kaha Water	Water Supply	For operating surpluses and deficits	8	1	-	9
Ōhiwa Water	Water Supply	For operating surpluses and deficits	1	-	-	1
Roading - Urban	Land Transport	For operating surpluses and deficits	58	2	-	60
Ōpōtiki Sewerage	Wastewater	For operating surpluses and deficits	137	6	-	143
Waihau Bay Sewerage	Wastewater	For operating surpluses and deficits	1	-	-	1
Stormwater	Stormwater	For operating surpluses and deficits	15	-	-	15
Stormwater - Rural	Stormwater	For operating surpluses and deficits	1	-	-	1
Refuse Recovery Centre	Solid Waste Management	For operating surpluses and deficits	9	-	-	9
General Funds	Economic Development	For operating surpluses and deficits	5	-	-	5
Property - Administration buildings	Community Facilities	For operating surpluses and deficits	46	2	-	48
Parks & Reserves	Community Facilities	For operating surpluses and deficits	4	3	-	7
Cycleway	Community Facilities	For operating surpluses and deficits	20	-	-	20
			480	21	-	501
			1,747	120	(637)	1,229

Note 23 Capital commitments and operating leases**Capital commitments**

Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment

Actual 2016 \$000	Actual 2015 \$000
-------------------------	-------------------------

109 -

Refer to note 15 for capital commitments for investment properties.

- -

Operating commitments

Operating expenditure for future years contracted on non-cancellable contracts at balance date but not yet incurred

Actual 2016 \$000	Actual 2015 \$000
-------------------------	-------------------------

2,044 3,383

Not later than one year

2,044 1,866

Later than one year and not later than five year

- 1,517

Later than five years

- -

2,044 3,383

Operating leases as lessor

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

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

Actual 2016 \$000	Actual 2015 \$000
-------------------------	-------------------------

Non-cancellable operating leases as lessor

Not later than one year

- 1

Later than one year and not later than five years

- -

Later than five years

2 -

Total non-cancellable operating leases

2 1

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 2016 \$000	Actual 2015 \$000
-------------------------	-------------------------

Non-cancellable operating leases as lessee

Not later than one year

- 1

Later than one year and not later than five years

8 -

Later than five years

- -

Total non-cancellable operating leases

8 1

Note 24 Contingencies

Contingent liabilities

As disclosed in note 18, a provision of \$50,000 (2015: \$77,000) has been recognised for weathertightness claims. Council is aware of one 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.

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 2016 there are 2 facilities having an approximate value of \$456,000 (2015: 2 facilities : \$456,000). This estimate has been based on the valuation of land and buildings by Quotable Value New Zealand as at 1 September 2013.

Waihou Bay toilet advance

ODC advance the funding required for the construction of a toilet facility at Waihou Bay by Tamatari Enterprises. The toilet is to be operated by Tamatari Enterprises and open to the public for a term of twenty five years. Should this arrangement continue for the complete term then no repayment of the advance is required. In the event of Tamatari Enterprises withdrawing from the arrangement then the advance is repayable on a prorata basis of the unexpired portion of the term. At 30 June 2016 this amounted to \$26,439 (2015 : \$26,439)

Credit Union Central Building

CUC occupy premises located on Council owned land. The lease of the land to a previous party terminated in 2016 and ownership of the building valued at \$257,000 is subject to ongoing negotiation.

Note 25 Related party transactions

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, Opoitiki 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 2016 \$000	Actual 2015 \$000
BOPLASS		
Annual contribution	12	12
Equity Contribution	5	-
Services Provided	66	21
	Actual 2016 \$000	Actual 2015 \$000
Toi EDA		
Annual contribution	34	31
Services Provided	63	-

Note 25 Related party transactions continued**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). All related-party transactions were conducted at arms length, and therefore do not require disclosure.

Key management personnel compensation

	Actual 2016 \$000	Actual 2015 \$000
<i>Councillors</i>		
Remuneration	174	174
Full time equivalent members	7	7
<i>Senior Management Team</i>		
Remuneration	759	732
Full time equivalent members	5	7
Total key management personnel remuneration	933	906
Total full-time equivalent personnel	12	14

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

Related Party transactions with subsidiaries, associates or joint ventures

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

Note 26 Remuneration*Chief Executive*

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$219,543 (2015: \$211,102)

Elected representatives

	2016	2015
Mayor - John Forbes (Including salary plus car plus FBT)	60,796	63,481
Deputy Mayor - Chair of Community Board - Haki McRoberts	24,791	24,360
Councillor - Barry Howe	17,700	17,400
Councillor - Shona Browne	17,700	17,400
Councillor - Arihia Tuoro from 22 October 2013	17,700	17,400
Councillor - Lyn Reisterer from 22 October 2013	17,703	17,400
Councillor - Ken Young from 22 October 2013	17,700	17,400
	174,090	174,841

Staff

	2016	2015
Number of full time employees	41	34
Number of full time equivalent of all other employees	7	9
Number of employees receiving less than \$60,000	48	38
Number of employees receiving between \$60,000 and \$79,999	6	7
Number of employees receiving between \$80,000 and \$219,999	6	7
Total number of Employees	60	52

Note 27 Severance Payments

For the year ended 30 June 2016 ODC made no severance payments. (2015 \$0)

Note 28 Events after balance sheet date

There were no significant events after balance date.

Note 29 Explanation of major variances against budget

Explanations for major variations from ODC's estimated figures in the 2015-2025 Long Term Plan are as follows:

Statement of Comprehensive Income		2016 \$000
Actual surplus of \$2.171 million versus budget surplus of \$3.386 million		
A unfavourable variance of \$1.215 million.		
Total revenue of \$13.698 million was \$2.283 million under budget made up as follows:		
Rates Revenue	a	135 Favourable
Subsidies and grants	b	(2,511) Unfavourable
Fees and charges	c	25 Favourable
Financial Income		(9) Unfavourable
Other Revenue (Fees & Charges)	c	76 Favourable
		(2,284)
Total Expenditure of \$11.526 million was \$1.069 million under budget as set out below:		
Personnel costs	d	75 Favourable
Depreciation and Amortisation	e	205 Favourable
Finance costs	f	99 Favourable
Other Expenditure	g	690 Favourable
		1,069
		(1,215)

a. Rates revenue is higher than budget due to a reclassification of metered water charges from fees and charges revenue to rates revenue.

b. Subsidies and grants are lower than budget due to a delay in the library development project which expected subsidy revenue of \$1.5 million. We also budgeted for nearly \$800k of Ministry of Health subsidy for Te Kaha Water Supply extensions, these have been delayed and reduced in scope to secure the funding. The remainder is in relation to the harbour project and land transport activity which have received slightly less subsidies than budgeted.

c. Fees and charges revenue is higher than budgeted due to increased property rents and loan premiums on LGFA debt. Council has also experienced an uplift in revenue driven by economic development in the district.

d. Personnel costs are lower than budgeted due to unfilled positions and the cost savings in employing staff during the year with a full years salary budgeted.

e. Depreciation and amortisation is lower than budgeted due to deferral and slower progression in completing several capital projects, as well as prior year asset revaluations being lower than expected, impacting on future depreciation expenditure.

f. Finance costs are under budget due to delay in completing capital projects and transitioning all of Council's debt across to LGFA which at lower rates than available through the bank.

g. Other expenditure is under budget due to underspending on roading \$167k, insurance \$65k, water supplies \$84k, building control \$41k, and support services \$333k.

Note 29 Explanation of major variances against budget - continued**Statement of Financial Position**

Actual net equity of \$181.522 million versus budget of \$181.485 million, variance of \$37k.

An analysis of the major variances are set out below:

An increase in cash and cash equivalents	k	4,460	Favourable
An increase in debtors and other receivables	l	416	Favourable
An increase in other financial assets	m	(1,348)	Unfavourable
A decrease in Property, Plant and Equipment	n	(3,422)	Unfavourable
A decrease in Investment Property	o	(251)	Unfavourable
An increase in intangible assets		67	Favourable
An increase in prepayments		52	Favourable
An increase in Investments in CCO's and other similar entities		82	Favourable
An increase in creditors and other payables	p	(187)	Unfavourable
A decrease in borrowings	q	174	Favourable
An decrease in Provisions		41	Favourable
An increase in employee benefit liabilities		(46)	Unfavourable
		<u>37</u>	

k. The increase in cash and cash equivalents is due to Council building enough reserves to fund the significant Wastewater Renewal project that we begin embarking on next year.

l. The increase in debtors and other receivables is due to Rates and NZTA Debtor being higher than anticipated. Budget for this line item is inflation adjustment to the prior year.

m. The decrease in other financial assets is due to investing cash into term deposits in accordance with Council's investment policy of having term deposits of no longer than 90 days. This partially offsets the increase in cash and cash equivalents.

n. The decrease in Property, Plant and Equipment is due to the asset values at the last revaluation being lower than projected and postponement and delays of budgeted capital projects.

o. The decrease in investment property is due a lower increase from revaluation than expected on investment property.

p. The increase in creditors and other payables is due to more works being entered into towards year end in relation to land transport than budgeted. There is also additional consulting costs in relation to the wastewater renewal project that weren't in the prior year, incurred in June.

q. The decrease in borrowings is due to the postponement of capital projects requiring loan funding, and also to some extent the funding commitment of \$3 million from Central Government, meaning that the capital works that we had planned for around the harbour development project was funded by subsidy rather than loan.

Note 29 Explanation of major variances against budget - continued

Statement of Cash Flows

2016 actual movement was an increase in cash held of \$1.765 million versus a budgeted increase in cash of \$0

Net cash flow from operating activities was \$4.217 million against a budget of \$5.851 million.

The unfavourable variance is due to the lower operating receipts from subsidy revenue than budgeted.

Net cash flow from investing activities was (\$2.593) million versus a budget of (\$5.589) million.

This favourable variance is driven by the delays and deferrals to capital expenditure as outlined earlier in the report.

Net cash flow from financing activities was \$0.140 million versus a budget of (\$0.262) million

The favourable variance is due to council not uplifting additional borrowings through various projects not progressing at the rate envisaged.



Statement of Compliance and Responsibility

For the Year Ending 30 June 2016.

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 2016, fairly reflect the financial position and operations of the Ōpōtiki District Council.

A handwritten signature in black ink, appearing to read 'John Forbes'.

JH Forbes
MAYOR
Date: 31 October 2016

A handwritten signature in black ink, appearing to read 'A Lawrie'.

A Lawrie
CHIEF EXECUTIVE
Date: 31 October 2016

Report from Audit New Zealand

Independent Auditor's Report

To the readers of Ōpōtiki District Council's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of Ōpōtiki District Council (the District Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the District Council has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on pages 73 to 115:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2016;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with the Public Benefit Entity Reporting Standards;
- the funding impact statement on page 77 presents fairly, in all material respects, 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;
- the Council Activities and Performance information on pages 29 to 71:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;

- the statement about capital expenditure for each group of activities on pages 29 to 71, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan;
- the funding impact statement for each group of activities on pages 29 to 71, presents fairly, in all material respects, 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 requirements

The District Council has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 14 to 19 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

Our audit was completed on 31 October 2016. 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 audited information. 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 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 the disclosures in the information we audited;

- determining the appropriateness of the reported Council Activities and Performance information within the District 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 District Council complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

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

Responsibilities of the Council

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

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.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. In addition to this audit, we have carried out an assignment in relation to the Debenture Trust Deed, which is compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the District Council.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

