



Ōpōtiki District Council

2019/20 Annual Report

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Introduction



Directory

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Solicitors	Simpson Grierson Wellington
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Executive Staff








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Bevan Gray
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From the Mayor and CEO

We are pleased to present you with our annual report for 2019/20. It has been a year of highs and lows from the celebration of finally securing the funding for Ōpōtiki's long held aspiration of a new Harbour entrance to the lows and worry that came with the pandemic, followed by the announcement of a number of successful grants for Covid recovery projects.

A new set of councillors were elected in October 2019 and have had a very unusual first six months in their new roles steering the organisation through the events of 2020. The annual plan and early work on the Long Term Plan has been a major part of their work.

As well as the Ōpōtiki Harbour Development, other successful Provincial Growth Fund (PGF) outcomes were realised with several kiwifruit developments along the coast and our growing marine industry receiving funding. These put the district in a great position.

On 26 March 2020 our nation went into a full lockdown to try to manage the spread of Covid 19. For council that meant fundamentally changing the way we operated within a matter of weeks. Our Civil defence team was activated, re-deploying staff out of business-as-usual functions, our front-line staff stepped up to manage our essential services in a safe way for themselves and the community, and our managers prepared for Covid recovery by preparing funding applications. Working remotely required new equipment and software installed quickly and learning how to hold formal meetings remotely.

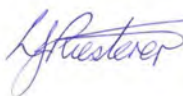
We have also made solid progress on our assets and services with work on the Ōpōtiki sewer rehabilitation, extension of the Te Kaha water supply and various roading, lighting and kerb and channelling improvements.



Mayor Lyn Riesterer



CEO Aileen Lawrie

A handwritten signature in blue ink, reading 'Lyn Riesterer'.A handwritten signature in blue ink, reading 'Aileen Lawrie'.

Highlights and significant events

Harbour Development Project

In partnership with the Ministry of Business Innovation and Employment (MBIE) and guided by the Independent Advisory Panel to the PGF, council finalised and lodged a business case for the harbour development. The business case, titled Te Ara Moana a Toi, showed cost reductions from the previous business case, through design refinement and decreased cartage costs for rock supply. It also showed faster development and a wider range of opportunities arising from the construction of a new harbour entrance. The business case was subjected to due diligence processes by government and the Bay of Plenty Regional Council (BOPRC). An announcement on 28 February 2020 was made that the government would fund the harbour from the newly formed National Infrastructure Fund, in conjunction with the contribution from BOPRC. The successful end of twenty years of hard work by many people in the community, Whakatōhea, government, regional council and our many “friends of Ōpōtiki” in the motu was marked by a community street party attended by thousands.

A funding announcement was also made for Whakatōhea Mussels (Ōpōtiki) Limited to build a processing plant in Ōpōtiki and post balance date announcements were made for Whakatōhea Māori Trust Board and for the construction of the marine industrial zone.

Together the announcements total around \$170M to be spent in Ōpōtiki over the coming three years.

Ōpōtiki Research and Technology Library

Following unsuccessful attempts to secure significant grant funding for the long-held aspiration of delivering Te Tāhuhu o Te Rangi for our community, and a consultation process, Council resolved to proceed and underwrite the full development. Tender processes were started that promoted the use of local businesses in the build. As we progressed through the year we were then successful in securing a number of grants including BayTrust, Lotteries, PGF Digital Hub, and Eastern Bay Energy Trust. Post balance date the remainder of the cost was announced from Crown Infrastructure Partners funding and the build commenced.

Covid-19 operational response

With just two days warning Council and the rest of the country went into a full lockdown on 26 March.

We found ourselves with a draft Annual Plan that was completed but not yet engaged on, recent announcements of funding from the Provincial Growth Fund for large projects crucial to our district, a requirement for all non-essential staff to work from home, an activated civil defence emergency operating centre, essential services that had to keep running and a projected decrease in revenue to name just a few of the operational challenges faced.

In response to these challenges a number of changes were implemented:

- At alert level 4 90% of staff were able to work from home using remote logins, Teams and Zoom and at level 3 that figure rose to 95%. Over quieter times new business improvements were able to be implemented and staff who were unable to work from home were redeployed where possible.
- Our Civil Defence Emergency Operating Centre (EOC) was activated with all functions operating from members homes. Our main role was to support the Ministry of Health with their response to Covid-19 and our focus was on assisting, enabling, and facilitating already established providers within the District
- Council partnered with iwi, police, local service and health providers including Whakaatu Whanaunga Trust, Te-Whānau-a-Apanui, Te Ao Hou, Whakatōhea Iwi Social and Health and big local employers such as EastPack and OPAC. Our EOC ensured there was good communication and collaboration with the sector and with the public, ensured the food banks were fully stocked, and that people seeking assistance for civil defence were put in touch with the organisation best able to help them
- Numerous actions were taken across Council services to ensure the safety and wellbeing of the community and staff while keeping essential services operational. Key considerations were given to preventing transmission via human to human contact and via solid waste and human waste

- For the solid waste service normal recyclable processing at the Resource Recovery Centres's (RRC's) ceased due to the risk of transmission, limited PPE, and the closure of recycling markets. Accepting green waste also ceased temporarily and daily refuse was received bagged and taken directly to landfill. To limit risk and in response to staff shortages charging was temporarily stopped at RRCs. The urban kerbside collection picked up stray waste and additional waste during lock-down to ensure public health by keeping streets free of waste as much as possible
- To reduce risk the cleaning of the milli-screen was automated and increased communications went out the community to urge them not to flush wet wipes
- Most meeting schedules were maintained through the use of Zoom and Teams.
- Any projects disrupted during level 4 were mostly able to restart under level 3 and planning was able to advance on the Harbour Project
- Planning for recovery and stimulus projects took place and officers were able to successfully apply for government funding during lock-down.

Elliot Street building

The Council's Elliot St building upgrade was completed just in time to welcome the harbour funding decision. The refurbishment means that the building now meets modern standards and is now housing staff, and harbour/workforce development consultants.

Sewerage

This year we have continued work towards our rehabilitation of the Ōpōtiki sewerage system with ongoing relining and rehabilitation work to decrease inflow and infiltration in both the main sewer reticulation and lateral pipes on private property.

With assistance from government's Tourism Infrastructure Fund, Te Ahiaua (Pipi beds) reserve has a brand new disposal field that is fully compliant with modern water quality standards, and even has a nitrogen stripping mechanism.

Stormwater

This year we have completed modelling of the Ōpōtiki township looking at managing both water quantity and quality.

Solid Waste

Councils volume of waste going to landfill has risen from a previous average 1000 tonnes a year, to last year 1500 tonnes (a 50% increase). There are several reasons for this – firstly Council introduced a new bin system with residual waste capacity of 45 litres, an increase from the previous 25 litre bags. Secondly during Covid 19 all waste was collected and sent to landfill due to health risks. Cost of waste disposal at the landfill has risen as have transport costs to get the waste to landfill. Like other Councils we have had reduced success at recycling initiatives over the previous financial year, due to wider global circumstances.

Water Supply

We continue to improve the resilience of our water supply system and this year have completed work to ensure improvements in water mains. We have also completed the extension of the Te Kaha system and installed new meters.

Lighting Programme

Council has made good progress towards installing new lighting in the Ōpōtiki township assisted by a generous Waka Kotahi NZ Transport Agency (NZTA) contribution and grant funding from the Eastern Bay of Plenty Energy Trust (EBET). Council has installed 253 LED luminaries as part of the infill street lighting programme this year. The programme is expected to continue for the next 2 years in 2021 and 2022 to improve the lighting standards for the

road users and public safety in Ōpōtiki. Installing LED luminaries is also better for the environment and provides energy savings. Requests will be made for assistance from NZTA and EBET for funding to complete the infill street lighting programme within the next 2 years at a total budget of \$600,000.

Asset Renewal

Council completed its programmed works to maintain and upgrade its assets including:

- Reseal of sections of urban and rural pavements, re-metalling of unsealed road surfaces in accordance with the asset management plan programme
- The annual rehabilitation / upgrade urban street project bought kerb and channelling and stormwater improvements to three blocks on Goring Street. This is a work in progress with future work designed to further improve stormwater flows
- Close to 50% of Council's wastewater pipelines under the Wastewater Rehabilitation Project
- Various stormwater and water supply plant components to ensure optimal operation.

Asset Management

Engineers have acquired various modelling software to enable staff to view and model Council's potable water and wastewater systems. This provides an in depth pre and post evaluation of rehabilitation works which will be key to assessing and planning future infrastructure works. Engineering asset management systems have migrated to cloud based services which aim to improve on performance, stability, and redundancy.

Road Seal Extension

In consideration of demand and need for seal extension across the district, particularly where there is an economic benefit, for example, dust suppression around kiwifruit orchards, Council undertakes to seal a maximum of 2km seal extension work should a ratepayer request it and provide 60 percent of the cost.

No road seal extensions were taken advantage of this year, however, there is ongoing interest in several locations in the district.

Te Ahiaua (Pipi Beds) Reserve

Construction of the internal roadway extension and parking areas has now all been completed. Three large macrocarpa slab picnic tables and benches have been installed and are already being regularly used. This now completes the upgrade works for this reserve incorporating a new and more efficient water supply and effluent disposal system, toilet facilities upgrade and a new improved sealed internal roadway and car/ campervan parking area with associated picnic facilities. Despite several complications that delayed the installation of a fully compliant and effective effluent disposal system, the whole project was still completed within the original project budget of \$480,000 with \$280,000 funded from a Ministry of Business Innovation and Employment (MBIE) Tourism Infrastructure grant.

Church St Reserve (former Rose Gardens)

Stage one of the Church St reserve was completed with the removal of the roses to their new riverside location, and the demolition of derelict structures. A network of new footpaths is now complete. Work to further enhance this reserve as a destination reserve, including the provision of public toilets, additional play apparatus and additional facilities for community use, will proceed on a staged basis as funding becomes available.

Walkways/Coastal Access

Staff are working with the Motu Trails Trust and Department of Conservation (DOC) to ensure more consistency in the maintenance standards of the DOC and Ōpōtiki District Council sections of the Motu Cycle Trail. This includes the Dunes and Otara Stop Bank Trails and the Pakahi Track with both organisations working towards engaging the Motu Trails Charitable Trust to undertake the routine maintenance works required to keep this trail to the required

standards. This opens up a whole range of co-funding grant opportunities that the Trust are eligible for, which are not available to either Council or DOC.

One thing that became apparent during the COVID-19 lockdown period and subsequent level restrictions has been the extent of local engagement and responsibility that has been experienced regarding the Dunes Cycle Trail. As well as the increase in use of the trail by locals, many also actively engaged in keeping it tidy and dealing with or reporting any incidents of concern.

Animal Control

This year 1,545 dogs were registered, a slight decrease on last year's record high number of dogs registered. New initiatives have improved registration rates, particularly around the Te Kaha area, and more dogs have been rehomed from the pound. There has been a significant decline in the number of Pitbulls and other menacing breeds being impounded as a result of Council's decision to fund de-sexing programmes for dangerous and menacing dogs. It means more of the dogs impounded are suitable for rehoming. We are also adopting dogs out through the SPCA who advertise available dogs on their website. Dogs have been rehomed from our pound to Invercargill, Auckland, Thames, Christchurch, and Wellington this year. Our community's perception of the service continues to improve with an increase in the number of people that were very/fairly satisfied with Animal Control recorded during the Council's annual customer satisfaction survey.

Building Control Authority

149 building consents were received during this financial year, representing a 10% increase when compared to the previous financial year.

This year 77% of building consent applications have been received using the online portal, an increase of 27% since last year. The intention is to do more publicity around the availability of the online portal and increase the number of online submissions. Online applications improve efficiency as officers can begin assessing the application on day one rather than having to wait for paperwork to be scanned in and files made up. Vetting of applications is more streamlined and applicants don't have to pay a deposit as they get billed once the consent is ready to be issued. The applications that are still received in paper form mainly relate to small scale building work for wood burners etc.

Building compliance

An audit of compliance work was undertaken relating to Building Warrants of Fitness (BWOFs), compliance schedules, and swimming pools by officers from MBIE in August. A number of recommendations were made which are currently being worked through. The intention is to visit most premises with BWOFs over the coming year to increase the levels of compliance within the district. This process of improving compliance is likely to lead to more Notices to Fix and potentially Infringement Notices being issued.

Civil Defence

Recently Emergency Management Bay of Plenty (EMBOP) has had a transition of accountability and responsibility from EMBOP to Ōpōtiki District Council. Through this, Council has retained a member from EMBOP for two days a week, to provide Civil Defence and Emergency Management local community resilience services.

Council undertook engagement with marae's in Ōpōtiki, communicating with those marae spokespersons to ensure they are integrated into the community response team planning.

Resource Consents

During 2019/20 a total of 50 resource consent applications were received and processed within set timeframes. This is a slight decrease from the number received in the last financial year.

RAPID numbering

The administration process for the rapid numbering project is now complete, with the orders for the numbers also completed. The project however, has been put on hold as recommended by the elections office until after the voting process has been completed.

The inclusion of macrons in the spelling of Ōpōtiki district has been approved by the New Zealand Geographic Board and came into effect on 17 January 2020.

District Plan

The Ōpōtiki District Plan has had legal effect since 1 May 2018, when the Decisions Version was issued. Mediation of the appeals made against the plan have been completed and all outstanding consent orders have been signed off by the Environment Court. The final Decisions Version of the Ōpōtiki District Plan will be presented to Council for formal adoption before the end of 2020.

Town Centre Revitalisation

During the year Council engaged with the community on the revitalisation of the town centre. The Town Centre Structure Plan was adopted by Council at the June meeting and a masterplan is now being progressed. The intention is to have the masterplan in place before December and this will assist decision-making around the revitalisation of the central business district.

Staffing

Council recruited 21 staff during the 12 months. Legislative changes have put more administrative responsibilities on employers particularly around information sharing with unions. Penalties can be incurred if this is not managed as required. This has increased the workload on payroll, along with an increased number of staff overall.

Implementation of the new health and safety system, SHE Assure is complete. The impact of Covid-19 on work practices required most staff to be able to work remotely, apart from essential service workers who continued to work with additional safe work practices and PPE requirements in place. Each of the Covid alert levels has required specific risk identification and management for all areas of Council's work.

Impact of Covid-19

Overview

Given the current environment caused by the impact of COVID-19, many local government organisations face an unprecedented level of uncertainty and challenges with economic outlooks, future revenue, and asset and liability values. We have remained aware of this potential impact on both the Council and our community in the preparation of the Council financial statements, budgets, and project forecasting.

We have undertaken a number of measures to monitor and mitigate the effects of COVID-19, such as health and safety measures for our people (e.g. social distancing and working from home) and continuing to maintain engagement with our suppliers and partners through video conferencing, and our community through social media.

The impact on our business and results has not been significant and, based upon our experience to date, we expect this to remain the case. As we operate predominantly in essential services, during COVID-19 we have found increased demand for some of our services, particularly around community and workforce development, and Civil Defence, and we expect this to continue.

Key to indicators:



No Impact














Some Impact













Major Impact

Assessment

		NO IMPACT	SOME IMPACT	MAJOR IMPACT
GOVERNANCE				
MEETINGS	Our council's meetings continued with some impact, albeit remotely throughout lockdown. We did cancel most meetings in July once we came out of lockdown to give staff a chance to take a break, following a heavy few months.			
COMPANY POLICIES	There has been no breach of policies and no requirement for review of policies or any additional policies. There has been significant interest in social procurement policies, and these will be reviewed as part of the Long Term Plan process.			
SUSTAINABILITY	COVID-19 has had a minimal impact on Council and there has been no change to our going concern assumption. Council considered sustainability in terms of our community's ability to pay given the uncertainty, and reduced the proposed rates increase for the 2020/21 Annual Plan significantly.			

FINANCIAL		No impact	some impact	MAJOR IMPACT
CASHFLOWS	There has been some impact on cash flows for Council through the additional funding received for shovel ready projects, as part of the Government's recovery package. Much of this funding has been received ahead of incurring the expenditure.			
REVENUE	There has been some impact on the revenue of Council in the form of additional and unbudgeted subsidies for recovery projects. Council also provided some rent holidays to tenants of Council property.			
LIQUIDITY	Liquidity has improved with the additional Government funding. We expect though that this will return to normal levels once the projects have been completed.			
SERVICE DELIVERY	Some impact. Most services continued through lockdown as they were deemed essential. The only things to stop for a short time were related to community facilities such as reserves, playgrounds, and the library. The library redirected visitors through an online service, which has continued to increase in popularity since lockdown.			
OPERATIONAL PROJECTS	Operational projects have not been impacted.			
CAPITAL EXPENDITURE	There were minor delays to some capital projects whilst contractors came to grips with the levels of lockdown and what the PPE and process requirements were through the various alert levels. The recovery package from Government has added to the quantum of capital projects that we are required to deliver to the community.			
COUNCIL ASSETS	The roading infrastructure assets have been revalued this year, increasing by \$11.3 million. Councils also disposed of \$3.3 million of road that it does not own. There is no direct link to Covid for this as it had been signalled as required during the last Annual Report.			
EXPENDITURE	There has been some impact on expenditure in response to the lockdown through the Civil Defence function that Council does. Our IT systems and processes were ready for remote working ahead of lockdown, so no unbudgeted expenditure was incurred.			
PERFORMANCE TARGETS	Some performance targets have been impacted by Covid. For more details please see the activity non-financial performance measures contained within the activity statements.			
ACCOUNTS RECEIVABLE	There has been no impact. Council expects that if there were to be any financial impact due to Covid on accounts receivable that it would be likely to occur in the 2020/21 financial year.			
ACCOUNTS PAYABLE	There has been no impact. Council offered during lockdown to shorten payment timeframes to help with supplier cash flow. Migration to an automated system for receiving and processing invoices began.			

PERSONNEL		NO IMPACT	SOME IMPACT	MAJOR IMPACT
REDUNDANCIES	There have been no redundancies.			
REMUNERATION	Some impact. In order to reduce the proposed rates increase for 2020/21 Council staff agreed to a salary freeze for the following year.			
HEALTH & SAFETY AND WELLBEING	Some impact. During lockdown our team conducted staff wellbeing calls to ensure everyone was coping with remote working.			
REMOTE WORKING	Staff work from home when necessary, and this has worked seamlessly with well-established automated processes. Risk of social challenges through having isolated staff was dealt with through regular online meetings and wellbeing calls.			

OPERATIONS		NO IMPACT	SOME IMPACT	MAJOR IMPACT
CONTRACTUAL OBLIGATIONS	Some impact. Most contracts have been assessed with no anticipated impacts from COVID-19. However, the delivery of the Digital Hub was delayed in agreement with Government.			
CYBER SECURITY	No changes have occurred but continue to proactively monitor and update systems. Security systems relating to Zoom meetings have been continually enhanced since lockdown.			
PROCEDURES	No changes have been required.			
MANUAL SYSTEMS	There has been no impact on manual systems. Systems were tested prior to COVID-19.			
BUSINESS CONTINUITY	Risks to Business Continuity had been identified, assessed, and mitigated prior to COVID-19. A further assessment was undertaken during peak remote working. All systems and services are accessible remotely.			
KEY SUPPLIERS	Key suppliers have been assessed. There are no anticipated impacts from COVID-19. We continue to work with key suppliers through our workforce development role.			

We will continue to assess the impact of COVID-19 on all aspects of the Council business and the wider community and will ensure that this is a key component of our Long Term Plan.

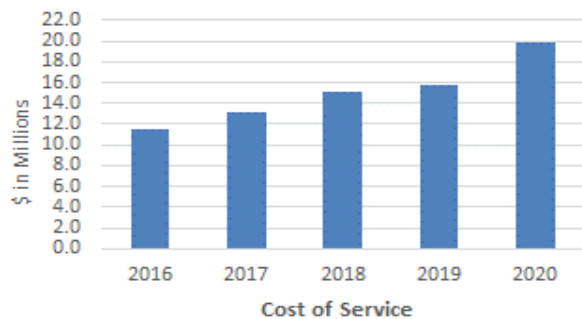
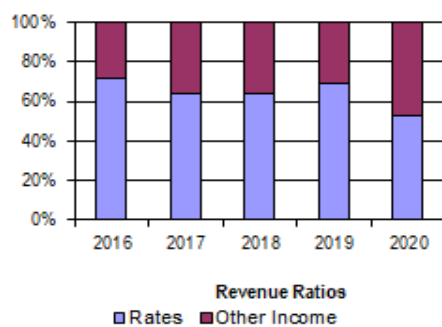
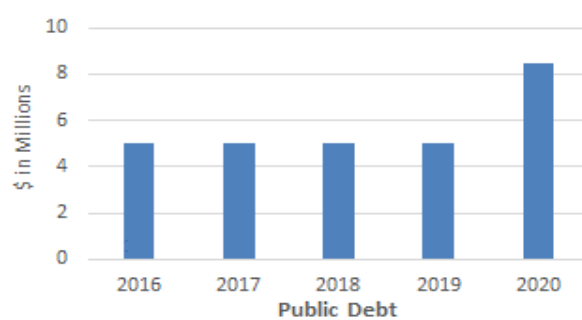
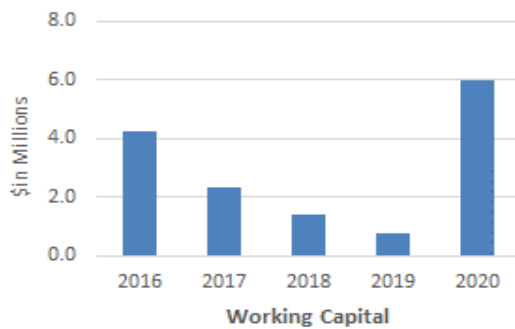
Our pandemic plan will be adhered to and we are committed to following central government's COVID-19 policies and advice.

We remain on track to deliver against our targets and budget. Our focus to do our utmost to maintain our operations in the best and safest way possible, while also maintaining the health or wellbeing of our staff remains.

5 Year Financial Summary

FIVE YEAR FINANCIAL SUMMARY

	2016	2017	2018	2019	2020
<i>For the year to 30 June:</i>					
	\$000	\$000	\$000	\$000	\$000
Income Statement					
Rates (including penalties)	9,850	10,207	10,576	10,998	11,256
Other income	3,848	5,869	5,959	5,011	10,123
	13,698	16,076	16,535	16,009	21,379
Cost of services	11,526	13,091	15,158	15,732	19,827
Net surplus/(deficit)	2,172	2,985	1,377	277	1,552
Financial Position					
Current assets	8,159	8,769	7,124	4,816	11,065
Current liabilities	3,919	6,443	5,724	4,046	5,050
Working capital	4,240	2,326	1,400	770	6,015
Non current assets	182,421	185,528	205,287	207,661	218,794
	186,661	187,854	206,687	208,431	224,809
Non current liabilities	5,139	3,134	3,634	5,095	8,571
Net assets	181,522	184,720	203,053	203,336	216,238
Financed by:					
Ratepayers equity	127,971	131,185	132,122	135,596	138,249
Reserves	53,552	53,535	70,931	67,740	77,989
	181,522	184,720	203,053	203,336	216,238



* The net surplus/(deficit) excludes the impact of the three yearly asset revaluation process, this is ignored to provide comparability across the five year summary.

The graphs and summary tables above demonstrate Council's financial prudence over time.

Council had been previously very conscious of keeping debt low to allow capacity to invest in the harbour development and the rehabilitation of the towns aging wastewater infrastructure. Now we start to see the organisation position itself for delivery of the harbour development as well as the other government funded recovery projects. Our debt levels have increased from a previously stable \$5 million to \$8.5 million as we near the end of the wastewater reticulation works. We are now looking further into the future in relation to wastewater and growth and aiming to understand the treatment plant upgrades required to sustain an extended wastewater network to cater for greater housing development.

The harbour development project will be delivered by central government over the next 4 years, but there will still be a requirement for Council to contribute its \$5.4 million as previously resolved. This will likely go towards supporting industry to grow to a sustainable level.

There is always a lot of public scrutiny on Council debt levels nationally, and there are several 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 Councils 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 close to 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.

2019/20 Performance Overview

Overall Council has achieved an operating surplus of \$1.5 million for the year against a budgeted surplus of \$15.9 million.

Subsidies and Grants is \$10.7 million lower than budgeted for the year due to not receiving any of the budgeted funding for the harbour development. Instead this project will be delivered by Central Government, so will not form part of Council's financials.

Fees and charges revenue was on budget at \$1.25 million.

Other revenue is also similar to budget at \$309k.

Finance revenue is less than budget of \$232k due to (historically low) interest rates, and Council using available cash as much as possible before raising external debt. Conversely, finance costs are underspent due to low interest rates and the delay in completing a number of debt funded capital projects.

Other operating expenditure is \$4.6 million higher than budget for the year mostly due to costs related to wastewater rehabilitation works, some of which was undertaken on private property (and therefore could not be capitalised), and a loss on disposal created from the revaluation of the roading infrastructure. Over expenditure also occurred in solid waste and in regulatory. More information about variances in operational expenditure is available at an activity level in the following activity statements.

Depreciation and amortisation is similar to budget at \$2.9 million.

Employee benefit costs are lower than budget by \$482k due to a number of budgeted roles not being filled, and those that were filled were done part way through the year, where budget was allocated for the full year.

Other comprehensive revenue was \$11.3 million over budget due to a revaluation increase for the roading network. There was no budget allocated to this as the normal revaluation process is once every three years. However the roading cost index had increased significantly, requiring an out of cycle revaluation to be undertaken.

Financial Reporting and Prudence

Annual report disclosure statement for year ending 30 June 2020

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

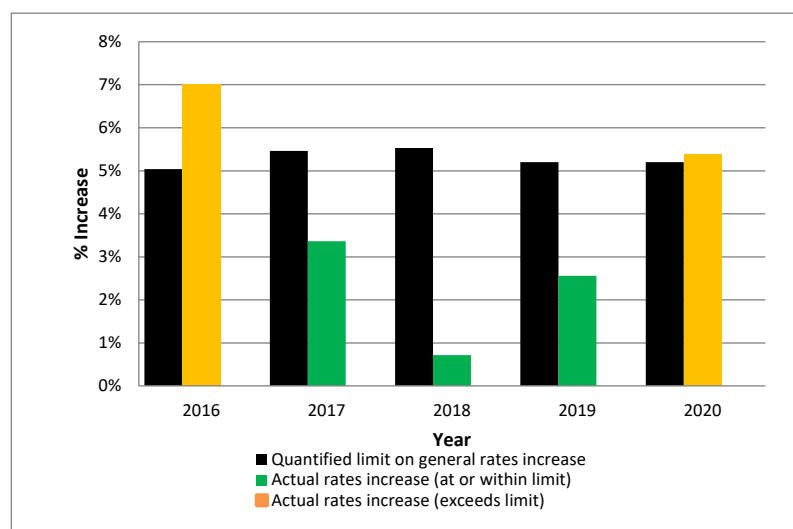
The council meets the rates affordability benchmark if:

- 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)

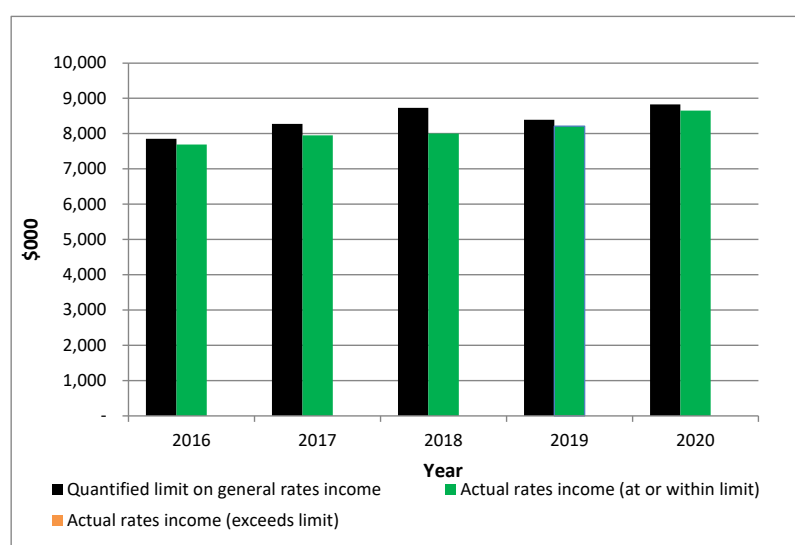
Affordability Benchmark – General Rates

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%.



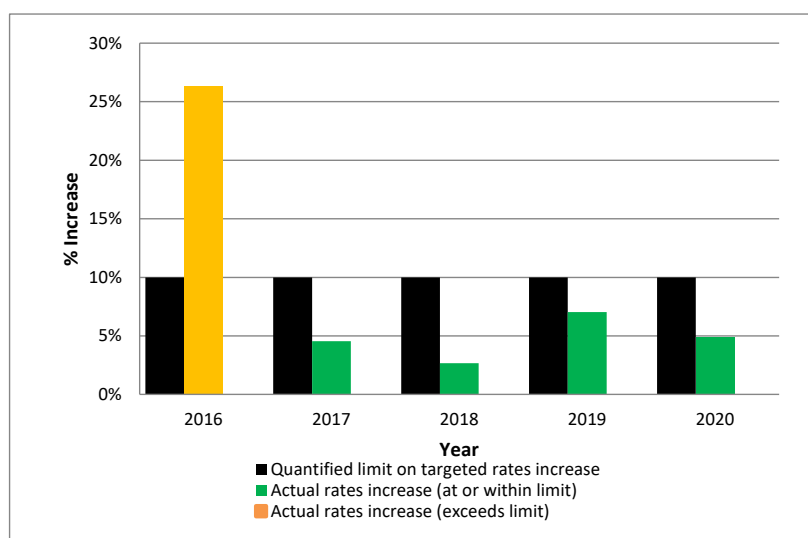
Rates (Income) Affordability Benchmark – General Rates

The following graph compares the council's general rates income with a quantified limit on general rates contained in the financial strategy included in the council's long-term plan. The quantified limit is prior year general rates plus (LGCI plus 3%).



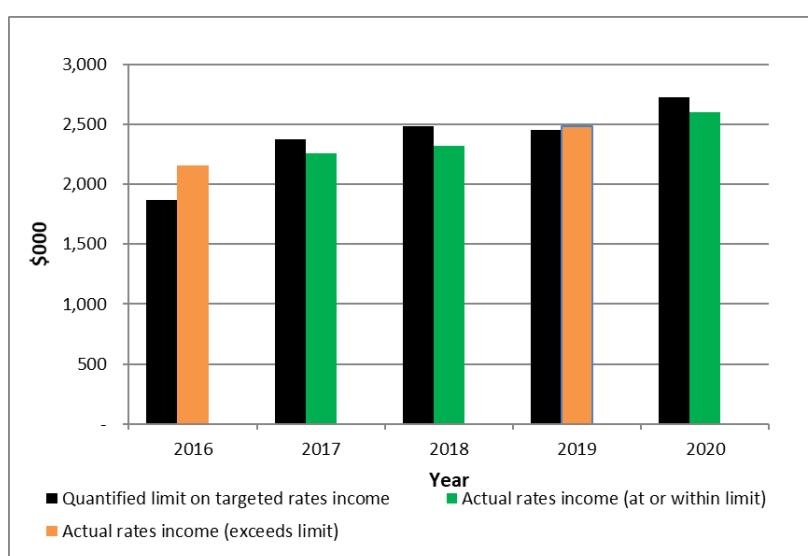
Rates (increases) Affordability Benchmark – Targeted Rates

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



Rates (Income) Affordability Benchmark – Targeted Rates

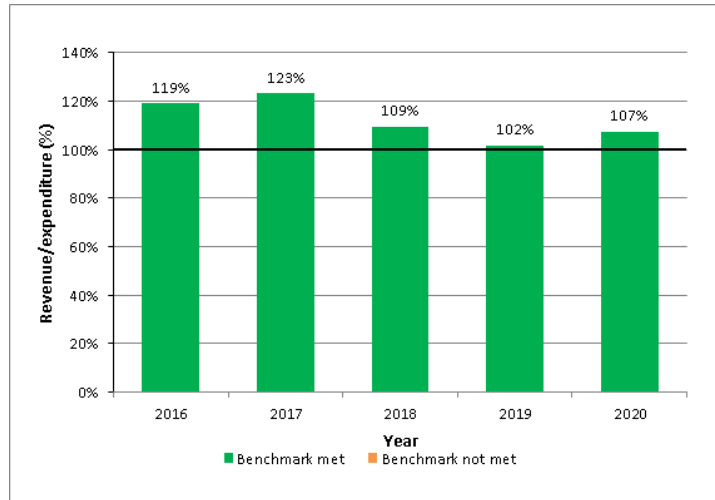
The following graph compares the council's targeted rates income with a quantified limit on targeted rates contained in the financial strategy included in the council's long-term plan. The quantified limit is prior year targeted rates plus 10%.



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).

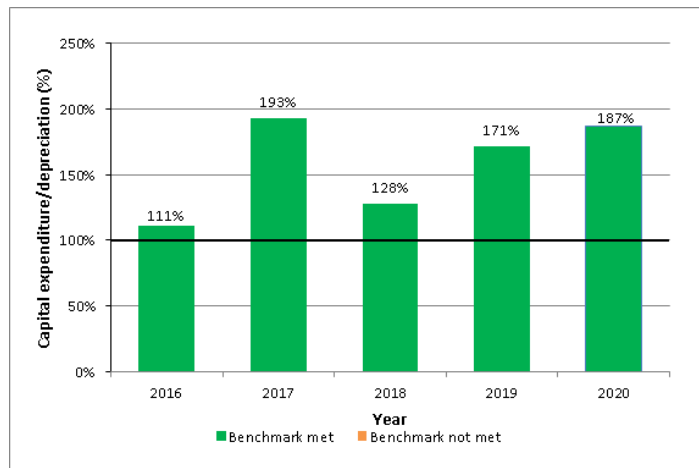
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services Benchmark

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

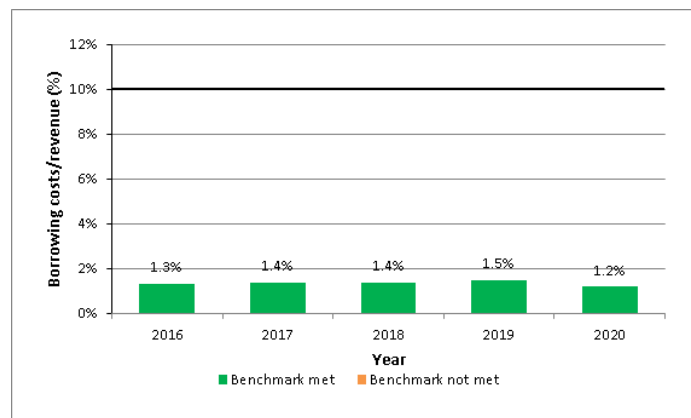
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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 financials and revaluations of property, plant, and equipment).

Because Statistics New Zealand projects the district'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.

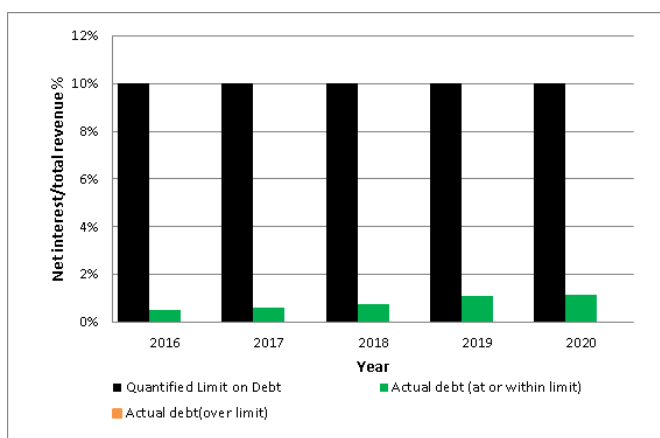


Debt Affordability Benchmark

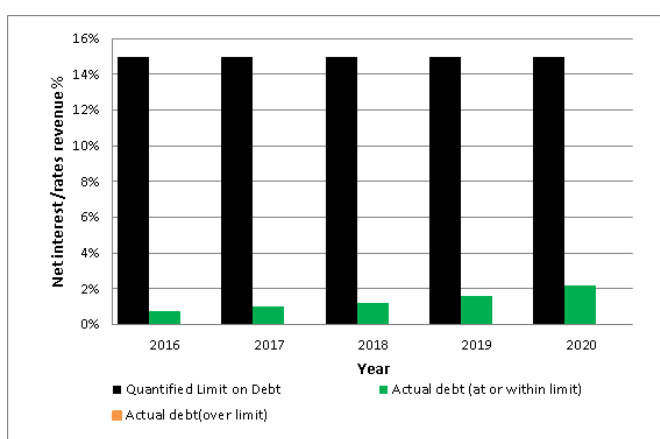
The Council meets the debt affordability benchmark if its borrowings are within each quantified limit on borrowing. The following graphs compare the Council's actual borrowing with the quantified limits on borrowing contained in the financial strategy included in the long term plan.

The quantified limits are:

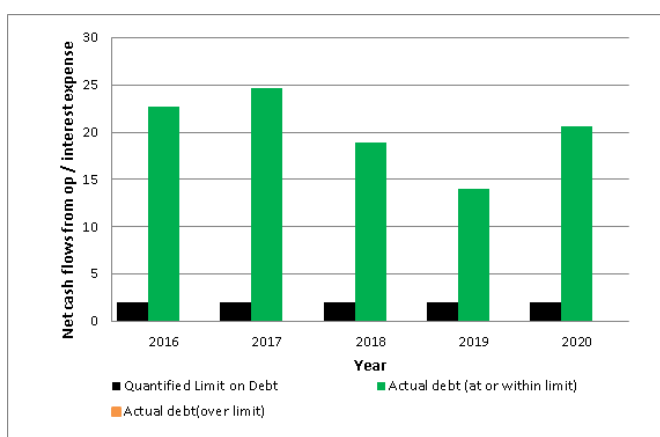
Net interest expense/total revenue less than or equal to 10%



Net interest expense/rates revenue less than or equal to 15%



Net cash flows from operating/interest expense greater than or equal to 2

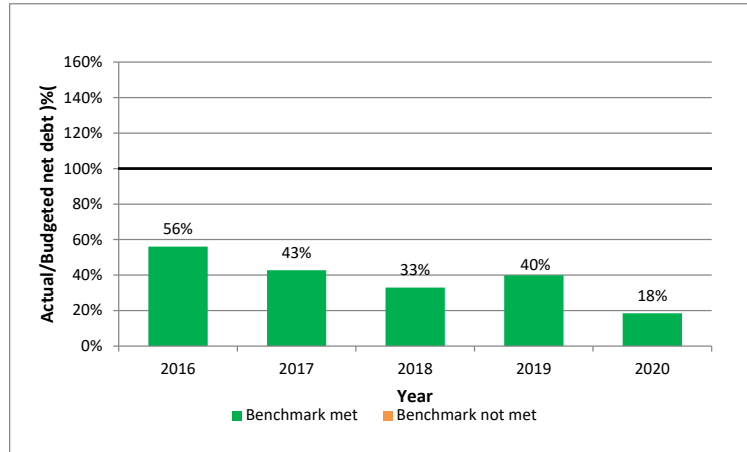


Debt Control Benchmark

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).

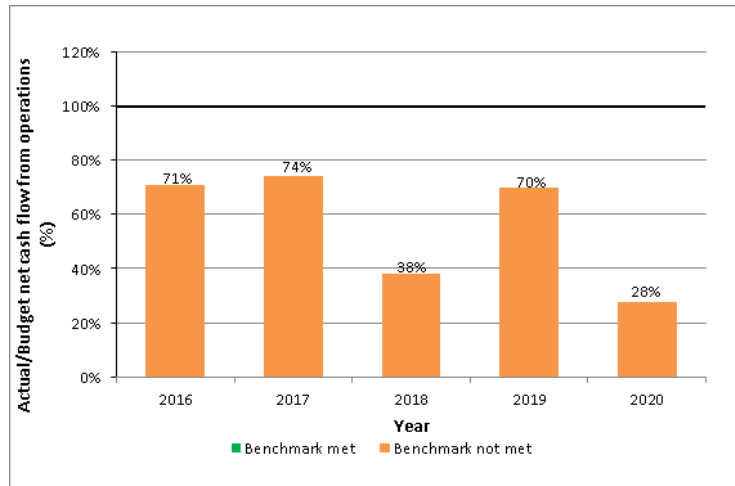
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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.



Benchmarks not met

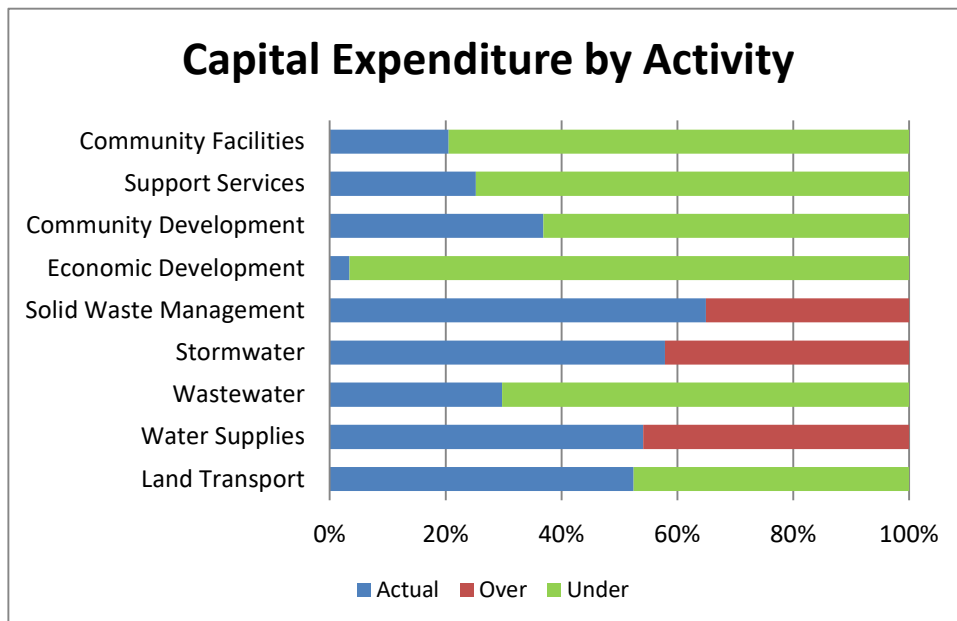
Rates (increases) Affordability Benchmark – General Rates

This benchmark was not met because we received penalty revenue that we did not budget for, and the rates remissions applied for by ratepayers was lower than expected.

Operations Control Benchmark

This benchmark was not met this year, nor has it been for the past 5 years. That is because we didn't receive the significant planned subsidy revenue for the harbour development project as budgeted. This measure is not entirely accurate as subsidies for capital projects should not be included as operational revenue.

Capital Expenditure 30 June 2020



Community Facilities - This activity is under budget due to a number of projects that started near the end of the financial year or not progressed yet. These include library development, cycleway extensions, parks upgrade, playgrounds, wharf rebuilt and coastal infrastructure (reliant on external funding).

Support Services – The Property digitisation project started this year, which will be a two year project. IT Systems upgrades were either postponed or came in under budget. The expected Fleet replacement was not required as vehicle usage was below expected.

Community Development - This activity is under budget by \$13k as we are currently still working on suitable solutions for CCTV expansion that will tie in with the CBD redevelopment.

Economic Development – Under budget as the harbour development will now be delivered by Central Government instead of Council.

Solid Waste Management– This activity is over budget due to unbudgeted expenditure to replace and upgrade the security and point of sale systems at the Ōpōtiki Resource Recovery Centre.

Stormwater – Key projects this year have been delayed or postponed. However, work was done on delayed projects from the previous year.

Wastewater - The wastewater reticulation project finished ahead of schedule and under budget. We are already seeing significant improvements to service levels within the network. The work on private laterals was completed under budget. We have brought forward some other works with the two main projects finished.

Water Supplies – The major project delayed from 18/19 was carried out during 19/20. Treatment renewals were brought forward by resolution with council.

Land Transport – There were a number of projects impacted by the timing of Covid-19, Negotiations with landowners delayed the start new harbour works road (Snell Road).

Council Organisation



Opotiki District Council Events Feedback Form

Did you attend any of the following 1 STE run events? Please tick

Government Road Market with a headstand	Opotiki New World 10 Making Race
<input type="checkbox"/>	<input type="checkbox"/>
Opotiki New World Race the Lake	Opotiki Lantern Festival
<input type="checkbox"/>	<input type="checkbox"/>
Opotiki New World Beach Day	Opotiki Maritime Festival (June 2016)
<input type="checkbox"/>	<input type="checkbox"/>
Scary Night Out	

What did you like about the event/s you attended?

What could we improve on with our current events?



Opotiki District Council Events Feedback Form

Did you attend any of the following 1 STE run events? Please tick

Government Road Market with a headstand	Opotiki New World 10 Making Race
<input type="checkbox"/>	<input type="checkbox"/>
Opotiki New World Race the Lake	Opotiki Lantern Festival
<input type="checkbox"/>	<input type="checkbox"/>
Opotiki New World Beach Day	Opotiki Maritime Festival (June 2016)
<input type="checkbox"/>	<input type="checkbox"/>
Scary Night Out	

What did you like about the event/s you attended?

What could we improve on with our current events?



Council Values and Vision

Integrity and Honesty

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

Ngakau- tapatahi me te Pononga

Kaore matou a marie i a matou uaratanga a, ka mahi i roto i te huaranga matatika i nga wa katoa.

Leadership

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

Manakuratanga

Ka kakama matou 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.

Openness and Accountability

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

Mahorahora me nga Herenga

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

Fairness and Equity

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

Tokeke me te Ture o te Tika

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

Achievements Orientated

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

Whakatutukitanga Whakawaiatanga

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

Relationships

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

Tikanga Tutohungatanga

Ka manako matou 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.

Satisfying Expectations

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

Tumanako Manawareka

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

Council's vision for the district is:

'STRONG COMMUNITY STRONG FUTURE'

Organisational Structure

Council



Aileen Lawrie - CEO

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.



Bevan Gray - Finance and Corporate Services Group Manager

Cash Receipting, Communication, Creative New Zealand, Customer Services, Debtors/Creditors, Economic Development, Events, Financial Reporting, Governance Support, Insurance, Investments, i-SITE Information Centre, Library, Payroll, Promotions, Property, Public Debt, Rates, Sports co-ordination, Tourism, Water Billing.



Gerard McCormack - Planning and Regulatory Group Manager

Airport, Animal Control, Building Control, Bylaw Compliance, Cemetery, Civil Defence Emergency Management, Environmental Health, Liquor Licensing, Noise Control, Parks, Reserves, Resource Management, Planning.



Ari Erickson - Engineering and Services Group Manager

Consultancy BU, Roading, Sewerage, Solid Waste, Stormwater, Water Supply.

Priorities for Council Action

Economic Growth (Economic well-being)

- Ōpōtiki Harbour development
- Provide visitor and business investment information and support and infrastructure that supports investment
- Support the aspirations of Māori to develop their land
- Support local and regional business growth and workforce development
- Promote facilities and activities to increase visitors, including historic precinct development and Motu Trails cycleway.

Quality of Life (Social well-being)

- Provide infrastructure e.g. roads, water, stormwater, sewerage, waste management, renewal of Ōpōtiki Township wastewater reticulation network
- Advocate with and on behalf of Ōpōtiki communities to central government
- Develop the Technology and Research Centre
- Provide recreation facilities including development of walkways and cycleway
- Support initiatives for development in the Coast ward
- Proactive provision for infrastructure
- Provision of a District Plan that meets our needs going forward
- Community where people feel safe
- Life enrichment.

Strong Community Spirit (Cultural well-being)

- Promote and support community events
- Provide sports fields and facilities for community use e.g. pavilions
- Play our prescribed role in Treaty Settlements, including any legislated joint governance arrangements, and any orders made under the Marine and Coastal Areas Act
- Support programmes to deliver good jobs for local people.

Environmental Quality (Environmental well-being)

- Complete the District Plan review and implementation
- Maintain and enhance parks and reserves
- Partner with community groups, iwi and hapū, BOPRC and DOC to undertake environmental restoration projects
- Continue to work with partners to maintain, enhance and grow the Motu Trails Cycleway.

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 evaluating a policy or performance during a particular project. Review is about evaluating performance at a predetermined time.

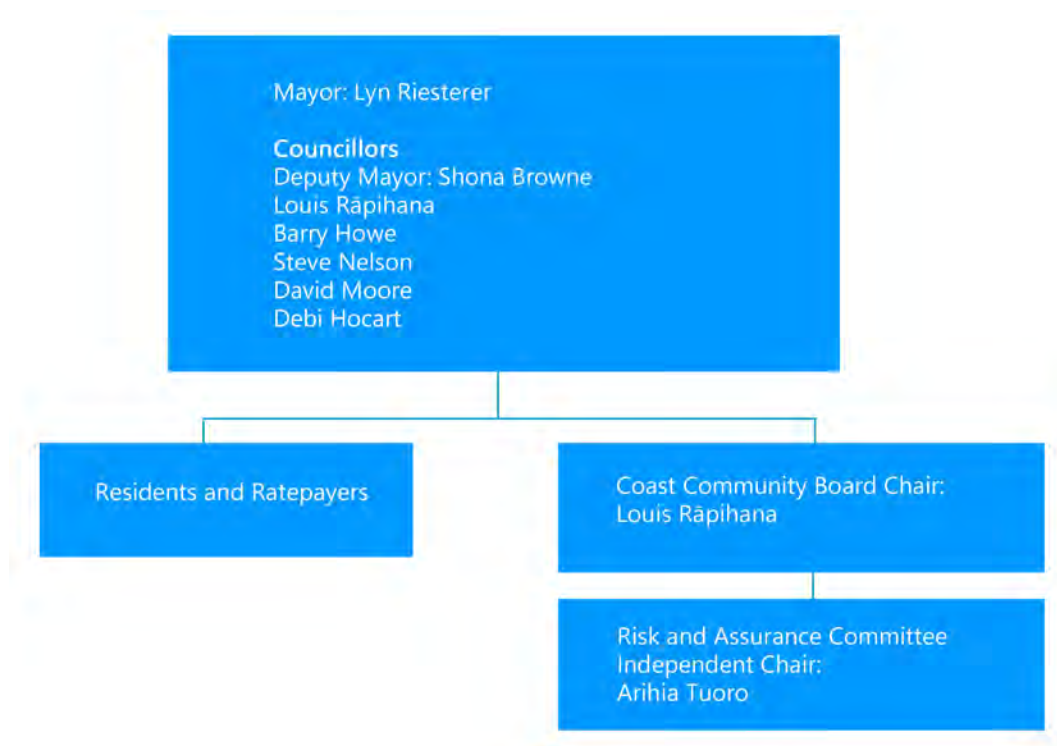
The most visible review mechanism is the local authority's annual report, which sets out the performance of the local authority against its objectives over the preceding year.

Council Meetings

Council meetings take place on a Tuesday on a six weekly cycle. The Risk and Assurance Committee meets a minimum of four times per year and the Hearings Committee – Regulatory Appeals meets as required.

Council

Ōpōtiki District Council currently has seven Councillors elected from three wards and a Mayor elected from the whole district. The Mayor and Councillors are represented on Council committees. These committees consider and recommend policy to Council and monitor the effective and efficient implementation of policy and the operation of services relating to the committee functions.



Coast Community Board

In 2004 the Local Government Commission established a Coast Community Board, comprising of four elected members plus the Coast ward Councillor.

The role of a Community Board is specified in Section 52 of the Local Government Act 2002, as follows:

- To represent, and act as an advocate for, the interests of its community
- To consider and report on all matters referred to it by the territorial authority, or any matter of interest or concern to the community board
- To maintain an overview of services provided by the territorial authority within the community
- To prepare an annual submission to the territorial authority for expenditure within the community
- To undertake any other responsibilities that is delegated to it by the territorial authority.

Coast Community Board Members for 2019-2022 Triennium

Chairperson, Louis Rāpihana
 Deputy Chairperson, Allen Waenga
 Michael (Spike) Collier
 Gail Keepa
 Tiaki (Jack) Parata

At the Inaugural Ordinary Council Meeting 31 October 2019 the following Committee Appointments for the 2019-2022 Triennium were approved by resolution:

Council Committees	2019-2022 Triennium
Risk and Assurance	Members: Cr Steve Nelson Cr Debi Hocart Mayor Riesterer Ex Officio Independent Chair: Arihia Tuoro
Hearings Committee – Regulatory Appeals	Member 1: Cr Howe Member 2: Cr Rāpihana Member 3: Cr Hocart Committee to elect Chairperson at first meeting

Joint Committees	2019-2022 Triennium
Eastern Bay of Plenty Joint Committee	Mayor Riesterer Cr Nelson
Regional Transport Committee	Mayor Riesterer Reserve: Cr Moore
Civil Defence Emergency Management Group Joint Committee	Mayor Riesterer Reserve: Cr Browne
Eastern Bay Road Safety Committee	Cr Moore

Non-Statutory Internal Working Parties/Groups	2019-2022 Triennium Representatives
CBD/Town Revitalisation Project	Mayor Riesterer Crs Howe, Browne, Nelson
Youth initiative (details to be confirmed following consultation) e.g. Future leaders, Tuia	TBC
Property Working Party	Crs Browne, Howe, Moore, Nelson
Library Fundraising Working Party	Mayor Riesterer Cr Browne Cr Rāpihana

External Organisation	2019-2022 Triennium Representative
Creative Communities New Zealand (Two required)	Cr Hocart Mayor Riesterer ex officio
Waioeka-Otara Flood Scheme Liaison Group (Two Required)	Cr Nelson Cr Moore
Ōhiwa Harbour Implementation Forum (One required)	Mayor Riesterer Reserve: Cr Hocart
Ōpōtiki Marine Advisory Group (OMAG) (Two required)	Mayor Riesterer Cr Howe

	Cr Browne
Ōpōtiki Theatre Trust	Cr Hocart
Sport NZ Rural Travel Fund	Cr Howe

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

Council Activities and Performance



This section explains the Council's significant activities and how they contribute to the district's future. Information is provided about how the Council plans, manages, delivers, and funds the activities it is involved in.


Our activity groups





A guide to the groups of activities

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.

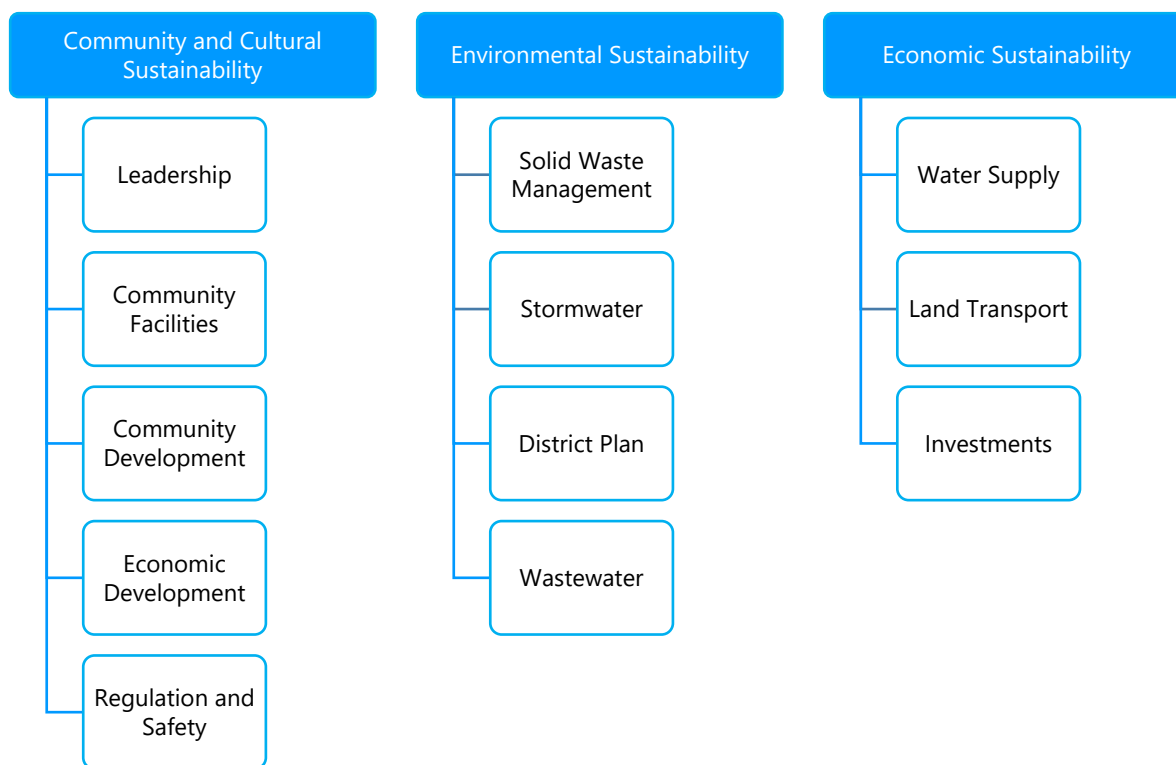
A 'traffic light' system has been used to easily show which non-Financial Key Performance Indicators have been achieved and which haven't.

 Green for achieved

 Red for not achieved

 Blue if no target was set or required for the 2019/20 year

Council groups of activities



What we do and why

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

Contribution to community outcomes

This section explains how each activity within the group contributes to specific community outcomes.

Levels of service

This section specifies what level of service the Council will provide for a particular activity and states how performance will be measured.

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 summary

The financial information provided is a set of financial results for each activity over the 2019/20 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 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, plans and reports, and the facilitation of 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. Engaging with Tangata Whenua also provides both parties with an opportunity to identify and address issues of mutual concern and encourages involvement in democracy. Council 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.




This significant activity includes:

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.	

Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
It may be possible that at times Council decisions can have a negative effect on the well-being of some individuals or groups within the community.		✓	✓		Council has a role to consider the community when making decisions that impact on community well-being and uses the guidance provided by the Local Government Act 2002 and its understanding of the Ōpōtiki District community to weigh up the competing demands of different interest groups.

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Council will provide leadership that is visionary, community focused, efficient, and inclusive.	Community satisfaction with Council leadership.	83%	71%	79%	
	Commentary 2019/20: Achieved.				
	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	No successful challenges to Council decision making process	
	Commentary 2019/20: Achieved.				
	Level of community satisfaction with the opportunities to participate in decision making.	59%	55%	56%	
Commentary 2019/20: Achieved. 56% of residents feel they have the opportunity to be involved and participate in the way Council makes decisions.					

Funding Impact Statement

Ōpōtiki District Council - Leadership Activity

Funding Impact Statement for 30 June 2020

Sources of operating funding

General rates, uniform annual general charge, rates penalties	968	1,010	1,041
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	100
Fees and charges	2	2	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	3	-

Total operating funding (A)

972 1,015 1,141

Applications of operating funding

Payment to staff and suppliers	791	808	790
Finance costs	-	-	-
Internal charges and overheads applied	181	189	213
Other operating funding applications	-	-	-

Total applications of operating funding (B)

972 997 1,003

Surplus (deficit) of operating funding (A - B)

- 18 138

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)

- - -

Application of capital funding

Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	18	138
Increase (decrease) in investments	-	-	-

Total applications of capital funding (D)

- 18 138

Surplus (deficit) of capital funding (C - D)

- (18) (138)

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. 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.




This significant activity includes:





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

Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Community expectations for growth in services and facilities may exceed Council's programme.			✓		Consultation to ensure proposals meet community expectations based on accurate assessments of current and future demand for the use of facilities. Council is of the view that it has the capability to provide for increased growth forecast by the planning assumptions that underpin the 2018-2028 LTP.
Ongoing maintenance and depreciation may cause increased or unexpected costs.			✓		Accurate forecasting and budgeting to accommodate ongoing costs of ownership.
Providing access to facilities and services to smaller remote communities within the district could be cost prohibitive.		✓			Consider alternatives such as partnerships with other agencies and transport.

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Planned development of quality parks and recreation facilities.	Complete planning for the development of key recreation reserves.	Development plans not completed.	Development plans complete for Maraetai Bay reserve and Waiōtahe Beach frontage, Orete Point reserves	Planning for the development of key recreation reserves complete.	
	Commentary 2019/20: Development Plans have been completed and the Reserves Management Plans have been consulted on. Adoption is expected by year end.				
High quality parks and recreation facilities provided and accessible to the community.	% of community satisfied with the provision of recreation facilities in annual surveys.	70%	80%	69%	
	Commentary 2019/20: Not achieved. 69% rated satisfaction with recreation facilities as very or fairly satisfied. Council is now working on a number of enhancements to parks, reserves, and recreation facilities so we expect to see great satisfaction in future surveys. Extensions to Cycleways are being built on the stopbanks and Volkners Island Reserve and funding has also been secured through the Provincial Growth Fund (PGF) for an extension from Ōpōtiki township to Waiōtahe Beach - work is due to start in the 2020/21 financial year. Work is also underway to update the skatepark at Volkners Island Reserve. Construction is underway on the upgrade of Church Street Reserve (formerly Rose Garden). Our plans include new public toilets (which Council has already agreed to proceed with), a substantial playground and additional facilities for community use which will proceed as funding allows. Upgrades to the Ōpōtiki Golf Club and the Ōpōtiki Ruby Clubrooms are also progressing after funding was received from PGF for this work.				
Playgrounds comply with NZS 5828 (2015).	% of play equipment compliant with NZS 5828 or relevant standard. N.B The NZS 5828 standard is intended to promote and encourage the provision and use of playgrounds that are well designed, well-constructed, well-maintained, innovative and challenging.	84%	70%	91%	
	Commentary 2019/20: Achieved - 91% of play equipment complies with the standard which is above the national average. It also continues the significant improvement since 4% in 2011, 29% in 2013, 45% in 2016 and 83% in 2018.				

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Public toilets are clean, safe, and operational.	Public toilets are compliant, functional, and clean.	Customer requests and complaints not responded to within 4 hours.	Customer requests and complaints responded to within 4 hours.	Customer requests and complaints responded to within 4 hours.	
	Commentary 2019/20: Achieved. 6 valid requests and/or complaints received, and all responded to within 4 hours.				
Cemeteries maintained to a high standard; accurate records maintained and accessible.	% of community satisfied with the provision of cemetery services, maintenance, and records	71%	80%	73%	
	Commentary 2019/20: Not achieved. Over the last two years Council has implemented an amended maintenance programme of both cemeteries and the level of satisfaction is slowly increasing. Council has recently undertaken planting at Te Ranginui cemetery in conjunction with Woodlands School pupils.				
Provision of a comprehensive community library service for the community.	% of the community satisfied with the library facility and service.	74%	80%	66%	
	Commentary 2019/20: Not achieved. In late September 2018, Council's library service was forced to move into temporary premises due to mould issues and a leaking roof in the old building. The temporary premises are smaller with fewer books on display, and events once held in the library have had to move to other venues. These factors would account for the increase in dissatisfaction. Council is confident this trend will be reversed once the library moves to new, permanent premises and the build of Te Tahuu o Te Rangi (a new Library, research and technology centre is underway.				
	Number of library facilitated programmes per year.	16	6	16	
Commentary 2019/20: Achieved. 16 events held. 5 PechaKucha events, 6 Arts on Tour, 3 x Book Groups, 2 x Zoom author events. Shifting to online events in late March as we went into lockdown provided both challenges and opportunities. Arts on Tour, author meet-ups and book groups were successfully conducted online with excellent engagement, equitable access and new skills shared.					

Internal Borrowing

	Opening Balance 1/07/2019 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2020 \$ 000's	Interest 2020 \$ 000's
Public Toilets	150	227	2	375	10
Property	2,531	500	19	3,012	108
Playgrounds	13	-	0	13	1
Parks & Reserves	176	134	6	305	9
District Library	45	24	0	68	2
Cycle Way	510	36	2	544	21
Cemeteries	15	-	0	14	1
	3,441	921	31	4,331	152

Capital Expenditure

	LTP 2020 000's	Actuals 2020 000's
- to meet additional demand		
Additional office space to accommodate new staff	-	222
Ōpōtiki - Waiōtahe Beach - Ōhiwa	643	6
Waiotahi Bridge cycleway	1,020	-
Wharf Removal and Rebuild	1,275	19
Reserves Improvements 2019	-	6
Reserves Management Plans	-	8
Asset Management Plans Parks	-	11
Coastal Reserves Tourism Infrastructure	510	-
CBD integration w/ harbour env	-	1
- to meet additional demand Total	3,448	273
- to improve the level of service		
Library Relocation Costs	82	18
New Technology and Research Centre	-	386
Redevelopment of Mechanics Institute	-	185
Rose Garden Renovation	-	109
Trail enhancements	31	0
Wharf Precinct	510	-
Tehnology and Research Centre	1,683	-
Memorial Park - Drainage & Carpark Upgrade	36	-
New Information Technology for Public Use	10	-
New facility furniture	-	1
The Digital Hub	-	17
- to improve the level of service Total	2,351	717
- to replace existing assets		
Earthquake Prone Buildings	-	12
Replacement Furniture & Fitt	-	5
Pipi beds toilet upgrade	-	227
Plunket Building refurbishment	51	-
Animal Control - Replacement Building	612	42
Pakowhai bridge renewal works	-	30
8a Payne Ave	-	21
- to replace existing assets Total	663	337
Total capital expenditure	6,462	1,326

Funding Impact Statement

Ōpōtiki District Council - Community Facilities Activity

Funding Impact Statement for 30 June 2020

Sources of operating funding

General rates, uniform annual general charge, rates penalties	2,121	2,281	2,241
Targeted rates	63	61	52
Subsidies and grants for operating purposes	-	-	76
Fees and charges	389	397	328
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	24	25	4

Total operating funding (A)

2,597 2,764 2,701

Applications of operating funding

Payment to staff and suppliers	1,457	1,477	1,600
Finance costs	76	200	152
Internal charges and overheads applied	668	696	829
Other operating funding applications	-	-	-

Total applications of operating funding (B)

2,201 2,373 2,581

Surplus (deficit) of operating funding (A - B)

396 391 120

Sources of capital funding

Subsidies and grants for capital expenditure	1,197	1,804	1,471
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,111	4,036	890
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-

Total sources of capital funding (C)

4,308 5,840 2,361

Application of capital funding

Capital expenditure			
- to meet additional demand	1,727	3,448	273
- to improve the level of service	2,265	2,351	717
- to replace existing assets	690	663	337
Increase (decrease) in reserves	22	(231)	1,216
Increase (decrease) in investments	-	-	(62)

Total applications of capital funding (D)

4,704 6,231 2,481

Surplus (deficit) of capital funding (C - D)

(396) (391) (120)

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.




This significant activity includes:

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.	

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

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
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%	
	Commentary 2019/20: Achieved. All maintenance grants for the 22 Urupa paid out on 8 November 2019.				
	Memorandum of understandings and administration agreements for community grants are in place.	100%	100%	100%	
	Commentary 2019/20: Achieved. All MoU's are reviewed and renewed as part of the LTP process. The next review will be undertaken next year as we start to prepare the 2021-2031 Long Term Plan.				
Enhance community safety.	Continual expansion to CCTV camera system in town.	100%	1	100%	
	Commentary 2019/20: Achieved. Resource Recovery Centre's are now covered by CCTV, and we have identified further places to extend the service.				

Internal Borrowing

	Opening Balance 1/07/2019 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2020 \$ 000's	Interest 2020 \$ 000's
Community Development	106	8	36	78	4
	106	8	36	78	4

Capital Expenditure

	LTP 2020 000's	Actuals 2020 000's
- to improve the level of service		
CCTV camera and internet expansion	20	8
- to improve the level of service Total	20	8
Total capital expenditure	20	8

Funding Impact Statement

Ōpōtiki District Council - Community Development Activity

Funding Impact Statement for 30 June 2020

	2019 Long-term plan (\$000)	2020 Long-term plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	297	282	258
Targeted rates	-	-	-
Subsidies and grants for operating purposes	36	37	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	3	-
Total operating funding (A)	336	322	258
Applications of operating funding			
Payment to staff and suppliers	265	271	186
Finance costs	2	3	4
Internal charges and overheads applied	46	48	52
Other operating funding applications	-	-	-
Total applications of operating funding (B)	313	322	242
Surplus (deficit) of operating funding (A - B)	23	-	16
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	(4)	(28)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	(4)	(28)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	20	20	8
- to replace existing assets	-	-	-
Increase (decrease) in reserves	3	(24)	(20)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	23	(4)	(12)
Surplus (deficit) of capital funding (C - D)	(23)	-	(16)
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 offshore 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.




This significant activity includes:







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 Activity Contributes
Development and protection of the natural environment.	To create a sustainable economic future by broadening the Ōpōtiki District's economic and therefore employment base.
Services and facilities meet our needs.	
Purposeful work and learning opportunities.	
Development supports the community.	

Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Increasing visitor and population numbers may put pressure on infrastructure, environment and other resources, particularly in summer periods.			✓	✓	Council is of the view that it has the capability to provide for increased growth forecast by the planning assumptions that underpin the 2018-28 LTP and that it has made adequate provision for investment in infrastructure to cater for expected demand.
Capital costs associated with Ōpōtiki Harbour Transformation Project are not sustainable for the Ōpōtiki District alone.			✓		To partner with Central and Regional Government and potentially the private sector to fund the Harbour Transformation Project.

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Development of the Ōpōtiki Harbour entrance.	<u>BOPRC Funding</u> Comply with all conditions of Regional Infrastructure Fund Heads of Agreement /Funding Agreement as they fall due or renegotiate deadlines.	Not measurable	100%	100%	
	Commentary 2019/20: Achieved. Heads of Agreement complied with and positive government funding decision received.				
	<u>Crown Funding</u> Complete funding agreement with Crown.	Not measurable	N/A	Partly achieved	
	Commentary 2019/20: No target was set for the 2019/20 year but this goal was partly achieved with a positive crown decision announced on 28 Feb 2020. Draft heads of agreement in June 2020.				
	Manage the contract for design and construction of the Ōpōtiki Harbour Development Project.	N/A	Construction commenced	Achieved	
Commentary 2019/20: Achieved. Early works contract signed between HEB and crown. Draft substantive contract June 2020. Snell access road construction commenced.					

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Investigate and promote investment in a range of economic development opportunities.	Implement Economic Development Strategy.	Achieved	100%	100%	
	Commentary 2019/20: Achieved. Economic Development Strategy prepared and implemented through Toi-EDA and progress tracked throughout the year.				
	Maintain a current database of business contacts.	Not currently measurable	Database revised quarterly	Achieved	
	Commentary 2019/20: A comprehensive list was prepared by the Chamber of Commerce for the whole Eastern Bay of Plenty as part of the Covid recovery.				
	Communicate regularly with business sector.	8 bulletins posted	4 bulletins posted per annum	5 bulletins posted	
	Commentary 2019/20: Achieved. Regular communication with business sector undertaken during consultation periods and major project planning e.g. Town Centre Revitalisation, proposed Bylaw changes, business breakfasts, Discover our Local campaign, stakeholder strategy day.				
	Increase \$ tourism spend.	3% increase in tourism spend	Increase in \$ tourism spend over last year	13% increase in \$ tourism spend over last year	
	Commentary 2019/20: Achieved. 13% increase in tourism spend from \$29 million in 2018 to \$33 million for the year to 31 December 2019. While annual data is not readily available for the year to 30 June 2020 (the main Ministry of Business Innovation and Employment (MBIE) statistics on tourism spend appear to be updated in December each year) their revised figure to August 2020 shows a tourism spend of \$32 million for the Ōpōtiki District. This would indicate that Ōpōtiki has not been significantly impacted by Covid-19 in terms of tourism dollars spent and this would most likely be due to the fact most of the tourism spend in Ōpōtiki is from domestic not international visitors. For example, our i-SITE team have noticed an increase in domestic travellers visiting in campervans. Our next quarterly report will be able to provide more detail on any effects from Covid after we receive the MBIE Annual tourism spend data to December 2020.				
	Facilitate community events.	5 events	Two events per year	13 events	
	Commentary 2019/20: Achieved. 13 events facilitated from 1 July 2019 to 30 June 2020 included: - Ōpōtiki Clean up week - EBOP Graduation Ceremony - Gourmet Food Market - Race The Tide - Movies Under the stars - Beach Dig - Scary Night Out - Omazing Race - Lantern Festival with Parson James - Street Party (Harbour Celebration) - Online ANZAC ceremony Events supported - EBOP AGFEST (Site planning & support) - Mataatua Kapa Haka Regionals (Site management & Support).				
	Maintain a current database of tourism sector.	Database revised quarterly	Database revised quarterly	Database revised quarterly	
	Commentary 2019/20: Achieved. Database revised quarterly plus information updated if received via operators.				

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
	Communicate regularly with tourism contacts.	6 bulletins posted	4 bulletins posted per annum	4 bulletins posted	
	Commentary 2019/20: Achieved. Regular updates emailed to tourism sector: - Events information (Summer Festival) - Ōpōtiki What's On (Weekly email) - Updating webpage listings - Discover Our Local campaign.				

Internal Borrowing

	Opening Balance 1/07/2019 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2020 \$ 000's	Interest 2020 \$ 000's
Tourism Promotion/Visitor Informatio	23	-	0	23	1
Harbour Development	330	24	0	353	13
	352	24	0	376	14

Capital Expenditure

	LTP 2020 000's	Actuals 2020 000's
- to meet additional demand		
Harbour Development Project - Construction	-	105
Harbour Development Project - Project Management	-	481
Harbour Entrance - \$52 mil	17,186	-
- to meet additional demand Total	17,186	586
Total capital expenditure	17,186	586

Funding Impact Statement

Ōpōtiki District Council - Economic Development Activity

Funding Impact Statement for 30 June 2020

	2019 Long-term plan (\$000)	2020 Long-term plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	718	767	708
Targeted rates	93	99	96
Subsidies and grants for operating purposes	20	20	156
Fees and charges	15	16	20
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	11	11	22
Total operating funding (A)	857	913	1,002
Applications of operating funding			
Payment to staff and suppliers	693	705	704
Finance costs	-	35	14
Internal charges and overheads applied	158	167	194
Other operating funding applications	-	-	-
Total applications of operating funding (B)	851	907	912
Surplus (deficit) of operating funding (A - B)	6	6	90
Sources of capital funding			
Subsidies and grants for capital expenditure	-	15,345	563
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	1,633	23
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	16,978	586
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	17,186	586
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	6	(202)	90
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	6	16,984	676
Surplus (deficit) of capital funding (C - D)	(6)	(6)	(90)
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.




This significant activity includes:







Regulation (Environmental Health, Noise Control, Animal Control, Building Control Services and Liquor Licencing), Safety (Emergency Management and Rural Fire), and District Plan Implementation.


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

Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Some could consider that the enforcement nature of the Regulation and Safety Activity infringes on the way of life of residents and ratepayers and the experience that the East Coast has to offer visitors.		✓			Council is required to implement legislation as intended by central government and will wherever possible take a fit for purpose approach in doing so. The health and safety of the community and protection of public and private property must take priority over individual needs and desires. Council will 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.
The cost associated with monitoring and enforcement may be beyond the community's ability to pay.			✓		

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Council will provide and maintain a quality service to meet statutory requirements and community expectations.	All liquor licences are processed within 15 working days after the receipt of all reports and information required.	100%	100%	100%	
	Commentary 2019/20: Achieved. A total of 68 applications were received and all were processed in accordance with the Sale and Supply of Alcohol Act 2012 within 15 working days.				
	As per Food Act 2014, food premises are checked and verified as their registrations become due.	100%	100%	91%	
	Commentary 2019/20: Not achieved. 39 of the 43 registered premises received verification visits within the prescribed timeframes. The 4 premises were not visited within prescribed timeframes as a result of the Covid 19 lockdown.				
	% of known dogs registered within the District (as recorded on the 1st June)	96%	92%	97%	
Commentary 2019/20: Achieved. 1545 dogs were registered out of 1600 dogs that are known by the Council to reside in the District. This a lower number of registered dogs compared to the previous year owing to Covid 19 restrictions.					

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
	All animal control complaints of an aggressive or threatening nature are responded to within 2 hours from receipt of complaint.	83%	100%	76%	
	Commentary 2019/20: Not achieved. 51 complaints received. 39 responded to within 2 hours and 12 responded to over 2 hours. We are working with our out of office service provider to improve response times. A trailer has been purchased with dog cages which enables two animal control response vehicles to be used rather than one.				
	% of building consents issued within the statutory timeframes.	94%	100%	87%	
	Commentary 2019/20: Not achieved. 132 building consents were processed and on average it took 17 days for consents to be processed. We will be regularly monitoring applications to ensure that they are processed within the 20 day timeframe.				
	% of customer satisfaction with level of service (as measured by the annual Building Control Authority survey).	N/A	>90%	Not measurable	
	Commentary 2019/20: The customer survey was not carried out due to Covid 19 restrictions being in place.				
	% of roles identified and staffed for 24 hours operation of the Emergency Coordination Centre.	97%	100%	100%	
	Commentary 2019/20: Achieved. The previously vacant role of Recovery Manager was filled during the recent response to Covid.				
	% of staff identified for roles in the Emergency Operations Centre that are trained to an appropriate level agreed by the Group.	54%	100%	72%	
	Commentary 2019/20: Not achieved. The number of officers trained has increased since 2018-19, with many gaining valuable experience working in an EOC during the response to Covid.				
	% of resource consents issued within the statutory timeframes.	100%	100%	100%	
	Commentary 2019/20: Achieved. 50 resource consent applications were received during this period and all were issued within the statutory timeframes.				

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
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	4 initiatives delivered	4 initiatives delivered	
	Commentary 2019/20: Achieved. Emergency Management Bay of Plenty stand at January 2020 Pop-up-Shop, promotion of national Shakeout drill, ongoing Covid preparedness information distributed, Hazard maps updated and preparedness meeting held at Te Whanau a Apanui with kaumatua, meetings held with Iwi, Police and community organisations regarding coastal lockdown at the start of Alert Level 4 to ensure community safety.				

Funding Impact Statement

Ōpōtiki District Council - Regulation & Safety Activity

Funding Impact Statement for 30 June 2020

Sources of operating funding

General rates, uniform annual general charge, rates penalties	568	649	843
Targeted rates	87	86	83
Subsidies and grants for operating purposes	13	13	10
Fees and charges	455	477	628
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	5	19

Total operating funding (A)

2019 Long-term plan (\$000)	2020 Long-term plan (\$000)	2020 Actual (\$000)
568	649	843
87	86	83
13	13	10
455	477	628
-	-	-
5	5	19
1,128	1,230	1,583

Applications of operating funding

Payment to staff and suppliers	824	907	1,076
Finance costs	1	2	-
Internal charges and overheads applied	287	303	355
Other operating funding applications	-	-	-

Total applications of operating funding (B)

1,112	1,212	1,431
16	18	152

Surplus (deficit) of operating funding (A - B)

Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	97	(18)	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-

Total sources of capital funding (C)

97	(18)	-
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Application of capital funding

Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	93	-	-
- to replace existing assets	20	-	-
Increase (decrease) in reserves	-	-	152
Increase (decrease) in investments	-	-	-

Total applications of capital funding (D)

113	-	152
(16)	(18)	(152)

Surplus (deficit) of capital funding (C - D)

Funding balance ((A - B) + (C - D))

-	-	-
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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.

This significant activity includes:

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	

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

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
The kerbside collection of bagged refuse and recyclables where the service is provided is efficient and effective.	Number of service complaints per year regarding the quality of the kerbside refuse / recycling collection service. (Note: service conditions outlined on brochure mailed annually)	42	<20	14	
	Commentary 2019/20: Achieved. A total of 14 valid requests received. We have seen a large drop in complaints this year since the service was split over two days a week which has seen bins consistently collected with none being missed, no damage by contractors, tidy placement and consistency of service. In general the community has adjusted to the new collection method.				
Provision of effective waste service for the community.	Customer satisfaction rating of waste transfer stations good or better.	86%	>80%	81%	
	Commentary 2019/20: Achieved. 81% rated their satisfaction as good or better.				

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Waste minimisation education reduces household waste and increases good recycling practices.	Number of public education activities completed.	6	3	4	
	Commentary 2019/20: Achieved. Education provided with launch of new kerbside collection service. Council's January Pop up Shop made information available to the public to see and consult about the districts waste. Educational communications were released during Covid on the damage flushing wet wipes can cause to the system. One school completed education at the Resource Recovery Centre in September 2019 but unfortunately Waste Education NZ no longer have a staff member in the area. Further enquiries are being made as to the current status of Waste Education NZ.				
Service provided keeps residual waste to minimum quantity.	Residual waste per year does not exceed 120 kg per person per year.	155 kg / person	< 120 kg / person / year	159.26 kg / person / year	
	Commentary 2019/20: Not achieved. Increased size of residual waste collection bin, the Covid 19 lockdown, where residual waste depositing was free, and decreasing re-sale options available for recyclable materials, has all lead to the increased amount of waste that has gone to landfill this year.				

Internal Borrowing

	Opening Balance 1/07/2019 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2020 \$ 000's	Interest 2020 \$ 000's
Solid Waste Management	79	44	5	119	4
Refuse Collection	143	-	17	126	6
	223	44	22	245	10

Capital Expenditure

	LTP 2020 000's	Actuals 2020 000's
- to improve the level of service		
RRC Security and POS upgrade	-	44
- to improve the level of service Total	-	44
- to replace existing assets		
Replace Outside Bins Waihou Bay	20	-
- to replace existing assets Total	20	-
Total capital expenditure	20	44

Funding Impact Statement

Ōpōtiki District Council - Solid Waste Management Activity	2019	2020	2020
Funding Impact Statement for 30 June 2020	Long-term plan	Long-term plan	Actual
	(\$000)	(\$000)	(\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	819	872	913
Targeted rates	262	358	424
Subsidies and grants for operating purposes	35	36	33
Fees and charges	276	282	255
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	1,392	1,548	1,625
Applications of operating funding			
Payment to staff and suppliers	1,104	1,236	1,406
Finance costs	3	4	10
Internal charges and overheads applied	285	298	339
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,392	1,538	1,755
Surplus (deficit) of operating funding (A - B)	-	10	(130)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	107	10	22
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	107	10	22
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	87	-	44
- to replace existing assets	20	20	-
Increase (decrease) in reserves	-	-	(152)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	107	20	(108)
Surplus (deficit) of capital funding (C - D)	-	(10)	130
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.

This significant activity includes:

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

Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
The discharge of pollutants to stormwater reticulation can be harmful to the natural environment.				✓	Mitigate risk through education, monitoring and enforcement where necessary.
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.		✓	✓	✓	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.

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
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. N.B. The Department of Internal Affairs describes a flooding event as an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.	0	0	0	
	Commentary 2019/20: Achieved. No flooding events recorded.				
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).	0	0	0/1000 connections	
	Commentary 2019/20: Achieved. No flooding events recorded.				
Service requests and complaints are processed as they come in.	Median response time to attend a flooding event, from notification to personnel on site.	0	<4 hrs	0/1000 connections	
	Commentary 2019/20: Achieved. No flooding events recorded.				
	Number of complaints received about the performance of the stormwater system per 1000 connections to the Council's stormwater system.	<6/1000 connections	<20/1000 connections	<9/1000 connections	
	Commentary 2019/20: Achieved. A total of 6 complaints received which is less than 9 per 1000 connections based on an estimated 700 connections as Council does not have knowledge of the exact number of connections in the district. The estimate of 700 connections is based on half of the available connections.				

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Stormwater water quality will be managed effectively for 365 days of the year.	Compliance with Council’s resource consents for discharge from its stormwater system, measured by the number of:				
	a) abatement notices	0	0	0	
	Commentary 2019/20: Achieved. No abatement notices received.				
	b) infringement notices	0	0	0	
	Commentary 2019/20: Achieved. No infringement notices received.				
	c) enforcement orders	0	0	0	
	Commentary 2019/20: Achieved. No enforcement orders received.				
	d) convictions	0	0	0	
	Commentary 2019/20: Achieved. No convictions received.				
received by Council in relation to those resource consents.					

Internal Borrowing

	Opening Balance 1/07/2019 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2020 \$ 000's	Interest 2020 \$ 000's
Stormwater	990	264	3	1,251	44
	990	264	3	1,251	44

Capital Expenditure

	LTP 2020 000's	Actuals 2020 000's
- to improve the level of service		
Tarawa Creek Flood Water Storage Area	-	177
Tarawa Creek Pump Station	21	-
Upgrade to Richard St Gravity Main	-	25
Wellington/Brabant St Pump Station	15	-
SW Opotiki Gravity Main New	-	23
- to improve the level of service Total	36	226
- to replace existing assets		
Ōpōtiki Reticulation Replacements	36	-
SW Reticulation Replacements	-	38
- to replace existing assets Total	36	38
Total capital expenditure	72	264

Funding Impact Statement

Ōpōtiki District Council - Stormwater Activity

Funding Impact Statement for 30 June 2020

Sources of operating funding

General rates, uniform annual general charge, rates penalties	538	613	469
Targeted rates	60	68	52
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	21

Total operating funding (A)

598 681 542

Applications of operating funding

Payment to staff and suppliers	216	256	220
Finance costs	49	70	44
Internal charges and overheads applied	140	145	172
Other operating funding applications	-	-	-

Total applications of operating funding (B)

405 471 436

Surplus (deficit) of operating funding (A - B)

193 210 106

Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,807	(138)	261
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-

Total sources of capital funding (C)

2,807 (138) 261

Application of capital funding

Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,965	36	226
- to replace existing assets	35	36	38
Increase (decrease) in reserves	-	-	103
Increase (decrease) in investments	-	-	-

Total applications of capital funding (D)

3,000 72 367

Surplus (deficit) of capital funding (C - D)

(193) (210) (106)

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.

This significant activity includes:



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 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
	Cultural	Social	Economic	Environmental	
The District Plan could be seen as either a barrier to growth or as enabling environmental degradation.			✓		Ensure that any amendments to the District Plan balance the need for environmental protection and desirable development.
Cost of process could be seen by some as excessive.			✓		Efficient processes while ensuring purpose of the RMA is met.

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Review District Plan in accordance with the RMA.	Review and update the District Plan subject to appeal.	100%	N/A	100%	
	Commentary 2019/20: Achieved. The District Plan has been reviewed and updated and we are waiting for one final consent order to be signed off relating to forestry and expect to take the final plan to Council for adoption August / September 2020.				
Council develops appropriate controls for the Ōpōtiki District and monitors and enforces provisions.	Review and adopt all Council Bylaws over the next 3 years.	33%	33%	33%	
	Commentary 2019/20: Achieved final 33%. This target was split over three years. Hearings and deliberations meeting was held 24 June 2020. A report was presented to the 25 August 2020 Ordinary Council meeting where the final consolidated bylaws were officially adopted.				

Funding Impact Statement

Ōpōtiki District Council - District Plan Activity

Funding Impact Statement for 30 June 2020

Sources of operating funding

General rates, uniform annual general charge, rates penalties	247	254	256
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	35	36	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-

Total operating funding (A)

282 290 256

Applications of operating funding

Payment to staff and suppliers	214	218	200
Finance costs	-	-	-
Internal charges and overheads applied	68	72	83
Other operating funding applications	-	-	-

Total applications of operating funding (B)

282 290 283

Surplus (deficit) of operating funding (A - B)

- - (27)

Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	3
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-

Total sources of capital funding (C)

- - 3

Application of capital funding

Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(24)
Increase (decrease) in investments	-	-	-

Total applications of capital funding (D)

- - (24)

Surplus (deficit) of capital funding (C - D)

- - 27

Funding balance ((A - B) + (C - D))

- - -

Wastewater

What we do and Why:

This Significant Activity provides for the environmentally safe collection, treatment and disposal of the District's sewage wastes. Council operates two schemes. One serves the township of Ōpōtiki and the Waioatahe 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.

This significant activity includes:







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

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
A reliable removal and treatment service is provided in areas serviced by Council operated sewerage systems.	The total number of complaints received by Council about any of the following:				
	a) sewerage odour	<1	<5	0/1000 connections	
	Commentary 2019/20: Achieved. No complaints were received by Council about sewerage odour relating to Council operated sewerage systems.				
	b) sewerage system faults	<6	<10	<2/1000 connections	
	Commentary 2019/20: Achieved. A total of 3 complaints received about sewerage system faults relating to Council's sewerage system which is <2 per 1000 connections based on a total of 1583 connections.				
	c) sewerage system blockages	<4	<5	<2/1000 connections	
	Commentary 2019/20: Achieved. A total of 3 complaints received about sewerage system blockages relating to Council's sewerage system which is <2 per 1000 connections based on a total of 1583 connections.				
	d) Council's response to issues with its sewerage system	<1	<3	0/1000 connections	
	Commentary 2019/20: Achieved. No complaints were received by Council about Council's response to issues with its sewerage system.				
	expressed per 1000 connections to Council's sewerage system.				
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system.	6.5 minutes	<4 hours	<20 minutes	
	Commentary 2019/20: Achieved. A total of 3 complaints received relating to an overflow from Council's sewerage system and the median response time to attend the event was 19 minutes.				
	Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system.	<1 day	<2 days	49 mins	
	Commentary 2019/20: Achieved. 3 complaints in total received. Only 1 was able to be resolved (via pipe clearing). The other 2 complaints were the result of system overburden, a direct result of wet weather infiltration and influx. The issue and Council's current programme to rehabilitate the wastewater system was explained to both customers. With the first stage of the rehabilitation nearing completion it is possible that these customers won't lose service again but this won't be known until the final assessment has been completed.				

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Sewage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system.	1	0	0	
	Commentary 2019/20: Achieved. No overflows from Council's sewerage system into habitable buildings recorded.				
	The number of dry weather overflows from Council's sewerage system expressed per 1000 sewerage connections to that sewerage system.	<2/1000 connections	<2	<1	
	Commentary 2019/20: Achieved. 1 dry weather overflow from Council's sewerage system recorded which is <2 per 1000 connections based on a total of 1583 connections.				
The quality of effluent leaving the treatment plant is of a standard required by consents.	Compliance with Council's resource consents for discharge from its sewage system, measured by the number of				
	a) abatement notices	0	0	0	
	Commentary 2019/20: Achieved. No abatement notices received.				
	b) infringement notices	0	0	0	
	Commentary 2019/20: Achieved. No infringement notices received.				
	c) enforcement orders	0	0	0	
	Commentary 2019/20: Achieved. No enforcement orders received.				
	d) convictions	0	0	0	
Commentary 2019/20: Achieved. No convictions received.					
received by Council in relation to those resource consents.					

Internal Borrowing

	Opening Balance 1/07/2019 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2020 \$ 000's	Interest 2020 \$ 000's
Opotiki Sewerage	2,999	1,319	7	4,311	142
	2,999	1,319	7	4,311	142

Capital Expenditure

	LTP 2020 000's	Actuals 2020 000's
- to meet additional demand		
Waioatahe Toilets Waste W Ext	-	20
- to meet additional demand Total	-	20
- to improve the level of service		
Factory Rd Wastewater Extension Stage 2	113	9
- to improve the level of service Total	113	9
- to replace existing assets		
Works on Private Laterals	1,025	497
WW Opotiki 2017	-	537
WW Stage 3 - Third Section Reticulation & Design	3,178	-
Replacement No 1 Pump Station	-	191
Wastewater Treatment Renewals Ōpōtiki	72	-
Wastewater Reticulation Renewals Ōpōtiki	46	-
Wastewater Reticulation Renewals Waihou Bay	3	-
WW Opotiki 2020	-	25
WW Treatment Renewals Opotiki	-	40
- to replace existing assets Total	4,323	1,290
Total capital expenditure	4,436	1,319

Funding Impact Statement

Ōpōtiki District Council - Wastewater Activity

Funding Impact Statement for 30 June 2020

Sources of operating funding

General rates, uniform annual general charge, rates penalties	538	572	533
Targeted rates	814	931	865
Subsidies and grants for operating purposes	-	-	-
Fees and charges	6	6	15
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	-

Total operating funding (A)

1,359 1,510 1,413

Applications of operating funding

Payment to staff and suppliers	459	464	1,450
Finance costs	97	229	142
Internal charges and overheads applied	347	360	432
Other operating funding applications	-	-	-

Total applications of operating funding (B)

903 1,053 2,024

Surplus (deficit) of operating funding (A - B)

456 457 (611)

Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	5,312	3,979	1,312
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-

Total sources of capital funding (C)

5,312 3,979 1,312

Application of capital funding

Capital expenditure			
- to meet additional demand	-	-	20
- to improve the level of service	50	113	9
- to replace existing assets	5,718	4,323	1,290
Increase (decrease) in reserves	-	-	(618)
Increase (decrease) in investments	-	-	-

Total applications of capital funding (D)

5,768 4,436 701

Surplus (deficit) of capital funding (C - D)

(456) (457) 611

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, Waiotahe 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.

This significant activity includes:




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







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


Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Council will provide safe drinking water that is pleasant tasting and looking from Council operated supplies.	The total number of complaints received by Council about any of the following:				
	Drinking water clarity	0	<5	6.8/1000 connections	
	Commentary 2019/20: Not achieved. 18 complaints were received regarding water clarity which is 6.8 per 1000 connections based on 2645 connections. These faults were due to two reasons 1: The Otara Rd trunk main replacement and 2: The water treatment plant system failure. Both of these situations required water to be supplied directly from the town's bores. Allowance to supply from the bores was done purposely to provide redundancy for exactly these scenarios. It is not a health concern as Ōpōtiki has secure source bores in accordance with MoH standards. Supplying from the bores does however cause pressure fluctuation in the reticulation which stirs up settled iron and manganese, which in turn causes clarity issues. The clarity issues were caused by extenuating circumstances that are not a regular occurrence.				
	Drinking water taste	0	<5	<1/1000 connections	
	Commentary 2019/20: Achieved. Two complaints received which is less than 1 per 1000 connections based on 2645 connections.				
	Drinking water odour	0	<5	0 /1000 connections	
Commentary 2019/20: Achieved. No complaints received.					

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
	Drinking water pressure or flow	<2/1000 connections	<5	<2/1000 connections	
	Commentary 2019/20: Achieved. 4 complaints received which is less than 2 per 1000 connections based on 2645 connections. Most pressure issues were related to old or blocked tobys that were replaced.				
	Continuity of supply	0	<5	<3/1000 connections	
	Commentary 2019/20: Achieved. 7 complaints received which is less than 3 per 1000 connections based on 2645 connections. Most complaints were due to Chorus contractors striking water supply main while installing high speed fibre.				
	Council's response to any of these issues	<1/1000 connections	<3	0/1000 connections	
	Commentary 2019/20: Achieved. No complaints received. expressed per 1000 connections to Council's networked reticulation system.				

Key Performance Indicator						
The extent to which Council's drinking water supply complies with: Part 4 of the drinking water standards (bacteria compliance criteria); and Part 5 of the drinking water standards (protozoal compliance criteria).	Location	Criteria	2018/19 Result	Target 2019/20	2019/20 Result	Status
	Ōpōtiki	Bacterial	100%	100%	Non-compliant	
	Ōpōtiki	Protozoal	100%	100%	100%	
	Te Kaha	Bacterial	100%	100%	100%	
	Te Kaha	Protozoal	Non-compliant	100%	Non-compliant	
	Ōhiwa	Bacterial	100%	100%	100%	
	Ohiwa	Protozoal	Non-compliant	100%	100%	
<p>COMMENTARY</p> <p>Bacterial compliance: Achieved for Te Kaha and Ohiwa plants and zones and Ōpōtiki and Hukutaia zones. The revised standards in 2018 changed the sampling criteria for the Ōpōtiki Plant. This means insufficient samples were taken. This was not picked up by the Drinking Water Assessor last year. No e-coli was present in any samples.</p> <p>Protozoal compliance: Ōpōtiki fully compliant. Ohiwa awaiting sign off from the Drinking Water Assessor but full compliance expected. Investigations for alternative water source for Te Kaha currently being investigated.</p> <p>The 2019/20 results are provisional, pending the assessment of compliance by an independent Drinking Water Assessor.</p>						

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
Failures and service requests are responded to promptly.	Fault response times: a) Median response time to attend urgent call-outs	<1 hour	<4 hours	61 minutes	
	Commentary 2019/20: Achieved. 1 urgent request received, and the response time was 61 minutes.				
	b) Median response time to resolve urgent call-outs	<3 hours	<1 day	18 hours and 54 minutes	
	Commentary 2019/20: Achieved. 1 urgent request received and the response time to resolve the call-out was 18 hours and 54 minutes.				
	c) Median response time to attend non-urgent call-outs	<1 hour	<1 day	15 minutes	
	Commentary 2019/20: Achieved. 124 non-urgent requests received and the median response time to resolve non-urgent callouts is 15 minutes.				
	d) Median response time to resolve non-urgent call-outs	1 day, 1 hour and 12 minutes	<4 days	4 hours and 29 minutes	
	Commentary 2019/20: Achieved. 124 non-urgent requests received and the median response time to resolve non-urgent callouts is 4 hours and 29 minutes.				
Water resources are used efficiently and sustainably.	Average consumption of drinking water per day per resident.	Ōpōtiki - 194L Te Kaha - 233L Ohiwa - 159L	<400L	Ōpōtiki - 202L Te Kaha - 153L Ohiwa - 150L	
	Commentary 2019/20: Achieved. Water usage well within acceptable volumes.				
	Percentage of real water loss from networked reticulation system.	Ōpōtiki - 8%	<20%	2.60%	
	Commentary 2019/20: Achieved. Water NZ Infrastructure Leakage Index equivalents. Ōpōtiki - 1.20 Less than 2 on ILI considered as follows "Further loss reduction may be uneconomical, unless there are shortages, careful analysis needed to ensure cost effective leakage management."				

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
		Te Kaha - 13%	<20%	15.30%	
	Commentary 2019/20: Achieved. Water NZ Infrastructure Leakage Index equivalents. Te Kaha - 2.93. From 2.0 to <4.0 on ILI considered as follows "Possibilities for further improvement; consider pressure management, better active leakage control, better maintenance."				
		Ōhiwa - 60%	No target set. Recorded for information purposes only.	2.90%	

Internal Borrowing

	Opening Balance 1/07/2019 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2020 \$ 000's	Interest 2020 \$ 000's
Ōhiwa Water	50	-	1	49	2
Opotiki/Hikutaia Water	3,898	993	40	4,850	171
Te Kaha Water	219	156	2	373	12
	4,166	1,148	43	5,272	184

Capital Expenditure

	LTP 2020 000's	Actuals 2020 000's
- to meet additional demand		
Southern Ext Stage 2a - Southern Ring Main	-	154
Waiotaha Toilets Water Ext	-	27
- to meet additional demand Total	-	181
- to improve the level of service		
Clarks Cross Rd Otara Rd Booster 2.1km Main	-	617
Reservoir Replacement	21	-
WaterS Condition & Performance	-	0
- to improve the level of service Total	21	618
- to replace existing assets		
Te Kaha Valves, Hydrants and Meters	-	2
WTP Treatment Equipment & Service Pumps	-	33
Opotiki Water - Spare Pumps	-	20
Water Treatment Renewals Opo	-	231
Ōhiwa Treatment Renewals	2	-
Reticulation Renewals Ōpōtiki	62	-
Treatment Renewals Ōpōtiki	51	-
Reticulation Renewals Te Kaha	21	-
Treatment Renewals Te Kaha	18	-
Water Retic Renewals Opotiki	-	64
- to replace existing assets Total	153	350
Total capital expenditure	174	1,148

Ōpōtiki District Council - Water Supplies Activity**Funding Impact Statement for 30 June 2020****Sources of operating funding**

General rates, uniform annual general charge, rates penalties

Targeted rates

Subsidies and grants for operating purposes

Fees and charges

Internal charges and overheads recovered

Local authorities fuel tax, fines, infringement fees, and other receipts

Total operating funding (A)**Applications of operating funding**

Payment to staff and suppliers

Finance costs

Internal charges and overheads applied

Other operating funding applications

Total applications of operating funding (B)**Surplus (deficit) of operating funding (A - B)****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)**Application of capital funding**

Capital expenditure

- to meet additional demand

- to improve the level of service

- to replace existing assets

Increase (decrease) in reserves

Increase (decrease) in investments

Total applications of capital funding (D)**Surplus (deficit) of capital funding (C - D)****Funding balance ((A - B) + (C - D))**

	2019 Long-term plan (\$000)	2020 Long-term plan (\$000)	2020 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	251	229	195
Targeted rates	1,106	1,183	1,029
Subsidies and grants for operating purposes	-	-	-
Fees and charges	8	8	4
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	3
Total operating funding (A)	1,365	1,420	1,231
Applications of operating funding			
Payment to staff and suppliers	642	645	845
Finance costs	61	85	184
Internal charges and overheads applied	248	257	306
Other operating funding applications	-	-	-
Total applications of operating funding (B)	951	987	1,335
Surplus (deficit) of operating funding (A - B)	414	433	(104)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	147
Development and financial contributions	-	-	-
Increase (decrease) in debt	681	(259)	1,106
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	681	(259)	1,253
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	181
- to improve the level of service	945	21	618
- to replace existing assets	150	153	350
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	1,095	174	1,149
Surplus (deficit) of capital funding (C - D)	(414)	(433)	104
Funding balance ((A - B) + (C - D))	-	-	-

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.







This significant activity includes:




Subsidised Roding, Unsubsidised Roding.

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

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

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
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 requests within 1 day	100%	95%	100%	
	Commentary 2019/20: Achieved. A total of 15 urgent requests received and all were responded to within 1 day.				
	- Non-urgent requests within 4 days	89%	90%	88%	
	Commentary 2019/20: Not achieved. A total of 169 non-urgent requests were received. 149 were responded to within 4 days and 20 were responded to over 4 days.				
	Percentage of sealed road network resurfaced.	>5%	>5%	>5%	
Commentary 2019/20: Achieved. 10.858km of 174km or 6.24% of sealed network resealed.					
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.	80%	>85%	82%	
	Commentary 2019/20: Not achieved. 82% of respondents to Council's customer satisfaction survey stated they were very/fairly satisfied. Council has just completed a comprehensive street light infill programme which we expect will increase levels of satisfaction. In April 2020 Council contractors completed a Traffic Services Delineation Report that identified traffic services and issues on our network. These findings are going in to the new Roding Maintenance Contract so the new contractor works through them as a matter of priority.				
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.	80%	>85%	63%	
	Commentary 2019/20: Not achieved. 63% of respondents to Council's customer satisfaction survey stated they were very/fairly satisfied. NZTA have now begun safety improvement works on Wainui Rd - Ohope to Ōpōtiki as part of the Safe Roads project. This will bring a higher standard to Council's highest traffic road.				
	The average quality of a ride on a sealed local road network, measured by the smooth travel exposure.	97%	91-95%	98%	
	Commentary 2019/20: Achieved. This is measured every second year. The last results published were for the 2019/20 period with the result being 98%. These results were published on 14 October 2020.				

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
	Change from previous year in number of fatalities and serious injury crashes on Council maintained roads.	-1	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend	-1	
	Commentary 2019/20: Achieved. A reduction from 2 serious crashes in 2018/19 to 1 serious crash in 2019/20. No fatalities recorded.				
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.	63%	>70%	59%	
	Commentary 2019/20: Not achieved. 59% of respondents to Council's customer satisfaction survey rated the standard of footpaths as good or excellent. Council is now working to upgrade existing footpaths and install new footpaths throughout the Ōpōtiki township after central government funding was secured.				
	Percentage of footpaths in Ōpōtiki district that fall within the level of service or service standard for the condition of footpaths as set in plans.	100%	70% of qualifying footpath faults scheduled for repair	70% of qualifying footpath faults scheduled for repair	
	Commentary 2019/20: Achieved. Footpaths brought up to minimum standard last year. Footpath upgrade programme to complete ramp improvements and further maintenance and widening begins in next 2 weeks. New footpaths are being installed through the Ōpōtiki township after central government funding was secured.				

Internal Borrowing

	Opening Balance 1/07/2019 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2020 \$ 000's	Interest 2020 \$ 000's
Subsidised Roothing	579	346	18	907	29
Non-Subsidised Roothing	72	-	1	71	3
	651	346	19	978	32

Capital Expenditure

	LTP 2020 000's	Actuals 2020 000's
- to improve the level of service		
Minor Improvements	-	523
Seal Extension (Subject to council approval)	204	-
New Roads (Harbour access 3km @600k/km)	818	-
Urban undergrounding share with Horizon	102	-
New Roads - Harbour	-	76
Wainui Road Safety Improvement	-	27
Harbour Access - Business case	-	16
Harbour access - Pre implement	-	36
- to improve the level of service Total	1,124	678
- to replace existing assets		
Drainage Renewals	96	77
Footpath	51	-
Traffic Services Renewals	46	33
Urban Kerb & Channel	33	-
Sealed road resurfacing	407	320
Sealed road pavement rehabilitation	164	138
Structures component replacements	246	-
Minor improvements 2015-18 - Local Roads	209	-
- to replace existing assets Total	1,252	568
Total capital expenditure	2,376	1,247

Ōpōtiki District Council - Land Transport Activity**Funding Impact Statement for 30 June 2020****Sources of operating funding**

General rates, uniform annual general charge, rates penalties	1,635	1,547	1,409
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,605	1,643	1,658
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	78	80	80

Total operating funding (A)

2019 Long-term plan (\$000)	2020 Long-term plan (\$000)	2020 Actual (\$000)
3,318	3,270	3,147

Applications of operating funding

Payment to staff and suppliers

2,288 2,347 5,331

Finance costs

7 19 32

Internal charges and overheads applied

566 585 730

Other operating funding applications

- - -

Total applications of operating funding (B)**2,861 2,951 6,093****Surplus (deficit) of operating funding (A - B)****457 319 (2,946)****Sources of capital funding**

Subsidies and grants for capital expenditure

1,305 1,489 4,333

Development and financial contributions

- - -

Increase (decrease) in debt

383 447 327

Gross proceeds from sale of assets

- - -

Lump sum contributions

- - -

Other dedicated capital funding

- - -

Total sources of capital funding (C)**1,688 1,936 4,660****Application of capital funding**

Capital expenditure

- to meet additional demand

- - -

- to improve the level of service

1,120 1,124 678

- to replace existing assets

1,021 1,252 568

Increase (decrease) in reserves

4 (121) 468

Increase (decrease) in investments

- - -

Total applications of capital funding (D)**2,145 2,255 1,714****Surplus (deficit) of capital funding (C - D)****(457) (319) 2,946****Funding balance ((A - B) + (C - D))****- - -**

Investments

What we do and why:

The Investment Activity provides for Council's ownership stake in BOP LASS Ltd (Bay of Plenty Local Authority Shared Services - a Council Controlled Organisation), TOI-EDA (Eastern Bay of Plenty Regional Economic Development Agency), and Evolution Networks Limited. 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 and business within the Bay of Plenty Region to achieve common objectives.

This significant activity includes:

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.


Evolution Networks Limited




Evolution Networks Limited is a wireless internet company originating from and based in the Bay of Plenty. Council took a 30% shareholding in the company during the 2018/19 year to increase connectivity within the district and wider Eastern Bay of Plenty. Evolution Networks Limited specialises in providing high speed wireless internet connections to remote rural areas other internet service providers have ignored. Their innovative approach has also seen the provision of the Sigfox Internet of Things (IoT) platform rolled out across the Eastern Bay of Plenty as well.

Community Outcomes	How Activity Contributes
Services and facilities meets our needs	Council's 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
	Cultural	Social	Economic	Environmental	
Other parties with an ownership stake withdraw support.			✓		Council will continue to be an active member of CCOs at a governance and operational level to ensure they continue to add value to all those with an ownership stake.
CCOs are perceived as a threat to community autonomy.		✓			Council will continue to be an active member of CCOs at a governance and operational level to ensure they continue be about advancing common objectives.

Levels of service:

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
BOPLASS	Investigate new joint procurement initiatives for goods and service for BOPLASS councils.	>4	Minimum of 4	8	
	<ul style="list-style-type: none"> The new procurement initiatives which have been investigated during the year are as follows: Tender Facilitation – BOPLASS led a competitive process for the appointment of a facilitator to manage a collective procurement process on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke's Bay councils Regional LiDAR Capture 2020–2025 – Working in conjunction with Land Information NZ, a tender process was run to appoint a provider for LiDAR capture across the Bay of Plenty region Infrastructure Insurance – A very good outcome was achieved by BOPLASS in the placement of councils' infrastructure insurance into the international markets with favourable rates and terms achieved for all councils Standards NZ – BOPLASS engaged with Standards NZ to host a single BOPLASS portal to allow all councils to access the full Standards catalogue at significantly reduced pricing Accounts Payable Automation Software FME Server – GIS software Human Resources Information Systems – BOPLASS undertook an investigation into opportunities for the collective procurement of an HR information system and the development of a standardised platform across the councils Insurance Brokerage and Risk Management Services – BOPLASS led a procurement project on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke's Bay councils for the appointment of an insurance broker The BOPLASS Health and Safety Group working in conjunction with the Waikato LASS have identified a number of new health and safety initiatives for collaboration. 				

Goal	Key Performance Indicator	2018/19 Result	Target 2019/20	2019/20 Result	Status
	During Covid: <ul style="list-style-type: none"> Some projects were brought forward during lockdown to assist Councils during this time Established expanded video conferencing options to ensure council meetings could continue and remote working staff had full connectivity within their organisations Increased media monitoring services Health and Safety Management meetings provided opportunity for sharing of pandemic planning information and development of protocols This work increased awareness of the incremental value and benefits being delivered through the coordinated collaboration across BOPLASS councils. 				
	Communicate with each shareholding Council through a minimum of one meeting with each Executive Leadership Team.	100%	100%	100%	
	Commentary 2019/20: Achieved. BOPLASS continues to regularly engage with constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders. Executive-level meetings held with councils. Three Operations Committee meetings held during the year with executive level input provided by all shareholding councils. Executive Leadership Team representation and attendance at one or more meetings from every council.				
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.	100%	80%	100%	
	Commentary 2019/20: Achieved. A strategy and annual work plan was approved by the Toi-EDA board in September 2019.				
	Submissions lodged on all regional and EBOP district plans.	100%	100%	100%	
	Commentary 2019/20: Achieved. Submission lodged on applicable plans.				

Funding Impact Statement

Ōpōtiki District Council - Investments Activity

Funding Impact Statement for 30 June 2020

Sources of operating funding

General rates, uniform annual general charge, rates penalties
Targeted rates
Subsidies and grants for operating purposes
Fees and charges
Internal charges and overheads recovered
Local authorities fuel tax, fines, infringement fees, and other receipts

Total operating funding (A)

Applications of operating funding

Payment to staff and suppliers
Finance costs

Internal charges and overheads applied

Other operating funding applications

Total applications of operating funding (B)

Surplus (deficit) of operating funding (A - B)

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)

Application of capital funding

Capital expenditure

- to meet additional demand
- to improve the level of service
- to replace existing assets

Increase (decrease) in reserves

Increase (decrease) in investments

Total applications of capital funding (D)

Surplus (deficit) of capital funding (C - D)

Funding balance ((A - B) + (C - D))

	2019 Long-term plan (\$000)	2020 Long-term plan (\$000)	2020 Actual (\$000)
General rates, uniform annual general charge, rates penalties	71	73	72
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	71	73	72
Payment to staff and suppliers	58	60	18
Finance costs	-	-	-
Internal charges and overheads applied	13	13	13
Other operating funding applications	-	-	-
Total applications of operating funding (B)	71	73	31
Surplus (deficit) of operating funding (A - B)	-	-	41
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)	-	-	-
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(2)
Increase (decrease) in investments	-	-	43
Total applications of capital funding (D)	-	-	41
Surplus (deficit) of capital funding (C - D)	-	-	(41)
Funding balance ((A - B) + (C - D))	-	-	-

Progress towards community outcomes

This chart shows how our performance measures contribute to our community outcomes. You can read full details about our Community Outcomes and District Strategy in our Long Term Plan.



Here's a real example of this in action:

Community Outcome	Services and Facilities meet our needs - Provide facilities and services that meet current and future needs and are accessible to all.
District strategy	Quality of life
Focus area	
Priority for action	Provide infrastructure e.g. roads, water, stormwater, sewerage, waste management, renewal of Ōpōtiki Township wastewater reticulation network.
Significant activity group	Environmental Sustainability
Significant activity	Wastewater
Level of service goal	A reliable removal and treatment service is provided in areas serviced by Council operated sewerage systems.
Key performance indicator	Number of sewage overflows into habitable buildings due to faults in the wastewater system.
Performance target	0

By monitoring the number of sewage overflows into habitable buildings we can make sure we are providing a reliable removal and treatment service which fulfils our community outcome of providing services and facilities that meet our needs.

The following tables outline the progress we've made towards the community outcomes we seek as a result of the Council's work programmes and performance measures.

Leadership

Contribution to Community Outcomes: Fair and Efficient Leadership, A strong and distinctive community spirit.

How this activity contributes	Work programme and performance measure progress
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.	<ul style="list-style-type: none"> • The 2018/19 Annual Report was published • We complied with all statutory requirements and adopted the 2020/21 Annual Plan in June 2020 • We held 21 open public meetings • Satisfaction with Council leadership was measured through our annual community survey and residents are also now given the opportunity through the survey to let us know if they feel they have the opportunity to be involved and participate in the way council makes decisions • The Mayor and Councillors provided representation on a wide range of external committees and groups • Council worked to maintain and enhance mutually beneficial relationships with Tangata Whenua • Submissions were lodged on all regional and Eastern Bay of Plenty district plans and Council actively participated in Regional Governance Group and Management Group meetings • Contact details for elected members are available on our website and via our call centre • Community engagement took place on plans, projects and initiatives including consultation on Bylaws review, Reserve Management Plans review, Town Centre revitalisation, Earthquake-prone buildings and consultation on thoroughfares, Dangerous and Insanitary Building Policy • Council held a two day pop up shop community open day event in January 2020 • Council actively lobbied NZTA to clean and refurbish the Waioeka Bridge and implement roading safety improvements • An extensive Local Government Election campaign was run to encourage candidate nominations and voter turnout. <p>COVID</p> <ul style="list-style-type: none"> • The Mayor posted regular updates to the community during the Covid response. Council participated in discussions with Iwi regarding checkpoints. Council used online technology to continue to attend meetings and represent the Ōpōtiki community efficiently. Eastern Bay leaders joined together to plan for recovery/rebuild.

Community Facilities

Contribution to Community Outcomes:

Development and protection of the natural environment, A strong and distinctive community spirit, History and culture is treasured, Services and facilities meet our needs.

How this activity contributes

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.

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

Library services that inspire learning and celebration of our culture.

Work programme and performance measure progress

- Satisfaction with community facilities including recreation facilities, toilets, cemeteries and the library was measured through our annual community survey
- Play equipment compliant with relevant standards increased to 91%
- Our library facilitated over 16 events and programmes
- New BBQ facilities were installed at Waiōtahe Beach
- Council approved refurbishment plans for the pound, the build of Te Tahuhu o Te Rangi and a temporary digital hub in the town centre
- Work progressed on the Town Centre Structure Plan
- Council continues to support the Motu Trails Cycleway and further plans for trail extensions
- Works to upgrade roading, parking and facilities at Te Ahiaua (pipi beds) was completed
- Successful funding applications were lodged for CBD upgrades
- Stage one of the Church St reserve upgrade was completed
- Draft Reserves Management Plans were completed and consulted on.

COVID

- Council facilities closed during lockdown but our Library and i-SITE teams continued to operate off-site and came up with innovative ways to remain in touch with our customers and provide them with online options
- Successful funding applications were made to central government for 'shovel ready' projects and funding has been announced for facilities upgrades.

Community Development

Contribution to Community Outcomes:

A strong and distinctive community spirit, History and culture is treasured, Services and facilities meet our needs.

How this activity contributes

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

Work programme and performance measure progress

- Council continued to support the upkeep of 22 of the district's Urupa.
- Continued funding was provided through MOUs with community organisations for surf life-saving, school swimming pool maintenance and running costs, and several key historic buildings.
- Council supported advertising for school and community group initiatives.
- Council supported the community by administering the Ōpōtiki District Creative Communities Scheme and the Sport New Zealand Rural Travel Fund funding.
- Through the Coast Initiative Fund Council supported projects that will directly benefit our coast communities.
- Our contractors undertook regular maintenance checks of the CCTV cameras in town, at the wharf and boat ramp, and coverage was expanded to include the Resource Recovery Centres.
- We continued to support a driver mentoring programme for the community.
- Events were held to encourage community activity and participation.

COVID

- During Covid good working relationships were developed and fostered with Iwi to ensure that the "Caring for Communities" function of the response could be delivered in the most effective manner.

Economic Development

Contribution to Community Outcomes:

Development and protection of the natural environment, Services and facilities meet our needs, Purposeful work and learning opportunities, Development supports the community.

How this activity contributes	Work programme and performance measure progress
To create a sustainable economic future by broadening the District's economic and therefore employment base.	<ul style="list-style-type: none"> Funding for the Ōpōtiki Harbour Development was project announced Maintained relationships with Ōpōtiki businesses including holding workshops and stakeholder strategy days to get planning input Business breakfasts were held to facilitate business and community members joining up to create a collective voice and vision and to focus on growing our local workforce Targeted consultation undertaken with businesses for Town Centre Revitalisation project planning and Bylaw changes. Maintained contact with tourism sector Achieved an increased tourism spend Held 13 community events including the Summer Fest festival and the Matariki festival Toi-EDA (Eastern Bay of Plenty Regional Economic Development Agency) – which Council has an ownership stake in – approved their strategy and annual work plan. Through Toi-EDA Council partnered with other units of Local Government and business in the Bay of Plenty Region to achieve common objectives Council, working alongside the Department of Conservation, continued to support Motu Trails Trust in marketing of the Motu Trails. Funding has been allocated by government for trail extensions A new pilot programme headed by the Mayors' Taskforce for Jobs and the Ministry of Social Development and administered by Council will be connecting Ōpōtiki small businesses with local rangitahi, providing them with an opportunity to get in to meaningful employment To support this programme Council has employed a Kaiwhakahaere mō Whanaketanga (Workforce Development Coordinator) to ensure there are clear pathways into the many new employment opportunities in the district. <p>COVID</p> <ul style="list-style-type: none"> During lockdown staff prepared successful funding applications to enable 'shovel-ready' projects to start as soon as alert levels allowed Council contributed to and fully supported the Discover our Local campaign to assist local businesses in post lockdown recovery.

Regulation and Safety

Contribution to Community Outcomes:

Development and protection of the natural environment, Services and facilities meet our needs, A strong and distinctive community spirit, Development supports the community.

How this activity contributes	Work programme and performance measure progress
<p>To ensure that public health and safety is protected and enhanced through the effective and efficient implementation of legislation (Environment 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 and to protect current and future users through the administration of the Building Control Act 2004 and relevant regulations.</p> <p>To ensure that 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>	<ul style="list-style-type: none"> • Council continued to process liquor licence applications, inspect food premises, provide 24/7 Animal Control services, act as a Building Control Authority and issue resource consents and monitor consents for compliance • 100% of resource consent applications were processed within timeframes • Council maintained its building accreditation and continued to encourage and support the use of its online services portal. • The Animal Control team held open days for our coast communities • Fewer dogs were impounded, euthanised and stolen from the pound than any other year and dog registration numbers continued to rise. More dogs were rehomed or able to be returned to their owners • Council continued its successful free microchipping and dangerous dog de-sexing programmes • Council consulted on its Bylaw and Dog Control Policy reviews, Earthquake-prone buildings and consultation on thoroughfares, Dangerous and Insanitary Building Policy • Training for civil defence staff continued and all roles in the EOC are allocated to cover rotating 12-hour shifts. Civil defence education for/in the community continued in conjunction with Emergency Management Bay of Plenty • The national shake out and alert testing campaigns were promoted to our communities • Council declared a climate emergency • Council is working with accommodation providers to ensure seasonal workers and those in temporary accommodation are housed in safe and compliant buildings • Research on coastal erosion and other hazards was run in partnership with Bay of Plenty Regional Council. <p>COVID</p> <ul style="list-style-type: none"> • Council activated its EOC in response to COVID-19 supporting the Bay of Plenty District Health Board. Regular updates were provided to the community with over 60 communications messages and initiatives released externally in all formats by Council.

Solid Waste Management

Contribution to Community Outcomes:
Development and protection of the natural environment, Services and facilities meet our needs,
Development supports the community.

How this activity contributes	Work programme and performance measure progress
<p>Ensure the environmentally safe collection and disposal of waste.</p> <p>Minimise the creation of waste within the district.</p>	<ul style="list-style-type: none"> We continue to receive and act upon service complaints or requests and seek feedback from the public during our annual customer satisfaction survey Customer ratings of our Resource Recovery Centres (RRCs) remained high this year The new kerbside refuse and recycling collection started this year and has resulted in a very large decrease in the number of service requests placed with Council. The service was also split over two days a week which has meant a greatly increased service and satisfaction for our residents and ratepayers Council continues to issue litter infringements to combat the issue of fly-tipping and illegal dumping. <p>COVID</p> <ul style="list-style-type: none"> Council was able to continue kerbside collections (without change to customers) and the RRCs remained open during lockdown with some changes to operations, which meant our community were still able to safely dispose of their refuse.

Stormwater

Contribution to Community Outcomes:
Development and protection of the natural environment, Services and facilities meet our needs,
Development supports the community.

How this activity contributes	Work programme and performance measure progress
<p>To protect the environment from the adverse effects of stormwater.</p> <p>To protect public health and property.</p> <p>Facilities and services that meet the expectations of the community for quality of life.</p>	<ul style="list-style-type: none"> Council continued to record and respond to Stormwater service requests in our customer contact centre and has set ambitious targets on how quickly we will respond Council continues to maintain a high record of compliance and once again this year did not receive any abatement or infringement notices, enforcement orders or convictions Modelling of the Ōpōtiki township was completed looking at both water quality and quantity Council completed its programmed works to maintain and upgrade its assets including various stormwater plant components to ensure optimal operation. <p>COVID</p> <ul style="list-style-type: none"> Council continued to provide stormwater services through the lock down with some revised practices and additional protective equipment for staff and contractors.

District Plan

Contribution to Community Outcomes:

Development and protection of the natural environment, Services and facilities meet our needs, Development supports the community.

How this activity contributes

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.

Work programme and performance measure progress

- Council continued the review process in accordance with the RMA. Appeal matters were agreed by parties after court assisted mediation. One final consent order is awaiting sign off.

Wastewater

Contribution to Community Outcomes:

Development and protection of the natural environment, Services and facilities meet our needs, Development supports the community.

How this activity contributes

To protect public health and property from sewage overflows.

To enable economic growth with quality of life benefit.

To protect the environment from the adverse effects of wastewater.

Work programme and performance measure progress

- Council completed the final year of its rehabilitation programme for the Ōpōtiki township to lower instances where (during high rainfall) stormwater infiltrates the wastewater system. This was completed on time and under budget
- Council continued to record and respond to Wastewater service requests in our customer contact centre and has set ambitious targets on how quickly we will respond
- Council continues to maintain a high record of compliance and once again this year did not receive any abatement or infringement notices, enforcement orders or convictions.

COVID

- Council ensured the essential Wastewater service continued to operate safely during lockdown
- Council staff responded quickly to a number of blockages caused by wet wipes being flushed down toilets.

Water Supply

Contribution to Community Outcomes:
Development and protection of the natural environment, Services and facilities meet our needs,
Development supports the community.

How this activity contributes

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.

Work programme and performance measure progress

- Council recorded and responded to water supply requests in our customer contact centre
- Due to previous works completed to ensure redundancy, Council was able to switch the Ōpōtiki township to direct supply from the bores during an urgent shut down at the water treatment plant during the year. This ensured our community continued to receive safe potable water while repairs were undertaken
- Council extended the Te Kaha supply and installed new meters
- Council completed its programmed works to maintain and upgrade its assets including various water supply plant components to ensure optimal operation.

COVID

- Council ensured the essential Water Supply service continued to operate safely during lockdown.

Land Transport

Contribution to Community Outcomes:

Development and protection of the natural environment, Services and facilities meet our needs, Development supports the community, A strong and distinctive community spirit.

How this activity contributes

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.

Work programme and performance measure progress

- Council resurfaced areas of its network, undertook grading on, and applied gravel to, unsealed roads according to schedules
- Council recorded and responded to land transport requests in our customer contact centre
- Council sought feedback from the community on land transport through its annual customer satisfaction survey
- Council continues to monitor crashes on our roads to see where improvements might be made
- Council continues to offer a maximum of 2km seal extension work should a ratepayer request it and provide 60 percent of the cost to allow for demand and economic growth
- Council continued to lobby NZTA for safety improvements to its network within the district and NZTA have now begun safety improvement works on Wainui Rd - Ohope to Ōpōtiki as part of the Safe Roads project
- Council continues its annual rehabilitation / upgrade urban street project. 3 blocks of Goring Street received kerb, channelling and stormwater improvements
- Work has begun on the Snell Road access road for the Ōpōtiki Harbour Development project
- Council continued with the infill street lighting project in Ōpōtiki township.

COVID

- Successful funding applications were made to central government for 'shovel ready' projects. Within a week of funding being announced Council had contractors start work on footpath replacements for the Ōpōtiki township.

Investments

Contribution to Community Outcomes:

Services and facilities meet our needs, A Strong and distinctive community spirit, Fair and efficient leadership.

How this activity contributes

Council's investments contribute to the social and economic well-being of the district.

Work programme and performance measure progress

- Council continues to be an active participant in BOPLASS in the interest of obtaining procurement and shared service savings for the community
- Council also continued to engage with Toi EDA through the Regional Growth Leadership Group to help promote economic development projects and initiatives in Ōpōtiki and the Eastern Bay of Plenty
- Council has a shareholding in Evolution Networks (a local wireless internet provider) to both provide better connectivity to our communities and allow Council to receive income from outside the district.

COVID

- Evolution Networks continued to connect properties to internet over the lock down period. Processes and protocols were amended to minimise or eliminate potential contact during installations. Connectivity allowed those working or schooling from home to continue to do so throughout the lockdown period.

Financial Information



Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2020

	Note	Actual 2020 000's	Budget 2020 000's	Actual 2019 000's
Revenue				
Rates	2	11,256	11,008	10,998
Subsidies and Grants	4	8,548	19,249	3,221
Fees and Charges	3	1,254	1,256	1,161
Interest Revenue	5	9	102	62
Other Revenue	7	309	257	567
Development and financial contributions		3	-	-
Total Revenue		21,379	31,872	16,009
Expenditure				
Other Expenses	9	12,073	7,501	8,382
Depreciation and Amortisation	14,15	2,976	2,878	2,952
Personnel Costs	8	4,537	5,019	4,159
Finance Costs	5	257	489	236
Total Expenditure		19,843	15,887	15,729
Share of associate's surplus/(deficit)	13	16	-	(3)
Surplus / (Deficit)		1,552	15,985	277
Other Comprehensive Revenue and Expense				
Property, plant, and equipment revaluation		11,315	-	-
Total Other Comprehensive Revenue and Expense		11,315	-	-
Total Comprehensive Revenue and Expense		12,867	15,985	277

The accompanying notes form part of these financial statements
 Explanations of significant variances against budget are detailed in note 29

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Note	Actual 2020 000's	Budget 2020 000's	Actual 2019 000's
Equity balance at 1 July		203,336	203,520	203,053
Comprehensive revenue and expense for year	22	12,867	15,985	277
Transfers	22	35	(425)	6
Equity Balance 30 June		216,238	219,080	203,336

Components of Equity

Accumulated Funds at 1 July		135,596	136,350	132,122
Net Surplus/(Deficit)		1,552	15,985	277
Transfers to / (from) equity		1,101	(274)	3,197
Accumulated Funds 30 June		138,249	152,061	135,596
Asset Revaluation Reserves at 1 July		66,369	66,075	66,451
Transfers to / (from) reserves		(1,196)	-	(82)
Revaluation Gains/(Losses)		11,315	-	-
Revaluation Reserves 30 June		76,488	66,075	66,369
Council Created Reserves at 1 July		1,371	670	4,480
Transfers to / (from) reserves		130	274	(3,109)
Council created Reserves 30 June		1,501	944	1,371

The accompanying notes form part of these financial statements


Explanations of significant variances against budget are detailed in note 29


Statement of Financial Position

As at 30 June 2020

	Note	Actual 2020 000's	Budget 2020 000's	Actual 2019 000's
ASSETS				
Current Assets				
Cash & Cash Equivalents	10	4,558	3,938	1,663
Debtors & Other Receivables	11	3,036	3,726	2,991
Other Financial Assets	12	3,200	-	-
Inventory		53	-	3
Prepayments		218	132	159
Total Current Assets		11,065	7,796	4,816
Non-Current Assets				
Investment Property	16	2,700	2,551	2,738
Investment in Associate	13	107	190	64
- Investments in CCO's and Other Similar Entities	12	5	-	5
- Investment in other entities	12	154	-	98
Property, Plant & Equipment	14	215,743	237,414	204,648
Intangible Assets	15	85	137	108
Total Non-Current Assets		218,794	240,292	207,661
TOTAL ASSETS		229,859	248,088	212,477
LIABILITIES				
Current Liabilities				
Trade & Other Payables	18	4,700	4,521	3,656
Borrowings	21	-	-	-
Employee Benefit Liabilities	20	342	387	383
Provisions	19	8	-	7
Total Current Liabilities		5,050	4,908	4,046
Non-Current Liabilities				
Borrowings	21	8,500	23,944	5,000
Provisions	19	71	156	95
Total Non-Current Liabilities		8,571	24,100	5,095
TOTAL LIABILITIES		13,621	29,008	9,141
NET ASSETS (assets minus liabilities)		216,238	219,080	203,336
EQUITY				
Retained Earnings	22	138,249	152,061	135,596
Asset Revaluation Reserves	22	76,488	66,075	66,369
Council Created Reserves	22	1,501	944	1,371
TOTAL EQUITY		216,238	219,080	203,336

The accompanying notes form part of these financial statements
 Explanations of significant variances against budget are detailed in note 29


 L Riesterer
MAYOR
 Date: 17 November 2020


 A Lawrie
CHIEF EXECUTIVE
 Date: 17 November 2020

Statement of Cashflows

For the Year Ended 30 June 2020

	Actual 2020 000's	Budget 2020 000's	Actual 2019 000's
Cashflow from Operating Activities			
Receipts from rates revenue	11,455	10,861	11,024
Subsidies and grants received	8,103	19,456	3,434
Fees and charges received	1,254	1,256	1,161
Interest and dividends from investments	9	102	62
Other revenue	307	-	261
Payments to suppliers and employees	(12,529)	(12,103)	(13,229)
Finance costs	(257)	(489)	(236)
Payments to/on behalf of other authorities*	85	-	690
Goods and services tax (net)	363	-	143
Net cashflow from operating activities	8,790	19,083	3,310
Cashflow from Investing Activities			
Receipts from sale of property, plant and equipment	-	-	79
Purchases of property, plant and equipment	(5,795)	(31,127)	(5,254)
Purchases of investment property	(260)	-	-
Acquisition of investments	(3,283)	-	(29)
Purchases of intangible assets	(57)	-	(73)
Net cashflow from investing Activities	(9,395)	(31,127)	(5,277)
Cashflow from Financing Activities			
Proceeds from borrowings	3,500	12,314	-
Net cashflow from financing activities	3,500	12,314	-
Net Increase / (Decrease) in Cash and cash equivalents	2,895	270	(1,967)
Opening Cash and cash equivalents	1,663	3,668	3,630
Closing Cash and cash equivalents	4,558	3,938	1,663

* Rates collected on behalf of the Bay of Plenty Regional Council are included in the Receipts of Rates Revenue and the subsequent payment in Payments to/on behalf of other entities. 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

Funding Impact Statement

Ōpōtiki District Council - Whole of Council

Funding Impact Statement for 30 June 2020

	2019 LTP (\$000)	2019 Annual report (\$000)	2020 Annual Plan (\$000)	2020 Actual (\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	8,122	8,210	8,429	8,368
Targeted rates	2,485	2,788	2,579	2,888
Subsidies and grants for operating purposes	1,709	1,768	1,736	2,034
Fees and charges	1,295	1,161	1,256	1,254
Interest and dividends from investments	100	62	102	9
Local authorities fuel tax, fines, infringement fees, and other receipts	221	359	207	285
Total operating funding (A)	13,932	14,348	14,309	14,838
Applications of operating funding				
Payment to staff and suppliers	11,526	12,542	12,521	16,594
Finance costs	297	236	489	257
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	11,823	12,778	13,010	16,851
Surplus (deficit) of operating funding (A - B)	2,109	1,570	1,299	(2,013)
Sources of capital funding				
Subsidies and grants for capital expenditure	2,501	1,453	17,513	6,515
Development and financial contributions	-	-	-	3
Increase (decrease) in debt	13,181	-	12,314	3,500
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	15,682	1,453	29,827	10,018
Application of capital funding				
Capital expenditure				
- to meet additional demand	1,728	700	18,971	1,092
- to improve the level of service	8,048	1,442	4,933	2,376
- to replace existing assets	8,015	3,336	7,222	2,652
Increase (decrease) in reserves	-	(2,482)	-	135
Increase (decrease) in investments	-	27	-	1,750
Total applications of capital funding (D)	17,791	3,023	31,126	8,005
Surplus (deficit) of capital funding (C - D)	(2,109)	(1,570)	(1,299)	2,013
Funding balance ((A - B) + (C - D))	-	-	-	-

Notes to Financial Statements

NOTE 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

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 the purpose of complying with generally accepted accounting practice.

The financial statements of ODC are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on 17th November 2020.

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 the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with 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.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than the remuneration in Note 26, the severance payments in Note 27 and contingencies in Note 24. These transaction disclosures are rounded to the nearest dollar.

Standards issued and not yet effective, and not early adopted

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

2018 Omnibus Amendments to PBE Standards, issued November 2018

The 2018 Omnibus Amendments to PBE Standards include a number of amendments to text and editorial corrections within a number of accounting standards. Those changes relevant to the Council are detailed below:

PBE IPSAS 2 Cashflow Statements: The omnibus amendments provides for additional disclosure to enable users of financial statements to evaluate changes in liabilities arising from financial assets. The amendments to this standard is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted. When the entity first applies this amendment, it is not required to provide comparative information for preceding periods. The Council has not yet assessed the effects of this new standard.

Financial instruments

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted. The main changes compared to PBE IPSAS 29 that are relevant to the Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The Council intends to adopt PBE IPSAS 41 for the 30 June 2022 financial year. The Council has not yet assessed in detail the impact of the new standard.

Service Performance Reporting

The New Zealand Accounting Standards Board (NZASB) has issued PBE FRS 48 Service Performance Reporting effective for periods beginning on or after 1 January 2021, with early application permitted.

The Council plans to apply this standard in preparing the 30 June 2022 financial statements. The Council has not yet assessed the effects of this new standard.

Other changes in accounting policies

Impairment of Revalued Assets

In April 2017, the XRB issued *Impairment of Revalued Assets* (PBE IPSAS 21), which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards. The new standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Council has now adopted the new standards in preparing these 30 June 2020 financial statements

Interests in other entities

PBE IPSAS 34-38 (relating to separate and consolidated financial statements, associates, joint ventures, joint arrangements and disclosure of interests in other entities) became effective this financial year. Council has assessed the impact of these new standards and amendments and ensured that relevant policies and functionalities are in place to comply with the changes.

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.

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 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.

New Zealand Transport Agency Roadway Subsidies

The Council receives funding assistance from New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roadway 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.

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

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, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the 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 the Council 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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

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

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

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 revenue and expense

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 surplus or deficit 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, the Council 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 the Council 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. The Council includes in this category:

- Investments that the Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that the Council 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 revenue and expense 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 the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are 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. If assets are impaired, the amount not expected to be collected is recognised in the surplus/deficit.

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 revenue and expense, 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 revenue and expense 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.

Inventory

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

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 the Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) is measured at fair value, and buildings and infrastructural assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost 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.

Revaluation movements 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 the Council 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.

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 the Council 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.

Disposals

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

Depreciation

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

Buildings

- Structure 15 to 75 years (1.33% - 6.67%)
- Roof 2 to 40 years (2.5% - 50%)
- Services 5 to 45 years (2.22% - 20.00%)
- Internal fit out 5 to 30 years (3.33% - 20.00%)
- Site Improvements 3 to 80 yrs (1.25% - 33%)
- 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 10 years (10% - 33%)
- Library collections - not depreciated
- Roading network
 - Formation – not depreciated
 - Sub base – not depreciated
 - Basecourse (unsealed) 8 years (12.5%)
 - Basecourse (sealed) 120 years (0.83%)
 - Top surface: 10 to 63 years (1.59% - 10.0%)
 - Bridges 100 years (1.0%)
 - Cycleways 50 to 80 years (1.25% - 2.00%)

Kerb and footpaths 20 to 80 years (1.25% - 5.00%)

Reticulation 5 to 100 years (1% - 20.0%)

Traffic facilities (roading components) 10 to 30 years (3.33% - 10.0%)

Culverts (roading components) 60 years (1.66%)

Pumps 10 to 20 years (5.0% - 10.0%)

Meters, valves and connections 15 to 50 years (2% - 6.66%)

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.

Asbestos and Earthquake Strengthening

ODC maintains an Asbestos register with the known and presumed Asbestos in its buildings. All council buildings that were required to be assessed for seismic ratings have been assessed. ODC allocates budget each year for further assessments and earthquake strengthening to be carried out on a case by case basis.

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 the Council, 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 in the surplus or deficit 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 7 years (14% - 33%).

Impairment of property, plant and equipment and intangible assets

Intangible assets 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 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.

For revalued assets, the 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, the Council 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 the amount borrowed plus transaction costs. Interest due on borrowings is subsequently accrued.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after 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 and annual leave 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 an 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".

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Accumulated funds
- Council created reserves
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserve

Council Created reserves

Council created 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 the Council.

Council created reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in council created reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves

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

Fair value through other comprehensive revenue and expense 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 in its 2019-2020 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing the financial statements.

Cost allocation

ODC has derived the cost of service for each significant activity of the Council 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.

Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities utilising an appropriate driver.

There have been no changes to the cost allocation methodology during the year.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment are discussed below:

Infrastructural assets

Note 14 provides information about the estimates and assumptions in determining the fair value of infrastructural assets.

Landfill aftercare provision

Note 19 provides information about the estimates and assumptions surrounding the landfill aftercare provision.

Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying accounting policies.

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.

Work in progress in relation to the Development of the Harbour (Note 14: Property, Plant and Equipment)

Council has considered whether there are any indicators of impairment in relation to the costs previously capitalised in relation to the Development of the Harbour. Costs incurred as at 30 June 2020 are \$4.032 million. The costs represent harbour structure and navigation design, geotechnical information gathered and other project management costs specific to the overall project. Council continues to work with the Government and other agencies to progress this project and at this stage considers there to be future economic benefit from the works previously undertaken. It is expected that these costs will form part of the overall cost to complete the Harbour development. Council will reconsider the recoverability of this work on an ongoing basis going forward. Any impairment will be recognised in the statement of comprehensive revenue and expenditure at that time.

Rounding

Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data.

Note 2: Rates revenue

	Actual 2020 \$000	Actual 2019 \$000
General rate	9,046	8,842
Targeted rates attributable to activities		
Communities of Interest	286	306
Sewerage	865	815
Urban Refuse Collection	424	262
Water Supplies	621	718
Metered Water	408	381
Rate penalties	172	166
Rates Remissions	(566)	(492)
Total rates income	11,256	10,998

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

- set aside as Waahi Taapu; or
- set aside for the preservation of natural characteristics etc; or
- 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

	2020	2019
Number of rating units within the district	5,656	5,646
Total capital value of rating units within the district	1,956,152,021	1,950,290,873
Total land value of rating units within the district	973,739,829	979,889,458

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

User fees and charges
Regulatory and resource consent charges
Infringements and fines

Actual 2020 \$000	Actual 2019 \$000
633	636
584	502
37	23
1,254	1,161

Note 4: Subsidies and grants

New Zealand Transport Rooding Subsidies
Grants towards Harbour Development
Grant for Eastern BOP Regional development project implementation
Grant from Bay of Plenty Regional Council for Rooding
Grant from Eastern Bay Charitable Trust for streetlight upgrade
Grants for Summer festival
Grants towards parks and reserves
Grant for Driver Licensing Programme
MBIE Shovel ready projects
Grants for Cycleway
Taskforce for Jobs (MBIE and MTJF)
Grant for Waste Minimisation
Ministry of Health - Te Kaha Water
Te Tahuhu (Library) / Technology Centre MBIE
COVID 19 - Civil Defense

Actual 2020 \$000	Actual 2019 \$000
2,516	2,524
563	206
73	161
-	19
75	-
34	58
76	108
-	40
4,321	-
-	70
150	-
33	35
147	-
550	-
10	-
8,548	3,221

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

Note 5: Finance revenue and finance costs

Interest revenue
- term deposits
Total finance revenue

Actual 2020 \$000	Actual 2019 \$000
9	62
9	62

Finance costs
Interest expense
- interest on borrowings
Total finance costs
Net finance costs

257	236
257	236
248	174

Note 6: Exchange and non-exchange revenue

Revenue from exchange transactions
Rental Revenue
Finance Revenue
Total revenue from exchange transactions

Actual 2020 \$000	Actual 2019 \$000
273	266
9	62
282	328

Revenue from non-exchange transactions
Fees and charges from activities
Rate revenue
Subsidies and grants
Other non-exchange revenue
Total revenue from non exchange transactions

981	1,161
11,256	10,998
8,548	3,221
312	301
21,097	15,681

Note 7: Other revenue

	Actual 2020 \$000	Actual 2019 \$000
Petrol tax	68	60
Gain on disposal of property, plant and equipment	-	12
Dividends received	-	17
Gain (Loss) on changes in fair value of investment property (note 16)	24	209
Other Revenue	217	269
	<u>309</u>	<u>567</u>

Note 8: Personnel costs

	Actual 2020 \$000	Actual 2019 \$000
Salaries & wages	4,376	3,934
Defined contribution plan employer contributions	116	111
Increase/ (decrease) in employee benefit liabilities	(41)	16
Training costs	86	98
Total employee benefit expenses	<u>4,537</u>	<u>4,159</u>

Note 9: Other expenses

	Actual 2020 \$000	Actual 2019 \$000
Fees paid to principal auditor:		
- for audit of Annual Report	103	102
Audit fees for Debenture Trust Deed assurance engagement	4	4
Council grants and contributions	104	82
Impairment of receivables (note 11)	253	184
Loss on disposal of property, plant and equipment (note 14)	3,469	161
Elected member remuneration (note 26)	317	259
Advertising and event promotion	190	121
IT systems costs	608	495
Subscription and license fees	135	95
Telephony	101	79
Consultants	368	448
Contractors and agency staff	2,419	2,675
Energy	40	64
Book Purchases	44	53
Sanitation, Cleaning and litter	351	260
Leases	86	80
Postage, printing and stationary	100	95
Repairs, maintenance & materials	940	915
Resource Recovery Centre- expenses	590	575
Wastewater - Private laterals expense	973	756
Legal costs	81	53
Rates on Council property	184	161
Insurance	204	177
Other operating expenses	409	488
Total Other Operating Expenses	<u>12,073</u>	<u>8,382</u>

Note 10: Cash and cash equivalents

	Actual 2020 \$000	Actual 2019 \$000
Cash at bank and in hand	451	288
Short term deposits maturing three months or less from date of acquisition	4,107	1,375
Total cash and cash equivalents	4,558	1,663

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

Note 11: Debtors and other receivables

	Actual 2020 \$000	Actual 2019 \$000
Rates receivable	4,048	4,182
Other receivables	1,625	1,180
Sundry debtors	86	100
	5,759	5,462
Less provision for impairment of receivables	(2,723)	(2,470)
Total debtors and other receivables	3,036	2,991

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

	Actual 2020 \$000	Actual 2019 \$000
At 1 July	2,470	2,287
Additional provisions made during the year	663	613
Receivables written off during the period	(410)	(430)
At 30 June	2,723	2,470
Total receivables comprise:		
Exchange transactions	196	662
Non-exchange transactions	2,840	2,329
	3,036	2,991

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 12: Other financial assets

	Actual 2020 \$000	Actual 2019 \$000
Current portion		
<i>Loans and Receivables</i>		
Short term deposits with maturities of 4 -12 month	3,200	-
Total current	3,200	-
Non-current portion		
<i>Other Investments</i>		
Unlisted shares in Civic Financial Services Ltd	18	18
Local Government Funding Authority Borrowing Notes	136	80
Total Investments in other entities	154	98
<i>Investments in CCO's and other similar entities</i>		
Unlisted shares in Bay of Plenty Local Authority Shared Services Ltd	5	5
Total Investment in CCO's and other similar entities	5	5
Total Non current	159	103
Total Other Financial Assets	3,359	103

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.

Impairment

There were no impairment provisions for other financial assets. (2019 : nil)

Note 13: Investment in Associate

	2020 \$000	2019 \$000
Investment in Evolution Networks Limited	120	120
Equity accounted carrying amount	80	64
Loan to Evolution Networks (12th November 2021)	27	-
	107	64
<i>Summarised financial information of associate presented on a gross basis</i>		
Assets	393	234
Liabilities	311	205
Revenues	508	247
Surplus/(deficit)	52	(10)
Council interest	30%	30%
Share of associate's contingent liabilities incurred jointly with other investors	-	-
Contingent liabilities that arise because of several liability	-	-

Note 14 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, Peter Erceg, BCom(VPM) MPINZ of Aon New Zealand. 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 1 July 2017.

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 Roothing Network was valued at 30th June 2020. All other infrastructural assets were last performed as at 1st July 2017. The Three " Waters valuation was performed by ODC engineering staff and peer reviewed by Peter Erceg, Bcom(VPM) MPINZ of Aon New Zealand. The roading asset valuation was performed by Peter Erceg, Bcom(VPM) MPINZ of Aon New Zealand.

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 \$5,050,297 (2019 \$4,159,800)

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 (2019 \$Nil)

Note 14 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
2020				
Roading network	152,173	1,092	-	143,607
Water systems				
- Treatment Plants & Facilities	2,102	147	-	3,931
- Other	9,554	1,164	-	15,237
Sewerage system				
- Treatment Plants & Facilities	1,392	74	-	2,442
- Other	13,104	1,218	-	34,974
Stormwater	8,275	175	-	11,845
2019				
Roading network	144,329	1,222	-	151,646
Water systems				
- Treatment Plants & Facilities	2,083	67	-	3,857
- Other	8,574	149	-	14,073
Sewerage system				
- Treatment Plants & Facilities	1,367	0	-	2,373
- Other	12,280	2,868	-	33,761
Stormwater	8,257	105	-	11,677
Insurance			Actual 2020 \$000	Actual 2019 \$000
The total value of all assets that are covered by insurance contracts			132,045	116,874
The maximum amount to which they are insured			76,566	68,057
The total value of all assets that are covered by financial risk-sharing arrangements			89,067	81,362
The maximum amount available under this arrangement			53,440	48,817
The total value of assets that are self insured			-	-
- there is no fund maintained for this purpose				
DEPRECIATION AND AMORTISATION BY GROUP OF ACTIVITY			Actual 2020 \$000's	Actual 2019 \$000's
Community Facilities			303	286
Economic Development			-	-
Land Transport			1,301	1,219
Regulation & Safety			3	6
Solid Waste Management			24	1
Stormwater			149	158
Support Services			519	514
Wastewater			433	464
Water Supplies			244	304
Community Development			-	-
Total depreciation			2,976	2,952

Note 14 Property, plant and equipment continued...

2020	Cost/ revaluation 2019	Accumulated depreciation and impairment charges 2019	Carrying amount 2019	additions	reclassified assets	additions Vested	impairment charges	disposals	depreciation	Depreciation Write Back	Revaluation surplus	Cost/ revaluation 2020	Accumulated depreciation and impairment charges 2020	Carrying amount 2020
Operational assets														
Land	710	-	710	126	-	-	-	-	-	-	-	836	-	836
Buildings	1,495	204	1,291	674	-	-	-	-	105	-	-	2,170	309	1,861
Site Improvements	278	37	241	21	-	-	-	-	26	-	-	299	63	236
Plant, machinery and vehicles	1,856	997	859	-	-	-	-	-	224	-	-	1,856	1,221	635
Fixtures, fittings and equipment	1,212	813	399	147	-	-	-	-	138	-	-	1,359	951	408
Library collections	836	663	173	-	-	-	-	-	-	-	-	836	663	173
Total operational assets	6,387	2,714	3,673	968	-	-	-	-	493	-	-	7,356	3,207	4,149
Infrastructural assets														
Roads & footpaths	146,683	2,354	144,329	1,092	-	-	-	3,391	1,301	-	11,315	152,173	-	152,173
Water systems														
- Treatment Plants & Facilities	2,241	158	2,083	147	-	-	-	73	56	5	-	2,315	209	2,106
- Other	9,044	470	8,574	1,164	-	-	-	-	189	-	-	10,208	659	9,549
Sewerage system														
- Treatment Plants & Facilities	1,458	91	1,367	74	-	-	-	5	44	0	-	1,527	135	1,392
- Other	13,107	828	12,280	1,218	-	-	-	5	388	0	-	14,320	1,216	13,104
Stormwater drainage	8,574	317	8,257	175	-	-	-	7	149	0	-	8,741	466	8,275
Cycle Ways	1,066	28	1,038	30	-	-	-	-	15	-	-	1,096	43	1,053
Total infrastructural assets	182,174	4,246	177,928	3,900	-	-	-	3,482	2,141	6	11,315	190,380	2,727	187,653
Restricted assets														
Land	12,792	-	12,792	-	-	-	-	-	-	-	-	12,792	-	12,792
Buildings	3,358	247	3,111	-	-	-	100	-	125	-	-	3,358	471	2,886
Site Improvements	3,206	222	2,984	365	-	-	-	-	136	-	-	3,571	358	3,213
Total restricted assets	19,356	468	18,887	365	-	-	100	-	261	-	-	19,720	829	18,891
Commissioned property, plant and equipment	207,916	7,428	200,488	5,234	-	-	100	3,482	2,895	6	11,315	217,456	6,763	210,693
WIP														
	Cost 2019		Carrying Amount 2019	Year Movement								Cost 2020		Carrying Amount 2020
Work in progress - Roads & footpaths	-	-	-	155								155		155
Work in progress - Water	163	-	163	(163)								-		-
Work in progress - Sewerage	17	-	17	28								45		45
Work in progress - Stormwater drainage	-	-	-	89								89		89
Work in Progress - Harbour	3,446	-	3,446	586								4,032		4,032
Work in Progress - Community Facilities at	533	-	533	196								730		730
Total work in progress	4,160	-	4,160	890	-	-	-	-	-	-	-	5,050	-	5,050
Total property, plant and equipment	212,076	7,428	204,648	6,125	-	-	100	3,482	2,895	6	11,315	222,506	6,763	215,743

The net carrying amount of PPE held under finance lease is \$0 (2019: \$0)

Note 14 Property, plant and equipment continued...

2019	Cost/ valuation 2018	Accumulated depreciation and impairment	Carrying amount 2018	additions	reclassified assets	additions Vested	impairment	disposals	depreciation	Depreciation Write Back	Revaluation surplus	Cost/ valuation 2019	Accumulated depreciation and impairment	Carrying amount 2019
	2018													2019
Operational assets														
Land	710	-	710	-	-	-	-	-	-	-	-	710	-	710
Buildings	1,495	102	1,393	-	-	-	-	-	86	-	-	1,495	204	1,291
Site Improvements	249	16	233	28	-	-	-	-	37	-	-	278	37	241
Plant, machinery and vehicles	1,711	901	810	346	-	-	-	201	155	58	-	1,856	997	859
Fixtures, fittings and equipment	905	717	188	308	-	-	-	1	175	79	-	1,212	813	399
Library collections	836	663	173	-	-	-	-	-	-	-	-	836	663	173
Total operational assets	5,907	2,398	3,508	682	-	-	-	202	453	137	-	6,387	2,714	3,673
Infrastructural assets														
Roads & footpaths	145,614	1,141	144,473	1,222	-	-	-	152	1,219	6	-	146,683	2,354	144,329
Water systems														
- Treatment Plants & Facilities	2,174	81	2,093	67	-	-	-	-	77	-	-	2,241	158	2,083
- Other	8,917	244	8,673	149	-	-	-	22	227	1	-	9,044	470	8,574
Sewerage system														
- Treatment Plants & Facilities	1,458	46	1,412	-	-	-	-	-	45	-	-	1,458	91	1,367
- Other	10,243	409	9,835	2,868	-	-	-	4	419	-	-	13,107	828	12,280
Stormwater drainage	8,469	159	8,310	105	-	-	-	1	158	-	-	8,574	317	8,257
Cycle Ways	1,066	14	1,052	-	-	-	-	-	14	-	-	1,066	28	1,038
Total infrastructural assets	177,940	2,094	175,846	4,411	-	-	-	179	2,159	7	-	182,174	4,246	177,928
Restricted assets														
Land	12,514	-	12,514	278	-	-	-	-	-	-	-	12,792	-	12,792
Buildings	3,314	123	3,191	44	-	-	-	-	31	-	-	3,358	247	3,111
Site Improvements	2,852	92	2,760	354	-	-	-	-	222	-	-	3,206	222	2,984
Total restricted assets	18,679	215	18,465	676	-	-	-	-	253	-	-	19,356	468	18,887
Commissioned property, plant and equipment	202,526	4,707	197,819	5,769	-	-	-	381	2,865	144	-	207,916	7,428	200,488
WIP	Cost 2018		Carrying Amount 2018	Year Movement								Cost 2019		Carrying Amount 2019
Work in progress - Roads & footpaths	3	-	3	(3)								-	-	-
Work in progress - Water	-	-	-	163								163	-	163
Work in progress - Sewerage	1,293	-	1,293	(1,276)								17	-	17
Work in progress - Stormwater drainage	-	-	-	-								-	-	-
Work in Progress - Harbour	3,012	-	3,012	435								3,446	-	3,446
Work in Progress - Community Facilities and Property	367	-	367	166								533	-	533
Total work in progress	4,675	-	4,675	(515)	-	-	-	-	-	-	-	4,160	-	4,160
Total property, plant and equipment	207,201	4,707	202,494	5,254	-	-	-	381	2,865	144	-	212,076	7,428	204,648

Note 15 Intangible assets

	Computer software	Easement	Total
Cost			
Balance at 1 July 2019	580	10	590
Additions	53	6	59
Disposals	-	-	-
Balance 30 June 2020	633	16	649
Balance at 1 July 2018	508	10	518
Balance at 30 June 2019	580	10	590
Accumulated amortisation and impairment			
Balance at 1 July 2019	481	2	483
Amortisation charge	79	2	81
Disposals	-	-	-
Balance 30 June 2020	560	4	564
Balance at 1 July 2018	396	-	396
Balance at 30 June 2019	481	2	483
Carrying amounts			
Balance at 1 July 2019	99	8	107
Balance 30 June 2020	73	12	85
Balance at 1 July 2018	112	10	122
Balance at 30 June 2019	99	8	107

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 16 Investment property

	Actual 2020 \$000	Actual 2019 \$000
Balance 1 July	2,738	2,501
Additions	260	29
Disposals	-	-
Transfer to PPE	(322)	-
Fair value gains/(losses) on valuation (note 7)	24	208
Balance 30 June	2,700	2,738

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 Peter Erceg an independent valuer from Aon New Zealand, who 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 17 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.

Target <u>2019/20</u>	Result	Narration
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils. Manage and/or renegotiate existing contracts. Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.	Achieved	Contracts negotiated and/or renewed for: Internal Audits – Following a review by BOPLASS councils, the Internal Audit Services agreement has been renewed with KPMG. The collective arrangement provides competitive pricing for these services but also enables the sharing of internal audit information and insights across the group. Video Conferencing Services – Video conference services with Canon and Zoom enhanced and expanded to deliver desktop and meeting room services to participating councils. Specific project undertaken to increase capacity, create additional meeting rooms and ensure licences were available to all councils/users during the pandemic. GIS software and services – FME Geocortex Essentials Geocortex Analytics X-Tools NZ Archaeological Association

		<p>RetroLens</p> <p>Contracts renegotiated and renewed – no alternative suppliers.</p> <p>Print Media Copyright Agency (PMCA) – Collective contract and requirements reviewed and renewed with PMCA – the sole NZ provider of print and media copyright services.</p> <p>ESRI Enterprise Licensing Agreement – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed with no increases in cost to councils. No alternative provider in NZ.</p> <p>N3 – Purchasing group (previously known as GSB) membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Sole NZ provider.</p> <p>Vertical Horizonz – Renegotiated Health and Safety training contract for a further two-year period with the same terms, conditions, and costs.</p> <p>Inter-Council Network – High-speed fibre network providing connectivity to and between BOPLASS councils.</p> <p>Significant cost savings through renegotiation of some contracts, utilisation of newer technologies, and design changes. Multiple contracts and suppliers.</p> <p>Media Monitoring services – iSentia reappointed as media monitoring provider to the BOPLASS councils following a review process undertaken by councils' communication managers. This service has provided significant value to the councils this year with the BOPLASS provider providing daily COVID-19 media summaries covering all essential information from NZ and international media.</p>
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	Achieved	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p>Tender Facilitation – BOPLASS led a competitive process for the appointment of a facilitator to manage a collective procurement process on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke's Bay councils. Grant Thornton NZ Ltd were appointed.</p> <p>Regional LiDAR Capture 2020–2025 – Working in conjunction with Land Information NZ, a tender process was run to appoint a provider for LiDAR capture across the Bay of Plenty region. Aerial Surveys Ltd were appointed to complete a region-wide five-year plan for LiDAR capture. The data will be used by councils to create highly accurate 3D terrain and surface models of the land, which are vital for flood modelling purposes and mapping water flows.</p> <p>Infrastructure Insurance – Securing councils' insurance cover requires a new procurement process to be undertaken every</p>

		<p>12-months, with a variety of insurers and underwriters engaged, to negotiate favourable terms and competitive pricing. This year BOPLASS represented a collective group of NZ councils for direct placement into the London markets for councils' infrastructure insurance. Options for placements into the Asian markets were also explored. Through this competitive process and the aggregated approach, BOPLASS councils were able to achieve rates with an average 20% discount compared with each council securing individual policies. A new contract was established with a mix of Lloyds' syndicates.</p> <p>Standards NZ – BOPLASS engaged with Standards NZ to host a single BOPLASS portal to allow all councils to access the full Standards catalogue at significantly reduced pricing. BOPLASS councils were using differing forms of access/licences with not all councils having access to the same range of Standards data. The collective agreement has meant a broader range of catalogues are available to all councils and at a lower cost than individual arrangements. This has enabled better utilisation of Standards and negated expensive individual subscriptions.</p> <p>Accounts Payable Automation Software – Following presentations from vendors on workflow automation for the BOPLASS councils, Esker were selected as the preferred solution for the implementation of Accounts Payable automation software.</p> <p>FME Server – GIS software. Reviewed options for multiple councils to participate in shared procurement of this software rather than purchasing individual licences. BOPLASS currently manages shared procurement of the FME Desktop software on behalf of councils.</p> <p>Human Resources Information Systems – BOPLASS undertook an investigation into opportunities for the collective procurement of an HR information system and the development of a standardised platform across the councils. It was agreed for the BOPLASS councils to review options available under the All of Government purchasing.</p> <p>Insurance Brokerage and Risk Management Services – BOPLASS led a procurement project on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke's Bay councils for the appointment of an insurance broker. The collective approach to the tender delivered considerable value, including savings in fees and premiums, but also an opportunity to share best practices and further align insurance programmes across the regions. Aon NZ Ltd were appointed as broker by all participating LASS and councils.</p>
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<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects. BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.</p> <p>Resource assignment measured from project job tracking.</p>	<p>Achieved</p>	<p>0.6 FTE provided through BOPLASS staff engagement committed directly to support of council shared service projects or individual council support – measured by fortnightly timesheets.</p> <p>Support provided to councils in development of the following services:</p> <p>Robotic Process Automation (RPA) – BOPLASS is leading a project to review opportunities for RPA services to be developed collectively and shared across participating councils. RPA provides an opportunity for the automation of repeatable processes that can run without intervention. A presentation of existing services has been completed and options for developing a centre of excellence are being explored as a means of supporting collaborative development and the efficient use of design/development expertise. This project is ongoing.</p> <p>Treasury Staff – Meetings have been coordinated by BOPLASS for councils' treasury staff and finance representatives to be provided information from senior economists on New Zealand and international economies. This has been proven to be particularly valuable given the current international and NZ economic turmoil.</p> <p>Sustainable Public Procurement – BOPLASS Councils are participating in this project in conjunction with the Sustainable Business Network and Toi Ohomai. The collective approach provides opportunity for local government procurement policies and practices to become better aligned with national objectives of sustainability and identify where improvements might be made. BOPLASS has engaged with MBIE to ensure the scope and goals align with central government procurement strategies.</p> <p>Debt Recovery Services – Partnering with MW LASS and being provided as a shared service, BOPLASS councils have access to Debt Management Central to provide specialised local government debt recovery services. Several councils have now begun using this shared service.</p> <p>Inter-Council Network (ICN) – Review, redesign and renegotiation of suppliers and services. The ICN is a shared service high capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken to deliver further cost reductions and improved capacity.</p> <p>Zoom Video Conference Services – Zoom video conference services were established and implemented as a shared service option for BOPLASS councils providing for centralised account management and shared infrastructure for participating councils.</p> <p>Civil Defence Emergency Management GIS Group – GIS data and tools are now an integral part of a Civil Defence</p>
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		<p>response and the BOPLASS councils have formed a group to work collaboratively on CDEM initiatives. This approach is largely made possible due to all councils using the same core GIS systems aligned through BOPLASS contracts.</p> <p>Standardisation of Insurance Valuations – Support was provided to councils in establishing a common standard of reporting for insurance asset valuations. Developing a consistent standard and a common valuations process has been extremely beneficial to the BOPLASS infrastructure insurance programme through providing improved, consistent, and accurate data to the international markets when negotiating placements of councils' insurance.</p> <p>Inter-LASS collaboration – A number of procurement projects are underway or being investigated covering multiple LASS and benefitting from the aggregated volumes. Collaboration across the regions is driving greater efficiencies within collective projects and allows the projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato LASS and has recently provided information to South Island councils investigating collective opportunities.</p> <p>Regional Waste Operator Licensing and Data Collection – Cross-regional approach to establishing a regional or cross-regional entity that would administer and enforce licensing conditions on behalf of territorial authorities. Project aims to ensure a level playing field for all waste operators in a council's area while enabling councils to collect the data necessary to prepare detailed waste assessments and inform effective identification of priority waste management and minimisation actions.</p> <p>Skype for Business inter-council communication – Project to undertake investigation, testing and resolution of issues to resolve inter-council communication use of Skype for Business.</p>
<p>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.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 20% per year.</p> <p>Number of active users to increase by 20% per year.</p>	Achieved	<p>Active promotion of the MahiTahi Collaboration Portal over the last 12 months has resulted in a 60% increase in the number of local government users with 85 new members joining.</p> <p>Ongoing development of on-boarding and training material to help increase membership and support ongoing usage. Training provided to councils to maximise usage and ensure increased uptake.</p> <p>During COVID-19 lockdowns the MahiTahi Collaboration Portal was marketed through SOLGM to all NZ councils' CEOs as an online collaboration tool.</p> <p>Collaboration Portal demonstrations provided to collaborative advisory groups.</p> <p>Nine additional projects added to the Collaboration Portal increasing from 39 to 48 lodged projects.</p>

		<p>The number of Collaboration Portal specialised channels and teams have increased by 14 over the last year with 66 channels and 6 specialised teams now registered.</p> <p>Developed a new fit-for-purpose back-up solution using DATTO to increase robustness and reliable access to shared material.</p> <p>Developed Terms of Service for the Collaboration Portal to provide governance and security for BOPLASS, member councils, and portal participants.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Executive-level meetings held with councils. Three Operations Committee meetings held during the year with executive level input provided by all shareholding councils.</p> <p>Executive Leadership Team representation and attendance at one or more meetings from every council.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2020: \$15,223 deficit.</p>

Note 18 Trade and other payables

	Actual 2020 \$000	Actual 2019 \$000
Trade payables	1,821	1,378
Retained contract monies	455	477
Deposits and bonds	82	63
Accrued expenses	243	141
Rates in advance	443	378
Rates due to Bay of Plenty Regional Council	1,304	1,219
GST Liability	352	-
Total trade and other payables	4,700	3,656
Exchange transactions	2,292	1,298
Non-exchange transactions	2,408	2,358
	4,700	3,656

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 19 Provisions

	Actual 2020 \$000	Actual 2019 \$000
Current provisions are represented by:		
Landfill aftercare provision	8	7
	8	7
Non-current provisions are represented by:		
Landfill aftercare provision	71	79
Weathertightness claims	1	16
	71	95

	Landfill Aftercare \$000	Weathertightness Claims \$000
Balance at 1 July 2018	90	51
Additional provisions made during the year	3	-
Amounts used during the year	(7)	(35)
Unused amounts reversed during the year	-	-
Discount unwinding	-	-
Balance as at 30 June 2019	86	16
Additional provisions made during the year	7	-
Amounts used during the year	(14)	(2)
Unused amounts reversed during the year	-	(13)
Discount unwinding	-	-
Balance as at 30 June 2020	79	1

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 3.89% (2019 2.56%).

Weathertightness claims contingency

We were involved in the Ministry of Education claim against Carter Holt Harvey, along with 48 other Councils, which was discontinued subsequent to balance date. We are expecting some minor legal costs to come and have reduced the provision to \$1,000.

Note 20 Employee benefit liabilities

	Actual 2020	Actual 2019
Annual leave	310	221
Accrued pay	32	162
Total employee benefit liabilities	342	383
Comprising		
Current	342	383
Non-current	-	-
Total employee benefit liabilities	342	383

Note 21 Borrowings

	Actual 2020 \$000	Actual 2019 \$000
Current		
Secured loans	-	-
Total current borrowings	-	-
Non-current		
Secured loans	8,500	5,000
Total non-current borrowings	8,500	5,000

Secured loans

ODC's secured debt is \$8,500,000 (2019 \$5,000,000). Of this, \$nil (2019: \$nil) 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 \$8,500,000 (2019 \$5,000,000) is issued at fixed rates of interest.

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 36 to 101 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.

Note 22 Equity

	Actual 2020 \$000	Actual 2019 \$000
Accumulated Funds		
As at 1 July	135,596	132,122
Council created reserves	(130)	(341)
Transfers from:		
Council created reserves	-	3,456
Transfer from provisions	-	-
Asset revaluation reserve	1,232	82
Surplus/ (deficit) for year	1,551	277
As at 30 June	<u>138,249</u>	<u>135,596</u>
Council created reserves		
As at 1 July	1,371	4,480
Transfers to:		
Accumulated funds	-	(3,456)
Transfers from:		
Accumulated funds	130	347
As at 30 June	<u>1,501</u>	<u>1,371</u>
Asset revaluation reserve		
As at 1 July	66,369	66,451
Revaluation gains/ (losses)	11,315	-
Transfer to Equity	(1,196)	(82)
As at 30 June	<u>76,488</u>	<u>66,369</u>
Total Equity	<u>216,238</u>	<u>203,336</u>
Asset revaluation reserve consists of:		
Operational assets		
Land and Buildings	434	434
	-	-
Infrastructural Assets		
Roading	52,736	42,480
Water systems	4,908	4,938
Sewerage systems	7,940	7,948
Stormwater system	6,973	6,979
Cycle Ways	376	376
Restricted assets		
Land and buildings	3,121	3,214
	-	-
	<u>76,488</u>	<u>66,369</u>

Restricted reserves relate to :

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

Note 22: Council Created Reserve Funds

Special Reserves - 2020

Special Reserves	Activity	Purpose	Balance 01-Jul-19 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-20 \$000
Cash in Lieu of Reserves	Economic Development	For general purpose funding	174	12	-	186
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	5	-	-	5
General Purposes (Electricity Proceeds)	Economic Development	For general purpose funding	41	2	-	43
Development Contributions - Facilities	Community Facilities	For development of recreational facilities	441	18	-	459
CBD Development Reserve	Community Development	For development of the town CBD	40	2	-	42
Road Upgrade Reserve	Land Transport	For upgrading of roading	122	5	-	127
Destination Playground	Community Facilities	For Development of Playground	3	-	-	3
Elections Reserve	Leadership	For Funding Triennial Elections	22	25	-	47
Coast Community Board Reserve	Community Development	For Funding CCB Projects	129	21	-	150
Library Redevelopment Reserve	Community Facilities	For the Library Development Project	375	41	-	416
Whakaari Taonga Management Reserve	Community Facilities	For the development of reserves	19	4	-	23
District Plan Reserve	District Planning	For District Plan	-	-	-	-
			1,371	130	-	1,501

Note 22: Council Created Reserve Funds- continued

Special Reserves - 2019

Special Reserves	Activity	Purpose	Balance 1-Jul-18 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-19 \$000
Cash in Lieu of Reserves	Economic Development	For general purpose funding	166	16	(8)	174
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	5	5	(5)	5
General Purposes (Electricity Proceeds)	Economic Development	For general purpose funding	39	2	(0)	41
Development Contributions - Facilities	Community Facilities	For development of recreational facilities	422	21	(2)	441
CBD Development Reserve	Community Development	For development of the town CBD	38	22	(20)	40
Road Upgrade Reserve	Land Transport	For upgrading of roading	117	15	(10)	122
Destination Playground	Community Facilities	For Development of Playground	3	58	(58)	3
Elections Reserve	Leadership	For Funding Triennial Elections	32	2	(12)	22
Coast Community Board Reserve	Community Development	For Funding CCB Projects	108	21	-	129
Library Redevelopment Reserve	Community Facilities	For the Library Development Project	317	62	(4)	375
Whakaari Taonga Management Reserve	Community Facilities	For the development of reserves	15	4	(0)	19
District Plan Reserve	District Planning	For District Plan	-	2	(2)	-
			1,262	230	(122)	1,371

Other Reserves - 2019

	Purpose	Balance 01-Jul-18 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-19 \$000
Treasury Reserves	For operating surpluses and deficits	588	-	588	-
Depreciation Reserves	For funding replacement of existing assets	2,630	117	(2,747)	-
		3,218	117	(3,335)	-
		4,480	347	(3,457)	1,371

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

Comprising

Water systems

Wastewater systems

Roading network

Buildings

Total capital Commitments

Actual 2020 \$000	Actual 2019 \$000
4,133	1,863
4,133	1,863
384	585
-	1,089
3,659	-
90	189
4,133	1,863

Operating commitments

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

Not later than one year

Later than one year and not later than five year

Later than five years

Actual 2020 \$000	Actual 2019 \$000
1,471	2,115
1,471	2,115
-	-
-	-
1,471	2,115

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:

Non-cancellable operating leases as lessee

Not later than one year

Later than one year and not later than five years

Later than five years

Total non -cancellable operating leases

Actual 2020 \$000	Actual 2019 \$000
58	49
16	70
-	-
74	119

Note 24 Contingencies

Contingent liabilities

CHH Contingency:

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadowclad plywood cladding sheets manufactured and distributed by CHH.

The MOE's original claim against CHH was for 833 school buildings, 3 of which are located within the Opotiki region. In 2016, CHH commenced proceedings against 48 Councils, including Opotiki District Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates.

28 school buildings (3 in Opotiki) built outside the 10 year long stop contained within the Building Act 2004 have since been struck out by the High Court.

The court has directed that the trial be staged. The first stage will be a 6 month hearing commencing in August 2020 (delayed due to COVID-19), to determine whether shadow clad is inherently defective.

Uncertainty existed at the end of the current and preceding period but the notice of discontinuance was signed on 3 September 2020 has now removed the uncertainty and the Council is no longer subject to this legal proceeding and no settlement by the Council was involved. We have retained \$1,000 as a provision for any legal costs that come in subsequent to year end (2019: \$16,000).

Contingent assets

Buildings on council land and reserves

ODC is aware that there are a number of buildings that have been erected either on council owned land or reserves, some of these are community type buildings such as the club rooms mentioned in this note in prior years, and some are more commercial buildings such as hangars at the aerodrome. For consistency these should all be recognised and treated equally.

Where a building is allowed to be built on Council land or reserves there are generally clauses in all such agreements that should the tenure come to an end the building will either be removed at the cost of the owner, or ownership of the property forfeited to Council.

Given that this relates to a great number of buildings across the district we have chosen not to singularly identify these assets or provide a value for them in our Annual Report.

This clause only becomes relevant when the building owner or leasee is dissolved or forfeits the lease.

Waihou Bay toilet advance

ODC advanced 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 2020 this amounted to \$0 (2019 : \$2,439)

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, Opotiki and Whakatane District Councils) working together with local Iwi. This organisation has been exempted as a Council Controlled Organisation under section 7 of the Local Government Act 2002.

	Actual 2020 \$000	Actual 2019 \$000
<u>BOPLASS</u>		
Annual contribution	12	12
Services Provided	35	39

	Actual 2020 \$000	Actual 2019 \$000
<u>Toi EDA</u>		
Annual contribution	35	31
Services Provided	1	-

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 2020 \$000	Actual 2019 \$000
<i>Councillors:</i>		
Remuneration	297	240
Full time equivalent members	7	7
<i>Senior Management Team:</i>		
Remuneration	660	685
Full time equivalent members	4	4
Total key management personnel remuneration	957	925
Total full-time equivalent personnel	11	11

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

Note 26 Remuneration

Chief Executive

The Chief Executive of Ōpōtiki District Council is appointed under Part 4, section 42 of the Local Government Act 2002.

The Chief Executive received the following remuneration:

	2020	2019
Salary	223,778	227,719
Vehicle (including FBT)	15,092	15,092
	238,870	242,811
Other Benefits:		
Professional Association Fees	275	275
Total Remuneration	239,145	243,086

Elected Representatives

Council:

	Actual 2020	Actual 2019
Mayor - John Forbes (Including salary plus car plus FBT)	25,580	75,284
Deputy Mayor / Mayor - Lyn Reisterer (Including salary plus car plus FBT)	81,324	38,807
Councillor / Deputy Mayor - Shona Browne	43,346	20,530
Councillor - Audit & Risk Chair - Arihia Tuoro	12,114	36,815
Councillor - Coast Community Board Chair - Haki McRoberts	8,893	27,026
Councillor - Ken Young	6,756	20,530
Councillor - Barry Howe	26,889	20,530
Councillor - Steve Nelson	20,162	0
Councillor - Debi Hocart	20,162	0
Councillor - David Moore	20,162	0
Councillor - Coast Community Board Chair - Louis Rāpihana	31,382	0
	296,770	239,522

Coast Community Board:

Member - Michael Collier	4,989	4,891
Member - Gail Keepa	4,989	4,891
Member - Jack Parata	4,989	4,891
Member - Allen Waenga	4,989	4,891
	19,956	19,564
Total Elected Representative Remuneration	316,726	259,086

Staff

	Actual 2020
Number of full time employees	50
Number of full time equivalent of all other employees	9
Number of employees receiving less than \$60,000	40
Number of employees receiving between \$60,000 and \$79,999	8
Number of employees receiving between \$80,000 and \$99,999	10
Number of employees receiving between \$100,000 and \$159,999	6
Number of employees receiving between \$160,000 and \$239,999	1
Total number of Employees	65

Staff

	Actual 2019
Number of full time employees	52
Number of full time equivalent of all other employees	8
Number of employees receiving less than \$60,000	40
Number of employees receiving between \$60,000 and \$79,999	15
Number of employees receiving between \$80,000 and \$99,999	6
Number of employees receiving between \$100,000 and \$219,999	4
Total number of Employees	65

Note 27 Severance Payments

For the year ended 30 June 2020 the Council made \$1,100 in severance payments (2019: no severance payments)

Note 28 Events after balance sheet

In April 2020, ODC submitted a series of projects to Central governments 'Shovel Ready Projects'. \$11.9 million has since been accepted.

Note 29 Explanation of major variances against budget

Explanations for major variations from ODC's estimated figures in the 2019-2020 Annual Plan are as follows:

		2020	
Statement of Comprehensive Income		\$000	
Actual surplus of \$1,552 million versus budget surplus of \$15,985 million			
An unfavourable variance of -\$14,433 million.			
Total revenue of \$21,379 million was \$10,493 million less than budget, made up as follows:			
Rates Revenue	a	248	Favourable
Subsidies and grants	b	(10,701)	Unfavourable
Fees and charges	c	(2)	Unfavourable
Financial Income	d	(93)	Unfavourable
Other Revenue	c	52	Favourable
Development and financial contributions	c	3	Favourable
		(10,493)	
Total expenditure of \$19,843 million was \$3,956 million over budget made up as follows:			
Personnel costs	e	482	Favourable
Depreciation and Amortisation	f	(98)	Unfavourable
Finance costs	g	232	Favourable
Other Expenditure	h	(4,572)	Unfavourable
		(3,956)	
Share of associate's surplus/(deficit)		16	Favourable
Net Operating Surplus		(14,433)	
Property Plant & Equipment Revaluation		11,315	
		(3,118)	

a. Rates revenue is higher than budgeted due to less remissions requested than budgeted and we do not budget penalty revenue.

b. Subsidies and grants are lower than budget due to the delay in the harbour announcement and ODC not taking ownership of the harbour. Otherwise grants and subsidies are up, largely due to the \$4.3 million in 'Shovel Ready' MBIE funding post Covid-19 and \$550K for technology centre plus \$150K for the job taskforce.

c. Fees and charges revenue is slightly down with the closure of some services during lockdown.

d. Finance income is less than budget due to (historically) low interest rates and the decision to use all cash before borrowing.

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

f. Depreciation and amortisation is higher than budget as a result of asset revaluations performed in the previous year being higher than expected.

g. Finance costs are less than budget due to low interest rates and the delay in completing a number of capital projects.

h. Other expenditure is unfavourable mostly due to a \$3.391 million loss on disposal of a private road. Also some of the costs related to wastewater rehabilitation works, were undertaken on private property (and therefore not capitalisable).

Note 29 Explanation of major variances against budget - continued

Statement of Financial Position

Actual net equity of \$216,238 million versus budget of \$219,080 million, variance of \$2,842 million.

An analysis of the major variances are set out below:

An increase in cash and cash equivalents	i	620	Favourable
A decrease in debtors and other receivables	j	(690)	Unfavourable
An increase in inventory		53	Favourable
An increase in other financial assets		3,359	Favourable
A decrease in Property, Plant and Equipment	k	(21,671)	Unfavourable
An increase in Investment Property	l	149	Favourable
An decrease in intangible assets		(52)	Unfavourable
An increase in prepayments		86	Favourable
A decrease in investments in associates		(83)	Unfavourable
An increase in creditors and other payables	m	(179)	Unfavourable
A decrease in borrowings	n	15,444	Favourable
A decrease in Provisions		77	Favourable
A increase in employee benefit liabilities		45	Unfavourable
		<u>(2,842)</u>	

i. The increase in cash and cash equivalents is due to the unbudgeted PGF Covid 19 shovel ready funding.

j. The decrease in debtors and other receivables is reflective of delay of a number of projects which had anticipated external funding. Budget for this line item is also inflation adjusted to the prior year.

k. The decrease in Property, Plant and Equipment is mainly due to the ownership and funding of the harbour being different than expected. Also other projects that have either been delayed, deferred or were still in progress by year-end. These include Opotiki-Ohiwa Cycleway, redevelopment of Mechanics Institute and Rose Garden, and Coastal Reserves Tourism Infrastructure projects.

l. The increase in investment property is due to the market value valuation increase performed this year and purchasing of property.

m. The decrease in creditors and other payables is due to less capital expenditure activity having occurred, as a number of projects were delayed or deferred.

n. The decrease in borrowings is due to the postponement and timing of some loan-funded capital projects. The budget assumes all loan-funded projects would be completed.

Note 29 Explanation of major variances against budget - continued

Statement of Cash Flows

2020 actual movement was an \$2,895 million increase in cash held versus a budgeted increase in cash of \$270k.

Net cash flow from operating activities was \$8,790 million against a budget of \$19,083 million.

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

Net cash flow from investing activities was -\$9,395 million against a budget of -\$31,127 million.

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

Net cash flow from financing activities was \$3,500 million against a budget of \$12,314 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 2020.

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, performance information 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 and performance information.

In the opinion of the Council and management of the Ōpōtiki District Council, the annual financial statements and performance information the year ended 30 June 2020, fairly reflect the financial position and operations of the Ōpōtiki District Council.



Lyn Riesterer

MAYOR

Date: 17 November 2020



A Lawrie

CHIEF EXECUTIVE

Date: 17 November 2020

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 2020

The Auditor-General is the auditor of Ōpōtiki District Council (the District Council). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 17 November 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 104 to 148:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2020;
 - 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 in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 108, 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 on pages 38 to 90:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2020, 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; and
- the statement about capital expenditure for each group of activities on page 26, 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; and
- the funding impact statement for each group of activities on pages 40 to 90, 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.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 21 to 25, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out on pages 15 to 17.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

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 enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan and Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Council Activities and Performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 14, 18 to 20, 27 to 37, 91 to 103 and 155 but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the audited information and our report on the disclosure requirements, we performed a limited assurance engagement related to the District Council's debenture trust deed. Other than this engagement, we have no relationship with, or interests in, the District Council or its subsidiaries.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

