



Ōpōtiki District Council

2020/21 Annual Report

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Directory

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Cover photo: Taken during the four day taonga takaro wananga which hosted 60 youth from 7 different Aotearoa communities as part of the 2021 Ōpōtiki Matariki Festival.

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Introduction



From the Mayor and CEO

The past 12 months show a remarkable turnaround in the circumstances of the district. The public funding that has been spent is the most significant in decades thanks to both the Provincial Growth fund and various post covid stimulus funds. Both public and private investment in aquaculture and kiwifruit will drive jobs and economic growth in the years to come as some of our longstanding dreams begin to be realised. At the same time as these significant economic development projects were actioned, Council has also secured major funding for placemaking and workforce development in a coherent package for community uplift. Even through the difficult times of the last 12 months the economic performance of the district has lifted to one of the highest rates in NZ.

Council has played its part in supporting the ongoing construction of the Ōpōtiki harbour Development, due for completion in late 2023. The CBD funding announced in July 2020 had us letting a contract to build Te Tāhuhu o Te Rangi the following working day proving it was one of the most shovel-ready projects in the country. A range of improvements around the CBD have been completed during the year with others to be completed in the coming financial year. We are particularly proud of the footpaths and cycleway projects. At one stage we had over 200 people working on council projects alone. In the last year council's capital spend (including funded by others) was 170% above previous years.

We are very proud of every local business that has stepped up in some way over the past 12 months to deliver to the projects, or business growth and of those that have become part of the community and taken on our local people. Our workforce development initiatives, funded by MSD through the Mayors Taskforce for Jobs have supported many into roles and we thank the businesses for working with us for the many successes we have seen.

At the same time as delivering our major projects, a great deal of time and effort has gone into providing information to the government's request for information on our Three Waters Assets and in trying to understand the proposals for the Three Waters reform. Post balance date a disappointing decision was made to mandate the transfers of the assets to the government and we will work through the implications of this in the coming years.

Overall however we think it is has been an incredible year and we hope you enjoy reading our many highlights.



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

After the announcement on 28 February 2020 that the government would fund the harbour from the newly formed National Infrastructure Fund, in conjunction with the contribution from Bay of Plenty Regional Council, negotiation started on the funding agreement with the Ministry of Business Innovation and Employment (MBIE). MBIE would take on the ownership and risk of the Harbour wall construction. HEB Construction who had already won the tender with designer Tonkin and Taylor progressed with the final design for review, while Council proceeded with consultation and planning for the upgrade of Snell Road. In August 2020 Snell Rd was completed in time for HEB to move onto site September 2020.

HEB started with their enabling works constructing laydown areas and haul roads, and completing the dynamic compaction testing. In October MBIE commenced rock supply into stockpile on site. By the start of 2021 hanbars were well into production using a local concrete manufacturer for supply. The walls are now well under way with construction and dredging timed for completion December 2023.

Ōpōtiki District Council, in partnership with Whakatōhea Māori Trust Board, was announced as a finalist in the 2021 Local Government New Zealand EXCELLENCE Award. The project took out the top honour as the overall Local EXCELLENCE winner.



Image: Ōpōtiki Mayor Lyn Riesterer is supported by Ōpōtiki District Council and Whakatōhea Māori Trust Board as she makes an acceptance speech at the Local Government NZ EXCELLENCE awards in July 2021.

Te Tāhuhu o Te Rangi

Thanks to the generous support of multiple funding partners, the impressive new library and community hub was constructed during 2020-2021, with some minor delays to the works associated with Covid 19 restrictions. Over the course of the financial year, local artists worked on a number of bespoke pieces for both the interior and exterior of the building. A dawn blessing, formal opening of the building and unveiling of the artwork was carried out in December. The building is now open to the public and offering a wide range of library services and more.



Image: Dawn blessing of Te Tāhuhu o Te Rangi – 2 December 2021

Lots 9 and 10, Church Street commercial development

Following the grant of Provincial Growth Funding toward this project in 2020, a competitive tender process was carried out and a design team appointed to the project in March 2021. Following a comprehensive design process, consents were lodged and subsequently approved. Demolition and remediation of the site was carried out over in the second and third quarter of 2021. The contract for the construction of the building has now been awarded and building works are due to commence on site shortly. Tenancies for the new building have been advertised and expressions of interest have been received. The building is due to be completed in early 2022.

Other town centre revitalisation projects

Using additional funding received from the Provincial Growth Fund, the refurbishment of 113a Church Street (ex-Plunket building, adjacent to public toilets) was completed toward the end of 2021 allowing a new tenant to take a lease of these premises. This funding will also be used to remove and replace verandahs outside a number of Church Street properties, and refurbish the shop currently occupied by Hospice. This work will be carried out in conjunction with the Lots 9 and 10 commercial development construction.

Following consultation from the community and the three options to revitalise the town centre in the CBD Summary Document the whakairo concept plan was created. Utilising the revitalisation principles to give more prominence to

the entrance to the CBD from the east utilising Māori cultural installations to capture the narrative culture and connection to the environment. These will also be included as points of interest in the heritage trail app that is being created by Waikato University in collaboration with council and Te Whakatōhea Māori Trust Board.

Skatepark

The refurbishment of the existing skatepark and construction of a new skate and pump-track was awarded to J-Stone Skate Parks in October 2020. The contractor progressed with the concept design, detailed design and 3D modelling until March 2021, in order to agree with Council staff, before proceeding with the construction work.

The site was established in April 2021 and the contractor commenced construction work for the refurbishment of the existing skatepark, as well as construction of the new skate park and pump track. It is expected works will be complete in the next financial year.



Image: Skatepark / Pumptrack

Housing

Most estimates show Ōpōtiki needs more than 50-75 houses a year for the next ten years just to deal with the current undersupply and to house those seeking to return home.

Council's role has been to ensure an easy-to-navigate regulatory environment, a District Plan that looks to encourage housing development through zoning, and careful infrastructure planning for growth coming online through many central-government funded projects such as the harbour development. Council has also been meeting regularly with other key agencies such as the Ministry of Social Development, Kāinga Ora, Whakatōhea Māori Trust Board, and Te Puni Kokiri.

At a meeting in early 2021, Kāinga Ora clearly understood the challenges we are facing around affordable and social housing and they committed to a net increase of 20-30 additional houses within the next 18 months on top of an upgrade to existing housing stock.

In March Mayor Lyn Riesterer appeared on One News welcoming the government's investment in housing announcement.

Kāinga Maha have gained resource consent for 46 housing units on the old Sale Yards site with the expectation that houses will begin being constructed in 2022.

Sewerage

Around 710 tons of sludge from the wastewater treatment pond was removed this year to improve the natural performance of the aerobic treatment pond.

In the next financial year the treatment system will be reviewed for future growth and the additional work that will be required of the system.



Image: De-sludging of oxidation wastewater ponds - sonar survey - October 2020.

Solid Waste

Council's volume of waste going to landfill has risen from 1000 tonnes a year to an average of 1250 tonnes based on the last 3 years, a 25% increase. This is due to several factors including growth across the district resulting in a notable increase in wood and domestic construction waste which is sent to landfill. Excess waste left during the 2020 covid lockdown was also sent directly to landfill - not allowing recycling recovery within the refuse collected at the centres due to health risks. The pandemic restraints have also decreased waste education opportunities.

Lighting Programme

Council has received further funding from Waka Kotahi NZ Transport Agency and Trust Horizon in order to complete the remaining street lighting within the Ōpōtiki Township. Council has installed an additional 254 LED luminaries as part of the infill street lighting programme this year.

Water Supply

An assessment of the Ōpōtiki water supply model was undertaken and the model updated to accommodate future growth and to inform where works are required to maintain and improve levels of service across the network.

From the water supply model exercise the following works were programmed:

- Upgrade the existing 40mm watermain in the Hukutaia Dip Road with 150mm watermain along with hydrants at required intervals for firefighting safety standards in the next financial year
- Upgrade the existing watermain from Otara Road to Te Rere Pa Road to service the Te Rere Marae in the next financial year.

The Ōpōtiki Water Safety Plan is well under way, and will be submitted to Taumata Arawai for comment on completion.

Stormwater

Upon completion of stormwater modelling, several stormwater projects were planned in this year. This included Tarawa Creek Development, Richard Street Gravity Main Upgrade and King Street Culvert Upgrade.

Council completed 450m length of 450mm diameter stormwater pipe and manholes along Goring St from Bridge St to Richard St in order to alleviate stormwater flooding issues along Goring St.

The completed Goring St stormwater pipeline will be connected into the planned Richard St Gravity Main Upgrade project in the near future.

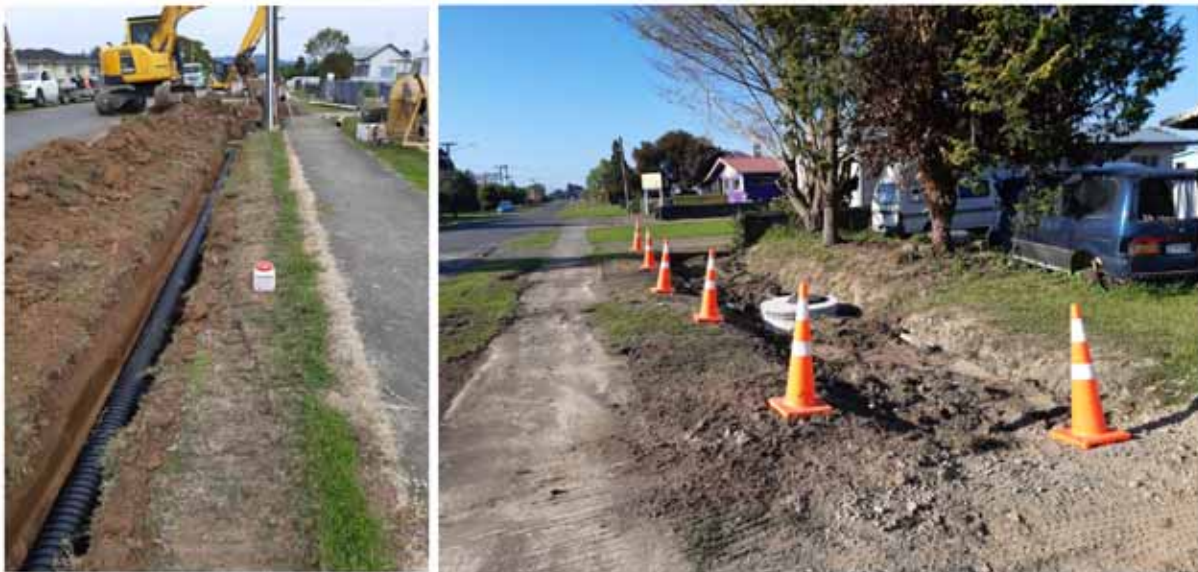


Image: Stormwater upgrades

Reforms

Central Government has initiated several reforms affecting local government organisations such as ours. These reforms are occurring at a pace not seen since the wholesale reforms of the late 1980s – and there are significant implications for ourselves and the communities we serve.

Over the next few years we will need to work closely with iwi, our communities, central government, neighbouring councils and other stakeholders to navigate the reforms and ensure they place our communities in a better position for the future.

Three waters reforms

The Government has signalled it will establish four inter-regional water entities over the next three years to manage the delivery of fresh water (drinking water), wastewater and stormwater in place of councils such as ours.

We have focused on being adaptable to this changing environment and benefiting from any proposed changes, while continuing to advocate for a local voice. We continue to work with partner agencies, neighbouring councils and other stakeholder groups to ensure we are as well prepared as possible for the outcome of these reforms.

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.

A seal extension of Wainui Road (Torere) was completed in November 2020, in conjunction with the Forestry operators using the road for harvest haulage.

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 one block on Goring Street and two blocks on Brabant Street
- Various stormwater, wastewater and water supply plant components to ensure optimal operation.

Asset Management

Council have formalised the setup of a three person Asset Management Team across Three Waters and Roothing. Work has been planned for and is now being implemented to develop an Asset Management Policy and Asset Management Criticality Framework to embed our commitment to asset management best practice into the council. This work is providing a foundation for a range of improvement actions planned for the 2021-2024 Long Term Plan period to improve the asset management systems and to better inform planning and decision making for our assets.

Walkways/Coastal Access

Ōpōtiki District Council and contractors have now completed 3.3km of cycleway from Waiotahi Drifts subdivision to Waitotaha Pipi Beds. We are still waiting for a bridge to be installed to complete this section.

Horse trail markers have been installed on the stopbanks around Ōpōtiki to show where the horse trail goes.

Almost 13km of new footpath has been created in Opotiki and Te Kaha as part of the PGF Contract.

The PGF budget is now expended and council staff are about to let another contract for more cycleways from Baird Road to the Waiotahi Drifts subdivision.

District Plan

The Ōpōtiki District Plan was adopted on 5 January 2021 following five years of work.

Civil Defence

Council has retained a member from Emergency Management Bay of Plenty for two days a week, to provide Civil Defence and Emergency Management local community resilience services.

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

Animal Control

This year 1,480 dogs were registered, a slight decrease on the previous two years. This year we had the highest number of dogs rehomed in any previous financial year and we continue to strengthen our relationships with rehoming groups and organisations across New Zealand. We are continuing to work on improving the community's perception of the service through education and making it easier for people to report concerns and problems to us.

Rawinia Rangi Reserve (former Rose Gardens)

The contract for the Rawinia Rangi Reserve development was awarded to the successful tenderer Tracks Concrete Ltd in December 2020. The contract works included several playground structures, pergola, splash pad, BBQ's, access ways, bollard fencing surrounding the reserve, seating and several plantings. All works were completed and the reserve reopened to the public in July 2021.

The name of the reserve was suggested by the whānau of Rawinia Rangitakatu who made a collective submission during the feedback period for a new name of the reserve. Rawinia is a famous composer of Māori waiata with many of her songs being sung across the nation and world.



Image: Rawinia Rangi Reserve

Building Control Authority

A total of 174 building consent applications were received in 2020/21. This is a 23% increase in application numbers compared to the previous year, and a 40% increase when compared to 2018/19. This increase in consent numbers, combined with our difficulty in recruiting permanent staff and consultants due to the current labour market conditions, has put a significant strain on our service. Overall around 80% of building consent applications are currently being processed within 20 working days, which is below the Council's performance target of 100%.

Compliance

We have a fully staffed compliance team who have been catching up on old cases as well as investigating new breaches. New systems and ways of working have been implemented to improve efficiencies and the way we interact with customers. The issue of earthquake building notices is being prioritised and we expect to have all the notices issued by 2022.

Resource Consents

A total of 83 resource consent applications were received during 2020/21. This is a 66% increase on the 50 consents received in 2019/20, and a 167% increase on the 31 consents received in 2015/16. All consents processed during 2020/21 were processed within 20 working days.

We have been encouraging applicants to engage with us prior to submitting applications and where they have, processing times are now consistently between 3-10 working days. This is an area the team are committed to developing further, encouraging a relationship between applicants and Council that is one of partnership to ensure the best possible outcomes.

Digital services

We live in a time when many of those who deal with Council literally carry the world on their devices in their pockets. They already transact digitally when doing things like banking, making purchases or dealing with businesses and service providers. They expect to be able to do the same with us. That's a big ask for a small Council with limited resource and budget. We need to be sure the investments we make in technology and digital services are carefully targeted. They have to make things quicker, easier and more convenient for both customers and staff while still meeting auditing, reporting, security and privacy requirements.

Over the last year we continued to roll out more online services for customers and developed new ways to collaborate with our partners online. Our new website was released during the year. It has a number of enhancements including customer log in ability, new search feature, embedded forms and payments and gives us a base to expand offerings to customers and adapt in the future. Internally we created a range of time saving automated workflows for staff that should help provide cost savings and consistency of service delivery to customers.

Our Library is also stepping up their digital offering to the community. Literally. In partnership with Digital Inclusions Aotearoa the library is a provider of the 'SteppingUp' programme - including Appy Seniors, Book-a-Librarian sessions and the popular Skinny JUMP modem programme – providing more than 450 Ōpōtiki households with low-cost, reliable internet.

Funding for our Regional Digital Business Hub provided additional digital/tech opportunities - additional laptops, self-service scanning plus computer assisted design and manufacture. Some equipment is available for loan. Things like a digital camera, VR goggles, and iPads. The library's meeting rooms are equipped with Zoom Room facilities so our community can access this secure, cost-effective and easy-to-use platform for messaging, cloud meetings, conferencing and webinars.



Image: Bruce and Chris Comyns are long-time library users and they weren't too shy to try the virtual reality equipment for the first time! Bruce is immersed in the 3D world and Chris is watching on the iPad to see what Bruce is seeing.

Events

The number of events promoted, supported and run by Council's i-SITE and Events team continued to grow during the 2020/21 year. Attendance was significantly up and some events were even sold out for the first time. This is a particularly impressive achievement at a time when there are disruptions to scheduling and tourism and no international visitors due to covid.

The year kicked off with the Ōpōtiki Matariki Festival in July 2020. This event, which was first held only three years ago, is set to become the go to destination in the Central North Island to celebrate Matariki. We've already held the 2021 Ōpōtiki Matariki Festival which opened on 1 July and was held over 11 days. During the festival council collaborated with Future Leaders to host a three day taonga takaro wananga at Ōpeke marae. Members of the Future Leaders programme across the country attended the wananga to learn about taonga takaro. They then helped facilitate the taonga takaro area during the closing ceremony. Funding for the wananga was secured by council through Sport Bay of Plenty's Tu Manawa Fund.

After Clean Up Week in September 2020, and picking up the Ōpōtiki Christmas in the Park & Parade at short notice in December, it was all staff on deck to turn out an amazing Summer Festival. Having great sponsorship from Ōpōtiki New World really helped to boost this series of events that ran through to the end of January. From Race the Tide and Movies Under the Stars, to the Ōpōtiki O-mazing Race and the Ōpōtiki New World Beach Dig, there was something for every member of the whanau.

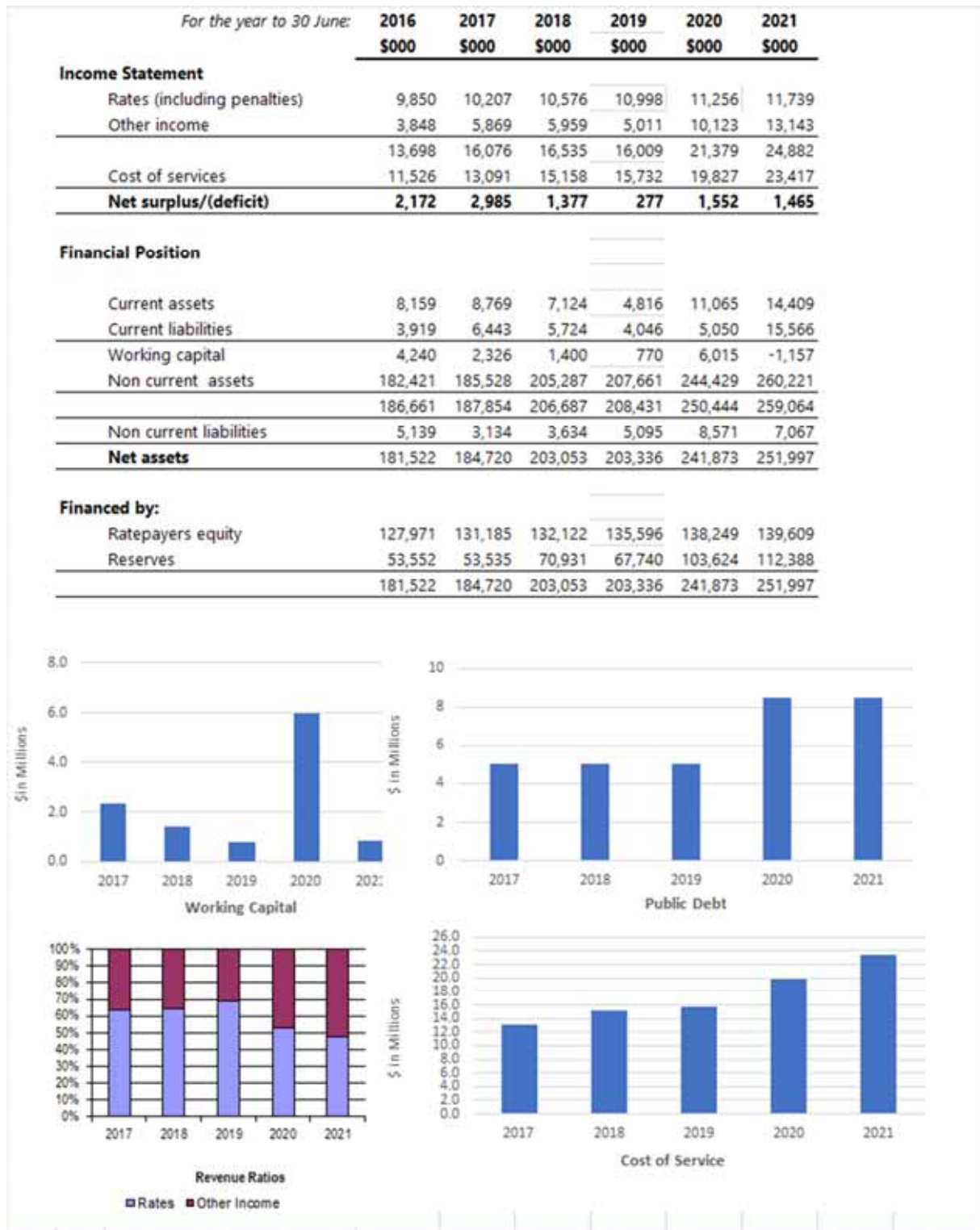


Image: One of our most popular events with many return entrants each year.

The Summer Festival finished on a record breaking high with 5,000 attendees at the Ōpōtiki Lantern Festival. This event is becoming recognised in the artist realm which makes it easier each year to book quality talent for our residents and visitors to enjoy.

Congratulations to the team on their successful events and thank you to everyone who came along.

5 Year Financial Summary



* 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.

Although the harbour development project will be delivered by central government over the next 3 years, 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 use 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 a 0.1% increase on 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 of rate increases of big projects, and also spreads the burden more fairly between current and future ratepayers (who will also benefit from the project).

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.

2020/21 Performance Overview

Overall Council has achieved an operating surplus of \$1.5 million for the year against a budgeted surplus of \$24.2 million.

Subsidies and Grants are \$16.9 million lower than budgeted for the year due to Council now not taking ownership of the harbour and related funding. Instead, this project is being delivered by central Government, so will not form part of Council's financials.

Fees and charges revenue was slightly down on budget \$75k with the closure of some services during Covid-19 related lockdowns.

Other revenue is slightly up on budget \$131k due largely to gains on changes in fair value of investment property.

Finance revenue is more than budget \$13k due to the higher level of cash and cash equivalents held during the year than was budgeted.

Other operating expenditure is \$6.2 million higher than budget for the year, mostly due to the transfer of capital related expenditure on the harbour development to central Government (\$4.5m).

Other over expenditure also occurred in solid waste, and on three waters, of which funding was received from central Government.

More information about variances in operational expenditure is available at an activity level in the following activity statements.

Depreciation and amortisation is higher than budget \$735k as a result of asset revaluations performed in the previous year being higher than expected.

Employee benefit costs are slightly higher than budget \$47k due mostly to the impact that Covid-19 has had on some operations.

Other comprehensive revenue was \$5.5 million more than budget. This is mostly due to the increase in fair value of Council's roading and footpaths assets, than was budgeted.

Financial Reporting and Prudence

Annual report disclosure statement for year ending 30 June 2021

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

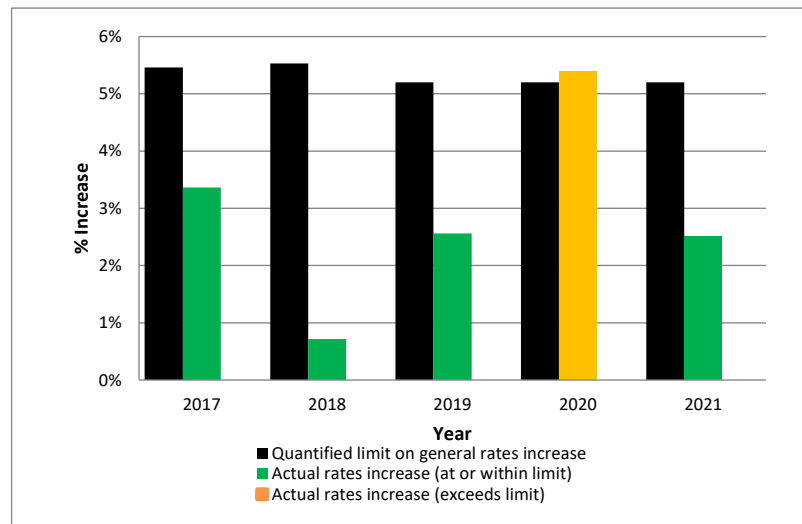
The council meets the rates affordability benchmark if:

- 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)

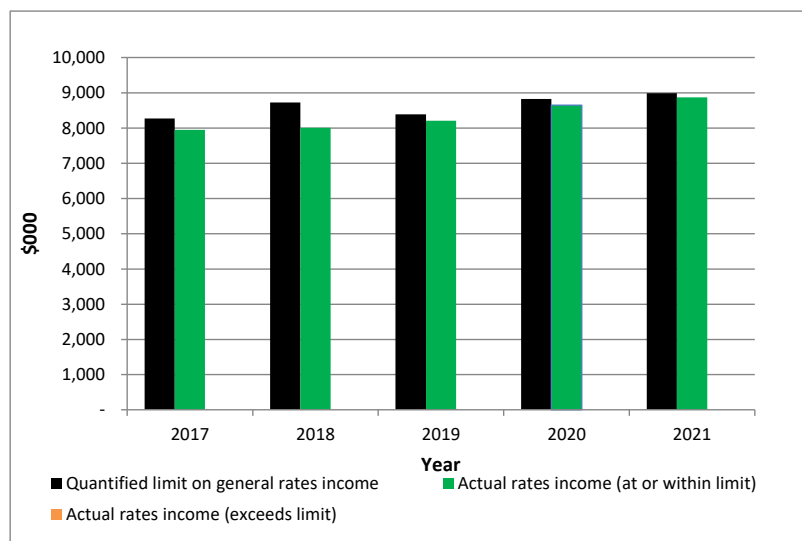
Affordability Benchmark – General Rates

This 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

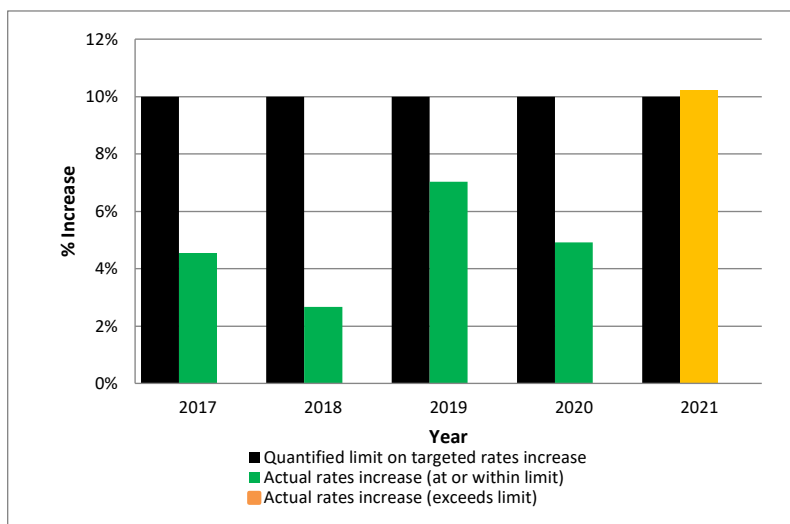
This graph compares the council's actual general rates income with a quantified limit on general rates contained in the financial strategy included in the council's long-term plan. The quantified limit is prior year general rates plus (LGCI plus 3%).



Rates (increases)

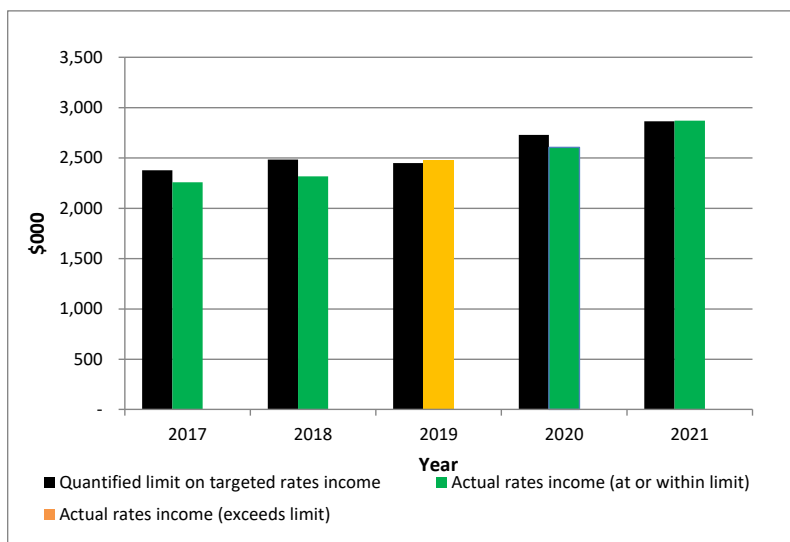
Affordability Benchmark – Targeted Rates

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



Rates (Income) Affordability Benchmark – Targeted Rates

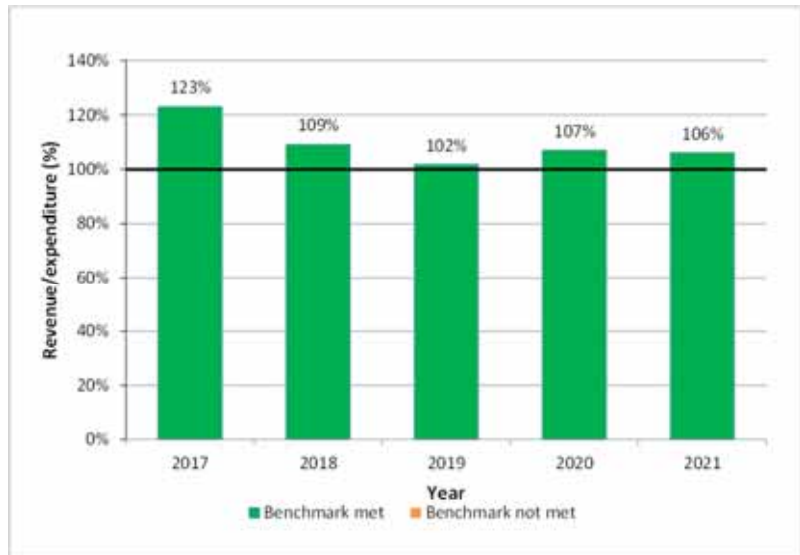
This graph compares the council's actual targeted rates income with a quantified limit on targeted rates income contained in the financial strategy included in the council's long-term plan.



Balanced Budget Benchmark

This 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).

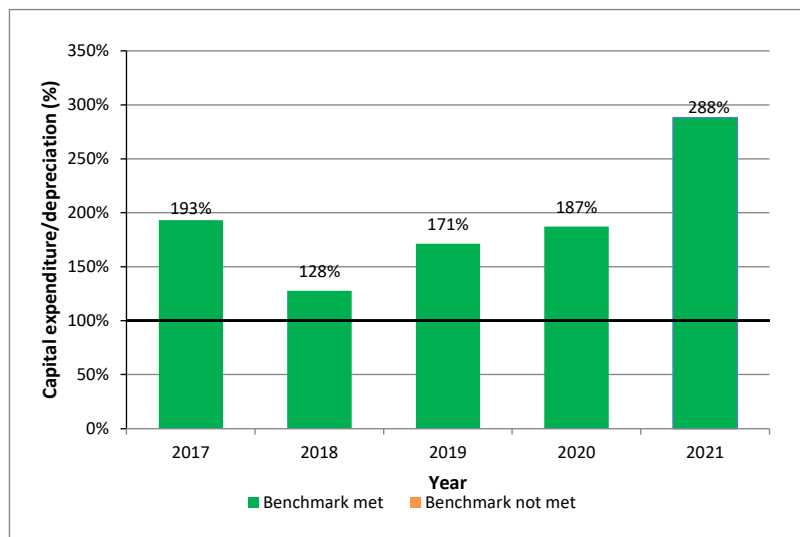
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services Benchmark

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

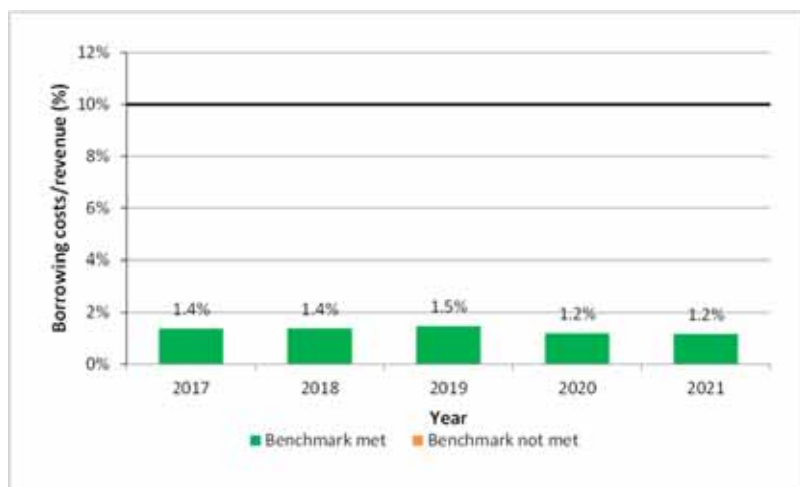
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

This 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.

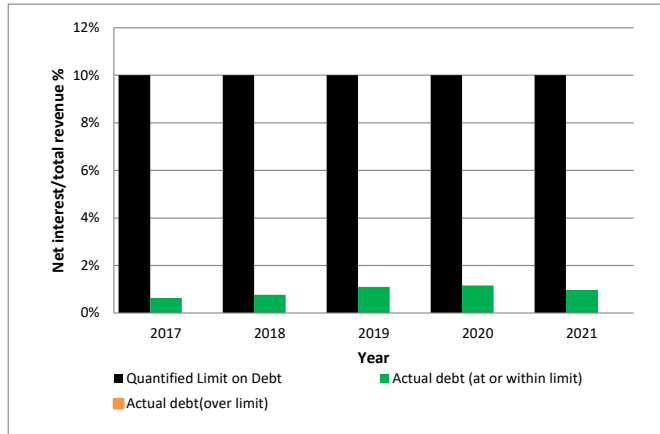


Debt Affordability Benchmark

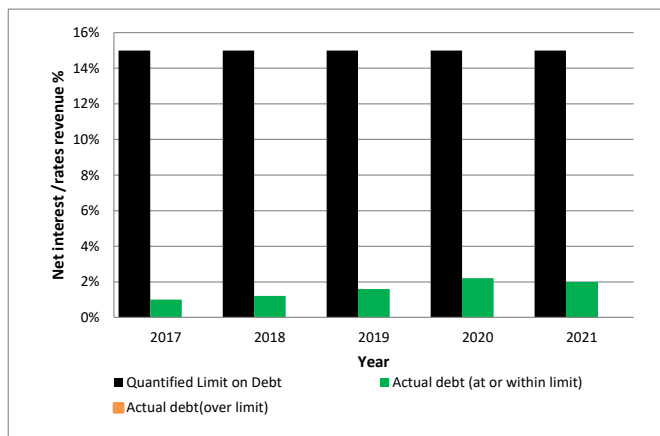
The Council meets the debt affordability benchmark if its borrowing is within each quantified limit on borrowing. The following graphs compare the Council's actual borrowing with the quantified limits on borrowing stated in the financial strategy included in the council's long term plan.

The quantified limits are:

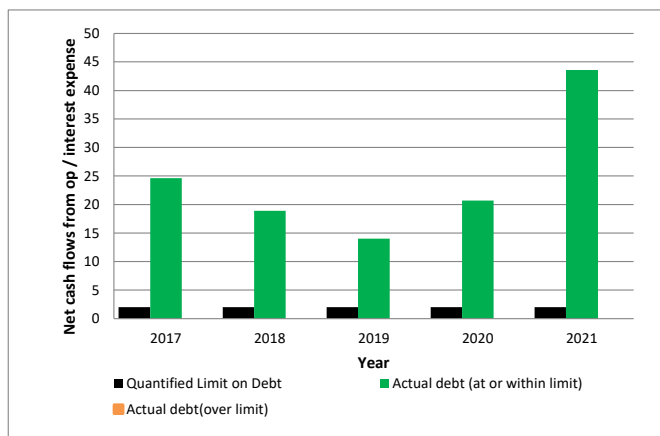
Net interest expense/total revenue less than or equal to 10%



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



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

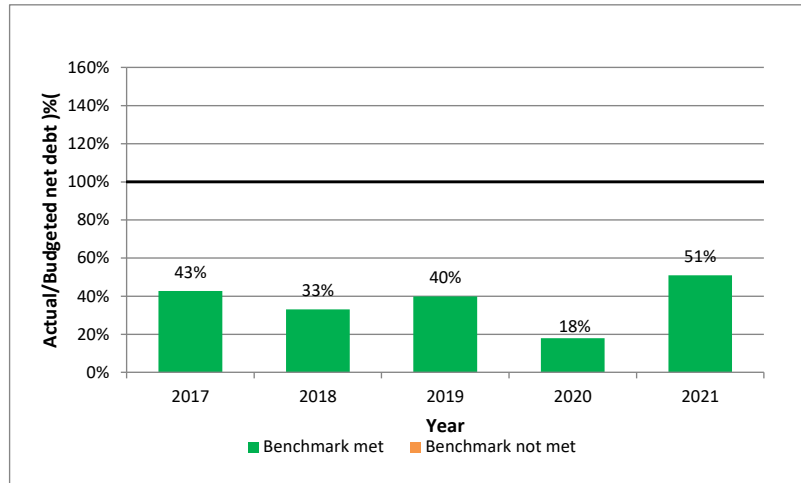


Debt Control Benchmark

This 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).

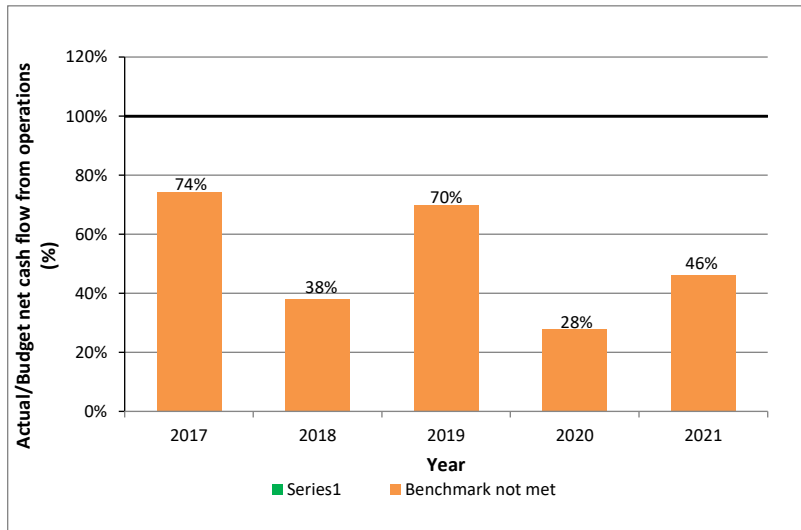
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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

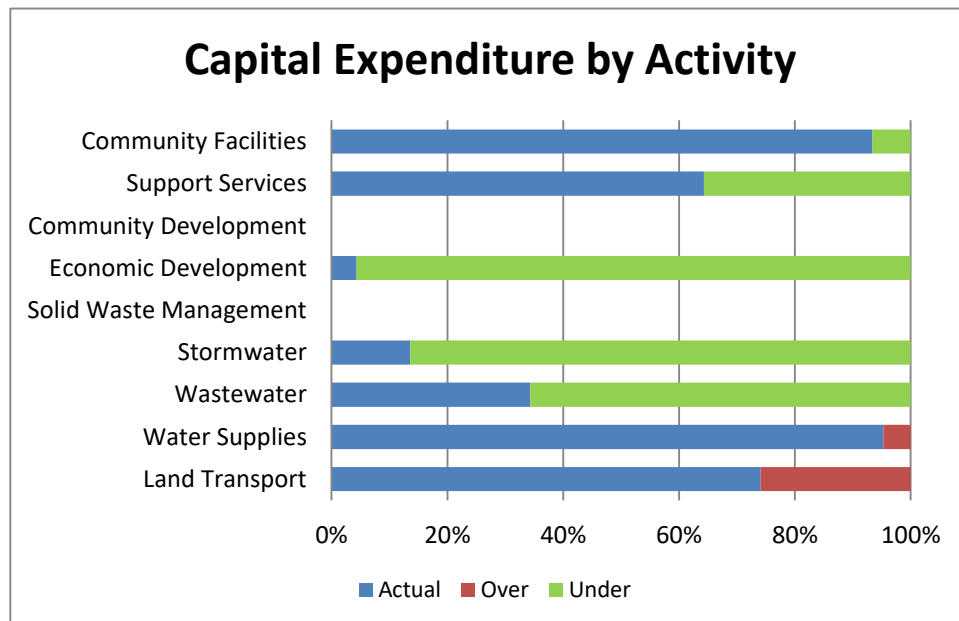
Rates (increases) Affordability Benchmark – Targeted Rates

This benchmark was not met because we received penalty revenue that we did not budget for. Additionally, water meter revenue was higher due to an increase in both number and volume consumed by new non-residential connections.

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 2021



Community Facilities - This activity is slightly 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, redevelopment of Mechanics Institute, cycleway extensions, earthquake prone buildings, parks upgrade, playgrounds, wharf rebuild and coastal infrastructure (reliant on external funding).

Support Services – Good progress has been made with the Property digitisation project, which will be a two year project. IT Systems upgrades were either postponed or came in under budget, while Fleet replacement was slightly less than budget.

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

Solid Waste Management– There were no projects programmed into this year.

Stormwater – Key projects this year have continued to be delayed or postponed due to Covid-19 disruption. Progress has been made however on some renewals and replacements, including those projects delayed from the previous year.

Wastewater –Treatment Plant Inlet works project has started this year, with some progress being made on reticulation renewals. The Private Laterals project was completed during the year.

Water Supplies – A number of reticulation renewals and improvements were completed during the year, while work on an alternative water source at Te Kaha has started.

Land Transport – The upgrade of the new harbour access road (Snell Road) and various new footpaths were completed during the year. Other projects completed during the year include drainage renewals, minor roading improvements, rehabilitation and resurfacing, and structure replacements.

Council Organisation



Councillor Louis Rāpihana leads the way at the 2021 LGNZ Conference.

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 Whakawaiaatanga

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.



Peter Bridgwater, Group Manager Finance and Corporate Services

Cash Receipting, Creative New Zealand, Debtors/Creditors, Economic Development, Financial Reporting, Governance Support, Insurance, Investments, Payroll, Public Debt, Rates, Sports co-ordination, Tourism, Water Billing.



Gerard McCormack, Group Manager Planning and Regulatory

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



Anna Hayward, Group Manager Community Services and Development

Social Development, Community Engagement, Relationships Management, Strategic Development, Customer Services, Communications, Events, Facilities, i-SITE Information Centre, Library, Property.



Stace Lewer, Group Manager Engineering and Services

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

Priorities for Council Action

Economic well-being

- Ōpōtiki Harbour development
- Encourage private investment and development to meet housing needs
- Support the aspirations of Māori to develop their land
- Support local and regional business growth and workforce development
- Immediate focus on the district's economic recovery from COVID.

Social well-being

- Provide infrastructure e.g. roads and footpaths, water, stormwater, sewerage, waste management, extension of Ōpōtiki Township wastewater reticulation network
- Advocate with and on behalf of Ōpōtiki communities to central government
- Provide recreation facilities including development of walkways, cycleway, horse trails, sports fields, and playgrounds
- Support initiatives for development in the Coast ward
- Proactive provision of infrastructure
- Provision of a District Plan that meets the district's needs going forward
- Continued expansion of digital connectivity in the district through Evolution Networks
- Community where people feel safe.

Environmental well-being

- Provide and develop infrastructure in an environmentally sustainable way
- Complete the District Plan review and implementation
- Maintain and enhance parks and reserves
- Continued investment in environmentally sustainable coastal infrastructure
- 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.

Cultural well-being

- Promote and support community events
- Provide sports fields and facilities for community use e.g. pavilions
- Support the outcomes iwi seek from their Treaty Settlements, including any legislated joint governance arrangements, and any orders made under the Marine and Coastal Areas Act
- Support and facilitate programmes to deliver good jobs for local people.

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.

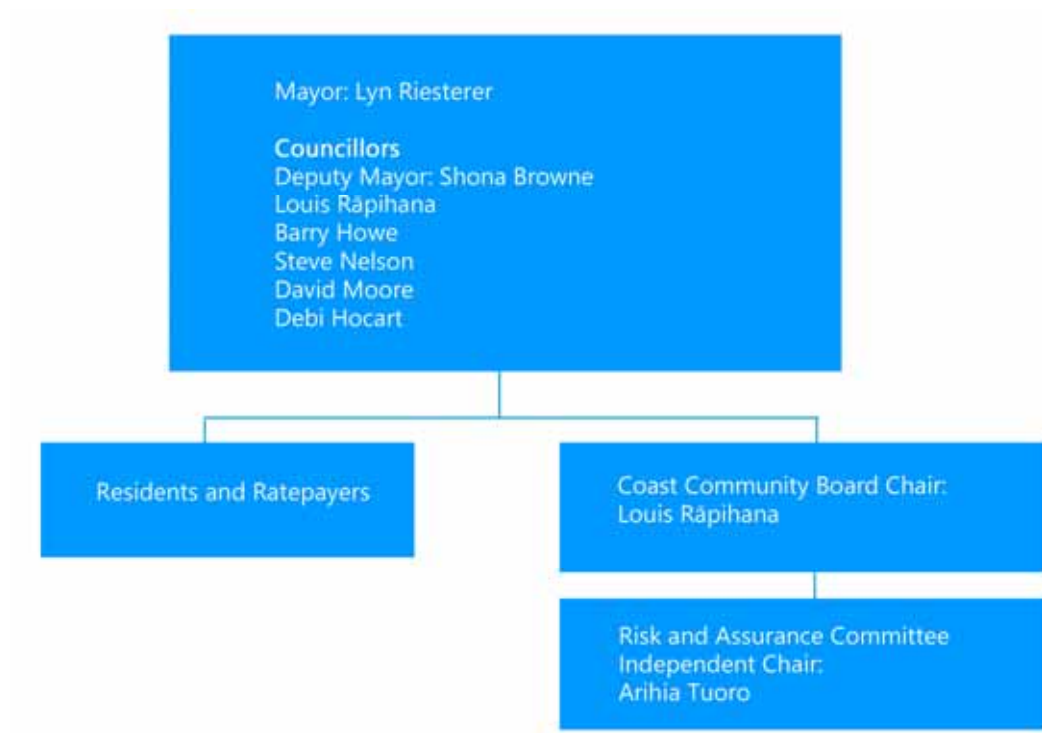
The most visible review mechanism is the local authority's annual report, which sets out the performance of the local authority against its objectives over the preceding year.

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: Crs Nelson, Hocart Mayor Riesterer Ex Officio Independent Chair: Philip Jones
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, Crs Browne, 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)	Crs Nelson, Moore
Ōhiwa Harbour Implementation Forum (One required)	Mayor Riesterer Reserve: Cr Hocart
Ōpōtiki Marine Advisory Group (OMAG) (Two required)	Mayor Riesterer, Crs Howe, 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



Te Tāhuhu o Te Rangi under construction.

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

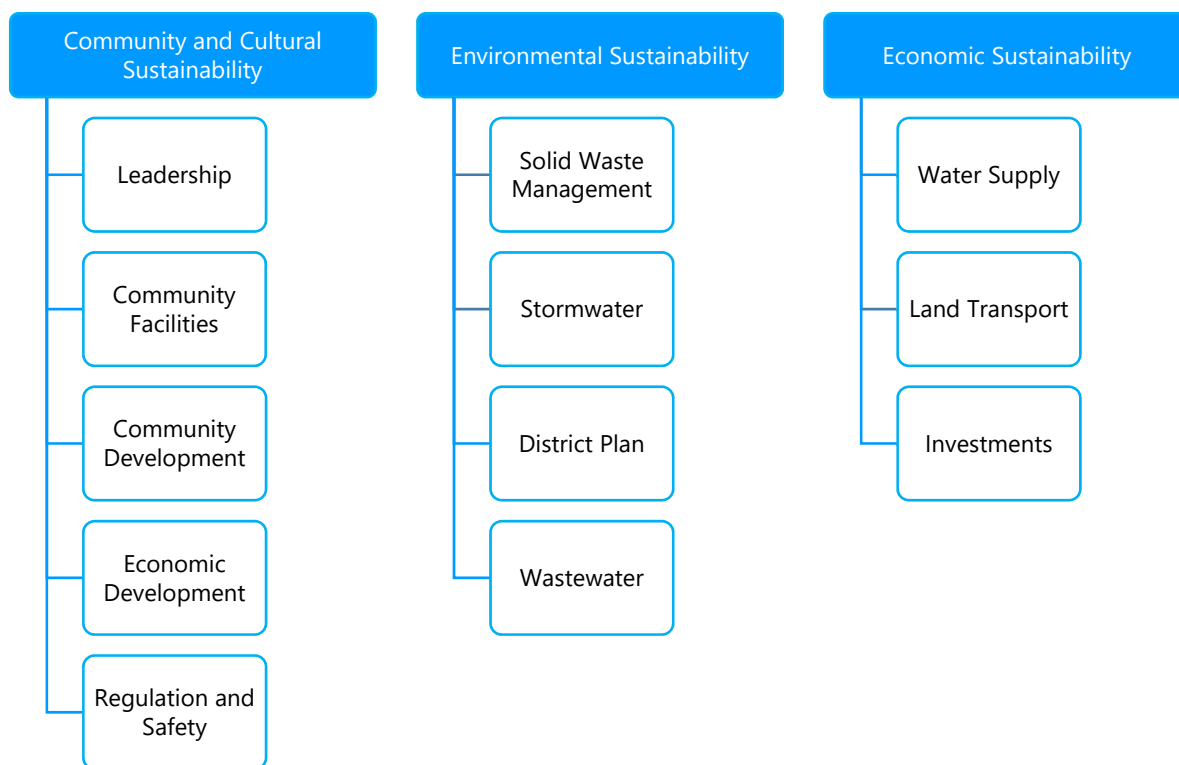


Red for not achieved



Blue if no target was set or required for the 2020/21 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 effective 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	2019/20 Result	Target 2020/21	2020/21 Result	Status
Council will provide leadership that is visionary, community focused, efficient, and inclusive.	Community satisfaction with Council leadership.	79%	72%	83%	
	Commentary 2020/21: Achieved. 83% rated satisfaction with Council leadership as very/fairly good and acceptable.				
	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 2020/21: Achieved.				
	Level of community satisfaction with the opportunities to participate in decision making.	56%	60%	58%	
Commentary 2020/21: Not achieved. 58% of residents feel they have the opportunity to be involved and participate in the way Council makes decisions. Council has added further questions to its annual Customer Satisfaction Survey to gain a more in-depth understanding of how residents and customers would like to communicate with Council and how they rate Council's communications performance. Council will use this information to support ongoing plans to increase engagement with and opportunities for the community to participate in decision making. Council has also recently started live streaming Council meetings publicly and it is hoped this will help the community to feel more involved in decision making.					

Funding Impact Statement

Ōpōtiki District Council - Leadership Activity

Funding Impact Statement for 30 June 2021

Sources of operating funding

	2020 Long- term plan (\$000)	2021 Long- term plan (\$000)	2021 Actual (\$000)	2021 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	1,010	1,032	1,142	1,142
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	181	-
Fees and charges	2	2	-	2
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	3	-	1
Total operating funding (A)	1,015	1,037	1,323	1,145

Applications of operating funding

Payment to staff and suppliers	808	823	1,112	929
Finance costs	-	-	-	-
Internal charges and overheads applied	189	195	217	198
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	997	1,018	1,329	1,127

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

18	19	(6)	18
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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	19	(6)	18
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	18	19	(6)	18

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

(18)	(19)	6	(18)
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Funding balance ((A - B) + (C - D))

-	-	-	-
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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	<p>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.</p> <p>Ensure that amenity facilities are maintained to a high standard for the residents and visitors to the Ōpōtiki District.</p> <p>Library services that inspire learning and celebration of our culture.</p>
A strong and effective community spirit	
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 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 2021-2031 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	2019/20 Result	Target 2020/21	2020/21 Result	Status
Planned development of quality parks and recreation facilities.	Complete planning for the development of key recreation reserves.	Planning for the development of key recreation reserves complete.	Development plans complete for Upton Park, Tarawa Creek	100%	
	Commentary 2020/21: Achieved. Development plans for all reserves completed and adopted by Council 6 October 2020.				
High quality parks and recreation facilities provided and accessible to the community.	% of community satisfied with the provision of recreation facilities in annual surveys.	69%	80%	74%	
	Commentary 2020/21: Not achieved. 74% rated satisfaction with recreation facilities as very or fairly satisfied. It is expected that with the completion of the stakepark, new entry point to the cycle trails, extension of the cycle trails from CBD towards Whakatāne, new playground beside the skatepark and basketball court in Te Kaha, that the target will be met next year.				
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.	91%	70%	91%	
	Commentary 2020/21: Achieved. Audited 01/07/2020 - only audited every two years.				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 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 not responded to within 4 hours	Customer requests and complaints not responded to within 4 hours	
	Commentary 2020/21: Not achieved. A total of 20 requests received with many recorded as taking longer than 4 hours to respond to.				
Cemeteries maintained to a high standard; accurate records maintained and accessible.	% of community satisfied with the provision of cemetery services, maintenance, and records.	73%	80%	71%	
	Commentary 2020/21: Not achieved. 71% rated satisfaction with the provision of cemetery services, maintenance and records as very/fairly good.				
Provision of a comprehensive community library service for the community.	% of the community satisfied with the library facility and service.	66%	80%	68%	
	<p>Commentary 2020/21: Not achieved. 68% rated satisfaction with the library facility and service as very/fairly good. On 2 December 2021 a blessing and formal opening took place for Te Tāhuhu o Te Rangi – a new library, technology and research centre for Ōpōtiki. Te Tāhuhu o Te Rangi not only delivers a new building and community hub but also an extension of library services including digital support, room hire, wifi, online and physical resources, books, movies, devices, events and activities, all free of charge.</p> <p>The dedicated ‘maker space’ room provides the community opportunities to learn and utilise equipment such as 3D design and printing, laser cutting and many other tech programmes and activities. This equipment isn’t easily accessible elsewhere in the community and having it freely available means the community is able to learn new skills, extend their creativity and have easy access to experts.</p> <p>Through the addition of government funding from the Provincial Growth Fund and other generous sponsors (Creative NZ, BayTrust, Lotteries and Trust Horizon) this incredible community facility was delivered without cost to ratepayers.</p> <p>Council expects the increased services, along with an amazing modern building, will increase customer satisfaction through increased user-ability and access to a wider range of resources and technology.</p>				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	Number of library facilitated programmes per year.	16	6	34	
Commentary 2020/21: Achieved. For the first half of the year despite various restrictions around Covid Alert Levels the Library were able to adapt to support the community in a greater number of activities than anticipated - albeit with various postponements. Book Groups ran as scheduled, sometimes virtual via Zoom, sometimes in the Library; one PechaKucha event hosted and 4 Arts on Tour events, a meet-the-author event on a Saturday morning, a social history talk on a cold evening in July and a pop-up 2 day Covid mask making session in August as we swung from alert level 3 to 2. Over the second half of the year the Library and Digital Hub events continued to be rolled out regularly. A panel discussion was a new format for Sustainable Backyard week, book groups are thriving and the Ōpōtiki Library is still the only public library in New Zealand tapping in to the Arts on Tour programme. This engagement provides high levels of connection throughout the community.					

Internal Borrowing

	Opening Balance 1/07/2020 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2021 \$ 000's	Interest 2021 \$ 000's
Cemeteries	14	-	-	14	1
Cycle Way	544	4	2	1,098	21
Library	68	36	2	102	3
Parks	305	5	8	302	12
Playgrounds	13	-	1	12	1
Public Toilets	375	-	2	373	15
Property	3,012	1,049	25	4,036	138
	4,331	1,094	40	5,937	191

Capital Expenditure

	LTP 2021 000's	Actuals 2021 000's
- to improve the level of service		
Furniture and fittings new facility	47	-
New Technology and Research Centre	-	3,419
Trail enhancements	31	1
Tehnology and Research Centre	1,718	-
The Digital Hub	-	140
Motu Cycleway Extensions MBIE	-	601
- to improve the level of service Total	1,796	4,161
- to replace existing assets		
New play equipment	52	-
Replacement Furniture & Fitt	-	7
Animal Control - Replacement Building	-	834
PGF Rose Garden Upgrade	-	768
PGF Redevelopment of lots 9&10	-	272
Plunket Building development	-	3
PGF CBD Pavements and Verandas	-	58
PGF Hospice Shop - 105 Church	-	6
Parks and Reserves renewals	-	3
- to replace existing assets Total	52	1,951
- to meet additional demand		
Additional office space to accommodate new staff	-	36
Ōpōtiki - Waiōtahe Beach - Ōhiwa	656	3
Recreation enhancement - Memorial Park	21	-
New toilet Waiōtahi Drifts	52	-
Coastal Reserves Tourism Infrastructure	521	-
CBD integration w/ harbour env	-	64
105 Church Street	-	113
Opotiki Horse Trail	-	2
PGF - Cycle trail entrance	-	55
PGF Skate Park & Pump track	-	405
- to meet additional demand Total	1,250	678
Total capital expenditure	3,098	6,790

Ōpōtiki District Council - Community Facilities Activity	2020	2021	2021	2021
	Long-term	Long-term	Actual	Annual
	plan	plan		Plan
	(\$000)	(\$000)	(\$000)	(\$000)
Funding Impact Statement for 30 June 2021				
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	2,281	2,597	2,267	2,267
Targeted rates	61	74	48	48
Subsidies and grants for operating purposes	-	-	168	-
Fees and charges	397	405	322	370
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	25	18	59	107
Total operating funding (A)	2,764	3,094	2,864	2,792
Applications of operating funding				
Payment to staff and suppliers	1,477	1,554	2,104	1,576
Finance costs	200	288	191	310
Internal charges and overheads applied	696	713	943	764
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,373	2,555	3,238	2,650
Surplus (deficit) of operating funding (A - B)	391	539	(374)	142
Sources of capital funding				
Subsidies and grants for capital expenditure	1,804	837	4,813	1,988
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	4,036	1,181	-	4,889
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	5,840	2,018	4,813	6,877
Application of capital funding				
Capital expenditure				
- to meet additional demand	3,448	1,250	641	2,464
- to improve the level of service	2,351	1,796	4,291	4,416
- to replace existing assets	663	52	2,245	333
Increase (decrease) in reserves	(231)	(541)	(2,499)	(194)
Increase (decrease) in investments	-	-	(239)	-
Total applications of capital funding (D)	6,231	2,557	4,439	7,019
Surplus (deficit) of capital funding (C - D)	(391)	(539)	374	(142)
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	2019/20 Result	Target 2020/21	2020/21 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 2020/21: Achieved. All maintenance grants for the 22 Urupa paid out on 17 December 2020.				
	Memorandum of understandings and administration agreements for community grants are in place.	100%	100%	100%	
	Commentary 2020/21: Achieved. All MOU's and administration agreements for community grants were in place for the 2020-21 year. Council is currently reviewing all MOU's to take in to account decisions made during the 2021-2031 LTP adoption process.				
Enhance community safety.	Continual expansion to CCTV camera system in town.	100%	1	0	
	Commentary 2020/21: Not achieved. Significant renewal and expansion of the network planned for 2021-22.				

Internal Borrowing

	Opening Balance 1/07/2020 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2021 \$ 000's	Interest 2021 \$ 000's
Community Development	78	-	38	40	3
	78	-	38	40	3

Capital Expenditure

	LTP 2021 000's	Actuals 2021 000's
- to improve the level of service		
CCTV camera and internet expansion		21 -
- to improve the level of service Total		21 -
Total capital expenditure		21 -

Funding Impact Statement

Ōpōtiki District Council - Community Development Activity	2020 Long-term plan (\$000)	2021 Long-term plan (\$000)	2021 Actual (\$000)	2021 Annual Plan (\$000)
Funding Impact Statement for 30 June 2021				
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	282	299	269	269
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	37	38	40	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	2	-	3
Total operating funding (A)	322	339	309	272
Applications of operating funding				
Payment to staff and suppliers	271	277	183	239
Finance costs	3	3	3	4
Internal charges and overheads applied	48	49	50	47
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	322	329	236	290
Surplus (deficit) of operating funding (A - B)	-	10	73	(18)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(4)	(8)	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(4)	(8)	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	20	21	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(24)	(19)	73	(18)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	(4)	2	73	(18)
Surplus (deficit) of capital funding (C - D)	-	(10)	(73)	18
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	2019/20 Result	Target 2020/21	2020/21 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.	100%	100%	Achieved	
	Commentary 2020/21: Funding agreements signed in December 2020 between MBIE, Opotiki District Council, Bay of Plenty Regional Council and Whakatōhea Maori Trustboard.				
	<u>Crown Funding</u> Complete funding agreement with Crown.	Partly achieved	N/A	N/A	
	Commentary 2020/21: Funding agreements signed in December 2020 between MBIE, Ōpōtiki District Council, Bay of Plenty Regional Council and Whakatōhea Maori Trustboard.				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	Manage the contract for design and construction of the Ōpōtiki Harbour Development Project.	Achieved	N/A	N/A	
	<p>Commentary 2020/21: Substantive Contract signed between MBIE and HEB Construction in December 2020 at the same time as the funding agreement.</p> <p>In August 2020 Snell Rd was completed in time for HEB to move onto site September 2020. HEB started with their enabling works constructing laydown areas and haul roads, and completing the dynamic compaction testing. In October 2020 MBIE commenced rock supply into stockpile on site. By the start of 2021 hanbars were well into production using a local concrete manufacturer for supply. The walls are now well under way with construction and dredging timed for completion December 2023.</p>				
Investigate and promote investment in a range of economic development opportunities.	Implement Economic Development Strategy.	100%	100%	100%	
	Commentary 2020/21: Achieved. Economic Development Strategy prepared and implemented through Toi-EDA and progress tracked throughout the year.				
	Maintain a current database of business contacts.	Achieved	Database revised quarterly	Achieved	
	Commentary 2020/21: Achieved. A comprehensive list was prepared by the Chamber of Commerce for the whole Eastern Bay of Plenty as part of the Covid recovery and this is revised at a minimum quarterly.				
	Communicate regularly with business sector.	5 bulletins posted	4 bulletins posted per annum	>4 bulletins posted	
	Commentary 2020/21: Achieved. Regular communication with business sector undertaken during consultation periods and major project planning e.g. stakeholder strategy day.				
	Increase \$ tourism spend.	13% increase in \$ tourism spend over last year	Increase in \$ tourism spend over last year	\$8M	
	Commentary 2020/21: Achieved. Measure shown is not comparable to previous years. Due to disruptions to tourism as a result of COVID the previously used measure was not published by MBIE. The figure shown here is the Tourism electronic card transactions (TECT) estimate for Opotiki. Using this data there was an increase from the \$5M for domestic tourism transactions recorded in 2019-20.				
	Facilitate community events.	13 events	Two events per year	8 events	
	Commentary 2020/21: Achieved, Eight events run from 1 July 2020 to 30 June 2021: Ōpōtiki Matariki Festival, Keep NZ Beautiful Clean up Week, Christmas in the Park and Float Parade, Ōpōtiki New World Race the Tide, Movies Under the Stars, Beach Dig, Omazing Race and the Lantern Festival. This year's Lantern Festival was the largest to date with 5,000 attendees.				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	Maintain a current database of tourism sector.	Database revised quarterly	Database revised quarterly	Database revised quarterly	
	Commentary 2020/21: Achieved. Database revised quarterly plus information updated when new contact details received via operators.				
	Communicate regularly with tourism contacts.	4 bulletins posted	4 bulletins posted per annum	>4 bulletins posted	
	Commentary 2020/21: Achieved. Regular bulletins posted and contact with tourism operators and contacts. A new Events community database has also been created with monthly newsletters and quarterly meetings.				

Internal Borrowing

	Opening Balance 1/07/2020 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2021 \$ 000's	Interest 2021 \$ 000's
Tourism Promotion/Visitor Information Centre	23	-	-	22	1
Harbour Development	353	570	-	922	25
	376	570	1	944	26

Capital Expenditure

	LTP 2021 000's	Actuals 2021 000's
- to meet additional demand		
Harbour Development Project - Project Management	-	859
Harbour Entrance - \$52 mil	18,438	-
- to meet additional demand Total	18,438	859
Total capital expenditure	18,438	859

Funding Impact Statement

Ōpōtiki District Council - Economic Development Activity	2020	2021	2021	2021
	Long-term plan	Long-term plan	Actual	Annual Plan
	(\$000)	(\$000)	(\$000)	(\$000)
Funding Impact Statement for 30 June 2021				
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	767	839	597	597
Targeted rates	99	108	84	84
Subsidies and grants for operating purposes	20	21	79	689
Fees and charges	16	16	19	27
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	11	5	25	38
Total operating funding (A)	913	989	804	1,435
Applications of operating funding				
Payment to staff and suppliers	705	719	5,112	1,252
Finance costs	35	96	26	7
Internal charges and overheads applied	167	174	209	175
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	907	989	5,347	1,434
Surplus (deficit) of operating funding (A - B)	6	-	(4,543)	1
Sources of capital funding				
Subsidies and grants for capital expenditure	15,345	16,552	289	19,695
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,633	1,886	-	208
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	16,978	18,438	289	19,903
Application of capital funding				
Capital expenditure				
- to meet additional demand	17,186	18,438	425	19,904
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(202)	-	(4,679)	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	16,984	18,438	(4,254)	19,904
Surplus (deficit) of capital funding (C - D)	(6)	-	4,543	(1)
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	2019/20 Result	Target 2020/21	2020/21 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%	89%	
	Commentary 2020/21: Not achieved. A total of 64 applications were received with 7 taking longer than 15 working days to process. This was due primarily to lockdown and response time not being met by other agencies.				
	As per Food Act 2014, food premises are checked and verified as their registrations become due.	91%	100%	98%	
	Commentary 2020/21: Not achieved. 47 registered premises of which 46 received a visit.				
	% of known dogs registered within the District (as recorded on the 1st June)	97%	92%	95%	
	Commentary 2020/21: Achieved 1480 dogs registered out of 1556.				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	All animal control complaints of an aggressive or threatening nature are responded to within 2 hours from receipt of complaint.	76%	100%	48%	
	Commentary 2020/21: Not achieved. 42 complaints of an aggressive or threatening nature received from 1 July 2020 to 30 June 2021. 20 responded to within 2 hours and 22 had a response time over 2 hours. Responses that took over two hours were as a result of staff availability to respond due to them being on another job, distance from incident with limited cell phone coverage to advice of incident, or due to lack of staff resources.				
	% of building consents issued within the statutory timeframes.	87%	100%	84%	
	Commentary 2020/21: Not achieved. 154 building consents were issued with 24 taking longer than 20 working days to process. The historic backlog of building consent applications has been cleared which in part has meant that a number of building consents were processed outside of the 20 working day timeframe. The complexity of consents and difficulty in recruiting processors with the required competency levels, either as a permanent member of staff or contractor, has been challenging due to the demand and salaries being paid elsewhere.				
	% of customer satisfaction with level of service (as measured by the annual Building Control Authority survey).	Not measurable	>90%	Not measurable	
	Commentary 2020/21: The customer survey has not been carried out. A phone survey is to be carried out in August 2021.				
	% of roles identified and staffed for 24 hours operation of the Emergency Coordination Centre.	100%	100%	85%	
	Commentary 2020/21: Not achieved. Due to staff turnover there are some vacancies within the Emergency Operating Centre.				
	% of staff identified for roles in the Emergency Operations Centre that are trained to an appropriate level agreed by the Group.	72%	100%	80%	
	Commentary 2020/21: Not achieved. Due to staff turnover the number of trained people within the Emergency Operating Centre fluctuates throughout the year. All the function managers are fully trained and many of them had specific function training.				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	% of resource consents issued within the statutory timeframes.	100%	100%	100%	
	Commentary 2020/21: Achieved. 82 resource consent applications processed and all within statutory timeframes. There was a significant increase in the number of applications processed. In the 2019-20 year 50 applications were processed.				
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 2020/21: Achieved. 4 initiatives delivered. Ngā Whetu o Mangoroa – Stars of the Community promotion for COVID community response. 4 pop up sessions at Ōpōtiki New World and Ōpōtiki i-SITE – public information provided with a focus on mobile phone alerts including the Antenno App. Ongoing engagement on COVID with Iwi and Community representative group. All of District School promotion for Shakeout 2020 – All schools and ECEs visited prior. Earthquake and Tsunami information provided along with community guides. Discussions and information provided on tsunami evacuation.				

Funding Impact Statement

Ōpōtiki District Council - Regulation & Safety Activity	2020 Long- term plan (\$000)	2021 Long- term plan (\$000)	2021 Actual (\$000)	2021 Annual Plan (\$000)
Funding Impact Statement for 30 June 2021				
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	649	640	601	601
Targeted rates	86	89	88	88
Subsidies and grants for operating purposes	13	13	-	-
Fees and charges	477	513	682	649
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	5	3	27
Total operating funding (A)	1,230	1,260	1,374	1,365
Applications of operating funding				
Payment to staff and suppliers	907	926	1,150	1,018
Finance costs	2	2	-	3
Internal charges and overheads applied	303	314	364	336
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,212	1,242	1,514	1,357
Surplus (deficit) of operating funding (A - B)	18	18	(140)	8
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(18)	3	-	102
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(18)	3	-	102
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	89
- to replace existing assets	-	21	-	21
Increase (decrease) in reserves	-	-	(140)	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	21	(140)	110
Surplus (deficit) of capital funding (C - D)	(18)	(18)	140	(8)
Funding balance ((A - B) + (C - D))	-	-	-	-

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	2019/20 Result	Target 2020/21	2020/21 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)	14	<20	14	
	Commentary 2020/21: Achieved. 14 complaints received relating to the quality of the kerbside refuse / recycling collection service. We continue to see a lower number of complaints this year since the service was split over two days a week in the 2019/20 year. Splitting the service has seen bins consistently collected with a higher level of service. The community has continued to adjust well to the new collection method.				
Provision of effective waste service for the community.	Customer satisfaction rating of waste transfer stations good or better.	81%	>80%	89%	
	Commentary 2020/21: Achieved. 89% rated satisfaction of waste transfer stations as excellent or good.				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
Waste minimisation education reduces household waste and increases good recycling practices.	Number of public education activities completed.	4	3	13	
	Commentary 2020/21: Achieved. 12 local schools have received specific classes aimed at reducing waste and recycling education as part of the Waste Education program. 1 school was given an educational tour around the Ōpōtiki Resource Recovery Centre in November 2020.				
Service provided keeps residual waste to minimum quantity.	Residual waste per year does not exceed 120 kg per person per year.	159.26 kg / person / year	<120 kg / person / year	232kg / person 2155000kg of residual waste accumulated over the year. Population = 9276 (2018 Census)	
	Commentary 2020/21: Not achieved. There is a number of contributing factors that could have led to an increase in residual waste. An unmeasured but substantial increase in the amount of construction & demolition waste has contributed to the waste to landfill amounts. Excess waste was stored during Covid Lockdown due to travel restrictions, transport to landfill resumed over the first half of last financial year. Population from the 2018 Census data may not reflect present day figures. Economic growth in the town has led to increased house sales and renovations of these homes.				

Internal Borrowing

	Opening Balance 1/07/2020 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2021 \$ 000's	Interest 2021 \$ 000's
Solid Waste Management	119	-	9	110	5
Refuse Collection	126	-	17	109	5
	245	-	26	219	10

Funding Impact Statement

Ōpōtiki District Council - Solid Waste Management Activity	2020	2021	2021	2021
	Long-term plan	Long-term plan	Actual	Annual Plan
	(\$000)	(\$000)	(\$000)	(\$000)
Funding Impact Statement for 30 June 2021				
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	872	893	1,011	1,011
Targeted rates	358	365	449	446
Subsidies and grants for operating purposes	36	37	33	37
Fees and charges	282	288	255	292
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	1,548	1,583	1,748	1,786
Applications of operating funding				
Payment to staff and suppliers	1,236	1,259	1,558	1,454
Finance costs	4	5	9	9
Internal charges and overheads applied	298	308	329	323
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,538	1,572	1,896	1,786
Surplus (deficit) of operating funding (A - B)	10	11	(148)	-
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	10	(11)	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	10	(11)	-	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	20	-	-	-
Increase (decrease) in reserves	-	-	(148)	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	20	-	(148)	-
Surplus (deficit) of capital funding (C - D)	(10)	(11)	148	-
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	2019/20 Result	Target 2020/21	2020/21 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 2020/21: 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).	0/1000 connections	0	0/1000 connections	
	Commentary 2020/21: 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	
	Commentary 2020/21: Achieved. No flooding events recorded.				
	Number of complaints received about the performance of the stormwater system per 1000 connections.	<6/1000 connections	<10/1000 connections	<6/1000 connections	
	Commentary 2020/21: Achieved. A total of 8 complaints received which is <6 per 1000 connections based on 1583 connections. Council have a range of projects budgeted for in the 2021-2031 LTP for level of service improvements. Currently we have detailed modelling and assessments underway to provide greater clarity on where the need for improvement is and to articulate the need and benefits of projects in measured terms with regard to level of service.* This year we have adjusted the way we report the number of stormwater connections. In 2019/20 we estimated stormwater connections by applying a 50% factor to the 1583 number of wastewater connections. For 2020/21 we are applying a 100% factor to estimate the number of stormwater connections. This is because our levels of service considerations are not limited to 50% (an estimate) of homes physically connected to the stormwater infrastructure but include all other homes in the managed stormwater catchment. The 100% factor seeks to better reflect that consideration.				
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 2020/21: Achieved. No abatement notices received.				
	b) infringement notices	0	0	0	
	Commentary 2020/21: Achieved. No infringement notices received.				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	c) enforcement orders	0	0	0	
	Commentary 2020/21: Achieved. No enforcement orders received.				
	d) convictions	0	0	0	
	Commentary 2020/21: Achieved. No convictions received.				
	received by Council in relation to those resource consents.				

Internal Borrowing

	Opening Balance 1/07/2020 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2021 \$ 000's	Interest 2021 \$ 000's
Stormwater	1,251	271	3	1,519	54
	1,251	271	3	1,519	54

Capital Expenditure

	LTP 2021 000's	Actuals 2021 000's
- to improve the level of service		
Tarawa Creek Flood Water Storage Area	-	15
Tarawa Creek Pump Station	524	-
Upgrade to Richard St Gravity Main	-	16
Wellington/Brabant St Pump Station	241	-
3 Waters Reform - Stormwater	-	169
- to improve the level of service Total	765	200
- to replace existing assets		
Ōpōtiki Plant Replacements	-	54
Ōpōtiki Reticulation Replacements	37	-
SW Reticulation Replacements	-	17
- to replace existing assets Total	37	71
Total capital expenditure	802	271

Funding Impact Statement

Ōpōtiki District Council - Stormwater Activity

Funding Impact Statement for 30 June 2021

Sources of operating funding

General rates, uniform annual general charge, rates penalties	613	612	573	573
Targeted rates	68	68	64	64
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)

2020 Long- term plan (\$000)	2021 Long- term plan (\$000)	2021 Actual (\$000)	2021 Annual Plan (\$000)
613	612	573	573
68	68	64	64
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
681	680	637	637

Applications of operating funding

Payment to staff and suppliers	156	216	377	214
Finance costs	70	105	54	106
Internal charges and overheads applied	145	149	186	149
Other operating funding applications	-	-	-	-

Total applications of operating funding (B)

156	216	377	214
70	105	54	106
145	149	186	149
-	-	-	-
471	470	617	469

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

210	210	20	168
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Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(138)	592	-	1,819
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-

Total sources of capital funding (C)

-	-	-	-
-	-	-	-
(138)	592	-	1,819
-	-	-	-
-	-	-	-
-	-	-	-
(138)	592	-	1,819

Application of capital funding

Capital expenditure

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

Increase (decrease) in reserves	-	-	(251)	-
Increase (decrease) in investments	-	-	-	-

Total applications of capital funding (D)

-	-	-	-
36	765	149	1,887
36	37	122	100
-	-	(251)	-
-	-	-	-
72	802	20	1,987

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

(210)	(210)	(20)	(168)
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Funding balance ((A - B) + (C - D))

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

Potential Significant 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	2019/20 Result	Target 2020/21	2020/21 Result	Status
Review District Plan in accordance with the RMA.	Review and update the District Plan subject to appeal.	100%	N/A	N/A	
	Commentary 2020/21: Achieved. The District Plan was resolved by Council 17 December 2020. This was publicly notified 24 December 2020 and the plan was made operative on 5 January 2021.				
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%	100%	
	Commentary 2020/21: Achieved. The review and adoption of all Council Bylaws is complete. A report was presented to the 25 August 2020 Ordinary Council meeting where the final consolidated bylaws were officially adopted.				

Ōpōtiki District Council - District Plan Activity	2020	2021	2021	2021
	Long-term	Long-term	Actual	Annual
	plan	plan		Plan
	(\$000)	(\$000)	(\$000)	(\$000)
Funding Impact Statement for 30 June 2021				
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	254	260	344	344
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	36	37	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	290	297	344	344
Applications of operating funding				
Payment to staff and suppliers	218	221	176	270
Finance costs	-	-	-	-
Internal charges and overheads applied	72	76	83	74
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	290	297	259	344
Surplus (deficit) of operating funding (A - B)	-	-	85	-
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	-	-	85	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	-	85	-
Surplus (deficit) of capital funding (C - D)	-	-	(85)	-
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 Waiotaha Drifts while the other serves a small subdivision at Waihau Bay. Both schemes discharge primary treated effluent to field soakage systems. All other dwellings in the District are serviced by privately owned septic tank systems.

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

This significant activity includes:








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






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

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	2019/20 Result	Target 2020/21	2020/21 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	0/1000 connections	<5/1000 connections	<2/1000 connections	
	Commentary 2020/21: Achieved. 2 complaints received which is less than 2 per 1000 connections based on a total of 1583 connections.				
	b) sewerage system faults	<2/1000 connections	<10/1000 connections	<3/1000 connections	
	Commentary 2020/21: Achieved. 4 complaints received which is less than 3 per 1000 connections based on a total of 1583 connections.				
	c) sewerage system blockages	<2/1000 connections	<5/1000 connections	3/1000 connections	
	Commentary 2020/21: Achieved. 4 complaints received which is less than 3 per 1000 connections based on a total of 1583 connections.				
	d) Council's response to issues with its sewerage system	0/1000 connections	<3/1000 connections	0/1000 connections	
	Commentary 2020/21: Achieved. No complaints received.				
	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.	<20 minutes	<4 hours	7 minutes	
	Commentary 2020/21: Achieved. 4 complaints received and median response time was 7 minutes.				
	Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system.	<1 hour	<2 days	3 hours and 32 minutes	
	Commentary 2020/21: Achieved. 4 complaints received and median time to resolution is 3 hours and 32 minutes. Council have a significant value of budget set aside in the 2021-2031 Long Term Plan (LTP) for wastewater reticulation rehabilitation. In particular, from years 4 to 8 of the LTP. In years 2 and 3 we will be progressing work to understand where issues are to help inform how that money is spent and where in the network.				
Sewage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system.	0	0	0	
	Commentary 2020/21: Achieved. No overflows from Council's sewerage system into habitable buildings recorded.				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	The number of dry weather overflows from Council's sewerage system expressed per 1000 sewerage connections to that sewerage system.	<1/1000 connections	<2/1000 connections	<1/1000 connections	
	Commentary 2020/21: Achieved. 1 dry weather overflow recorded which is less than 1 (0.63) per 1000 connections based on a total of 1583 connections. Council found this overflow to be the result of a blockage caused by excess fat but investigations into the source was unsuccessful. Council regularly puts out messages reminding the community of what should and shouldn't go into the system. In general this type of repair would take us two to three hours and we may have incorrectly recorded the resolution time on this occasion.				
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 2020/21: Achieved. No abatement notices have been received but a significant non-compliance was identified resulting from a Compliance Inspection on 30/06/2021. This stated that the soakage fields were not being used to full capacity during heavy loads.				
	b) infringement notices	0	0	0	
	Commentary 2020/21: Achieved. No infringement notices.				
	c) enforcement orders	0	0	0	
	Commentary 2020/21: Achieved. No enforcement orders.				
	d) convictions	0	0	0	
	Commentary 2020/21: Achieved. No convictions.				
	received by Council in relation to those resource consents.				

Internal Borrowing

	Opening Balance 1/07/2020	Borrowed	Repaid	Balance 30/06/2021	Interest 2021
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Opotiki Sewerage	4,311	461	12	4,759	177
	4,311	461	12	4,759	177

Capital Expenditure

	LTP 2021 000's	Actuals 2021 000's
- to improve the level of service		
Factory Rd Wastewater Extension Stage 2	157	-
- to improve the level of service Total	157	-
- to replace existing assets		
Works on Private Laterals	-	144
WW Opotiki 2017	-	1
Replacement No 1 Pump Station	-	155
Reticulation Renewals	-	24
Wastewater Treatment Renewals Ōpōtiki	73	-
Wastewater Reticulation Renewals Ōpōtiki	47	-
Wastewater Reticulation Renewals Waihou Bay	3	-
3 Waters Reform - Wastewater	-	106
- to replace existing assets Total	124	430
Total capital expenditure	281	430

Funding Impact Statement

Ōpōtiki District Council - Wastewater Activity

Funding Impact Statement for 30 June 2021

Sources of operating funding

General rates, uniform annual general charge, rates penalties	572	574	496	496
Targeted rates	931	1,051	911	907
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	6	6	1	6
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	16	1

Total operating funding (A)

2020 Long- term plan (\$000)	2021 Long- term plan (\$000)	2021 Actual (\$000)	2021 Annual Plan (\$000)
572	574	496	496
931	1,051	911	907
-	-	-	-
6	6	1	6
-	-	-	-
1	1	16	1
1,510	1,632	1,424	1,410

Applications of operating funding

Payment to staff and suppliers	464	515	923	429
Finance costs	229	289	177	278
Internal charges and overheads applied	360	369	488	368
Other operating funding applications	-	-	-	-

Total applications of operating funding (B)

464	515	923	429
229	289	177	278
360	369	488	368
-	-	-	-
1,053	1,173	1,588	1,075

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

457	459	(164)	335
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Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	3,979	(178)	-	973
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-

Total sources of capital funding (C)

-	-	-	-
-	-	-	-
3,979	(178)	-	973
-	-	-	-
-	-	-	-
-	-	-	-
3,979	(178)	-	973

Application of capital funding

Capital expenditure

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

Increase (decrease) in reserves	-	-	(613)	-
Increase (decrease) in investments	-	-	-	-

Total applications of capital funding (D)

-	-	11	-
113	157	12	-
4,323	124	426	1,308
-	-	(613)	-
-	-	-	-
4,436	281	(164)	1,308

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

(457)	(459)	164	(335)
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Funding balance ((A - B) + (C - D))

-	-	-	-
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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, Hukutaia, 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 firefighting 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	2019/20 Result	Target 2020/21	2020/21 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	6.8/1000 connections	<5	<2/1000 connections	
	Commentary 2020/21: Achieved. 5 complaints received which is less than 2 per 1000 connections based on 2645 connections.				
	Drinking water taste	<1/1000 connections	<5	<1/1000 connections	
	Commentary 2020/21: Achieved. 2 complaints received which is less than 1 per 1000 connections based on 2645 connections.				
	Drinking water odour	0/1000 connections	<5	0/1000 connections	
	Commentary 2020/21: Achieved. No complaints received.				
	Drinking water pressure or flow	<2/1000 connections	<5	<1/1000 connections	
	Commentary 2020/21: Achieved. 1 complaint received which is less than 1 per 1000 connections based on 2645 connections.				
	Continuity of supply	<3/1000 connections	<5	<2/1000 connections	
	Commentary 2020/21: Achieved. 4 complaints received which is less than 2 per 1000 connections based on 2645 connections.				
	Council's response to any of these issues	0/1000 connections	<3	0/1000 connections	
	Commentary 2020/21: 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	2019/20 Result	Target 2020/21	2020/21 Result	Status	
	Ōpōtiki	Bacterial	Non-compliant	100%	100%		
	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	100%	100%	Awaiting verification		
<p>Commentary 2020/21</p> <p>Bacteria: Achieved 100%. All 4 zones and 3 plants complied with Part 4 of the Drinking Water Standards. Leniency was granted for the Opotiki plant, as the sampling criteria to be used was under dispute for the first quarter, resulting in a reduced number of samples taken.</p> <p>Protozoal: Not achieved. Result is 33%. Opotiki fully compliant. Ohiwa still awaiting verification from Drinking Water Assessor. Alternative source under investigation for Te Kaha.</p>							

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
Failures and service requests are responded to promptly.	Fault response times: a) Median response time to attend urgent call-outs	61 minutes	<4 hours	3 minutes	
	Commentary 2020/21: Achieved. 3 urgent requests received and the median response time was 3 minutes.				
	b) Median response time to resolve urgent call-outs	18 hours and 54 minutes	<1 days	2 hours and 3 minutes	
	Commentary 2020/21: Achieved. 1 urgent request received and time to resolution was 2 hours and 3 minutes.				
	c) Median response time to attend non-urgent call-outs	15 minutes	<1 day	7 minutes	
	Commentary 2020/21: Achieved. 102 non-urgent requests received and the median response time was 7 minutes.				
	d) Median response time to resolve non-urgent call-outs	4 hours and 29 minutes	<4 days	19 hours and 41 minutes	
Commentary 2020/21: Achieved. 102 non-urgent requests received and the median time to resolution was 19 hours and 41 minutes.					

Water resources are used efficiently and sustainably.	Average consumption of drinking water per day per resident.	Ōpōtiki - 202L Te Kaha - 153L Ohiwa - 150L	<400L	Opotiki - 386L Te Kaha - 386L Ohiwa - 235L	
	Commentary 2020/21: Achieved. All schemes achieved consumption of less than 400 litres per person per day. All figures based on readings, not estimates.				
	Percentage of real water loss from networked reticulation system.	Ōpōtiki 2.60%	<15%	2.50%	
	Commentary 2020/21: Achieved. Leakage between 2 and 4% is considered as follows: "Possibilities for further improvement." There is some uncertainty around the accuracy of the bulk meter results. The current town feed bulk meter is an older ultrasonic meter. Because of its location, the only way to test it is with another ultrasonic meter. We have a suitable location to install a modern mag meter, which will be able to be tested regularly. Budget has been set aside in the 2021-2031 Long Term Plan for bulk meter replacements which will be carried out in year 2 of the LTP. We currently have a water leak detection survey underway across all networks in the district. Once key leaks are resolved and new bulk meters installed we will be in a great position to establish an accurate baseline of water use in our networks from which we will be able to identify and assess water leaks in the future.				
		Te Kaha 15.30%	<15%	10.60%	
	Commentary 2020/21: Achieved but level indicates leakage reduction program a high priority.				
		Ohiwa 2.90%	No target set	2.4%	

Internal Borrowing

	Opening Balance 1/07/2020 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2021 \$ 000's	Interest 2021 \$ 000's
Ohiwa Water	49	-	1	49	2
Opotiki/Hikutaia Water	4,850	111	60	4,900	192
Te Kaha Water	373	76	2	448	15
	5,272	187	63	5,397	209

Capital Expenditure

	LTP 2021 000's	Actuals 2021 000's
- to improve the level of service		
Reservoir Replacement	262	-
Ōpōtiki Water Treatment UV	210	-
- to improve the level of service Total	472	-
- to replace existing assets		
WTP Treatment Equipment & Service Pumps	-	19
Ōhiwa Treatment Renewals	2	-
Reticulation Renewals Ōpōtiki	63	-
Treatment Renewals Ōpōtiki	52	-
Reticulation Renewals Te Kaha	21	-
Treatment Renewals Te Kaha	19	-
Water Retic Renewals Opotiki	-	45
3 Waters Reform - Water Supply	-	123
- to replace existing assets Total	157	187
Total capital expenditure	629	187

Funding Impact Statement

Ōpōtiki District Council - Water Supplies Activity

Funding Impact Statement for 30 June 2021

Sources of operating funding

General rates, uniform annual general charge, rates penalties	229	170	132	132
Targeted rates	1,183	1,272	1,222	1,077
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	8	8	2	8
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	1	-

Total operating funding (A)

2020 Long- term plan (\$000)	2021 Long- term plan (\$000)	2021 Actual (\$000)	2021 Annual Plan (\$000)
1,420	1,450	1,357	1,217

Applications of operating funding

Payment to staff and suppliers	645	635	884	550
Finance costs	85	114	209	163
Internal charges and overheads applied	257	264	314	272
Other operating funding applications	-	-	-	-

Total applications of operating funding (B)

987	1,013	1,407	985
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Surplus (deficit) of operating funding (A - B)

433	435	(50)	232
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Sources of capital funding

Subsidies and grants for capital expenditure	-	-	349	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(259)	194	-	(54)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-

Total sources of capital funding (C)

(259)	194	349	(54)
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Application of capital funding

Capital expenditure

- to meet additional demand	-	-	-	-
- to improve the level of service	21	472	77	21
- to replace existing assets	153	157	111	157
Increase (decrease) in reserves	-	-	111	-
Increase (decrease) in investments	-	-	-	-

Total applications of capital funding (D)

174	629	299	178
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Surplus (deficit) of capital funding (C - D)

(433)	(435)	50	(232)
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Funding balance ((A - B) + (C - D))

-	-	-	-
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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	2019/20 Result	Target 2020/21	2020/21 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 2020/21: Achieved. 5 urgent requests received and all responded to within 1 day.				
	- Non-urgent requests within 4 days	88%	90%	87%	
	Commentary 2020/21: Not achieved. 145 non-urgent requests received. 126 responded to within 4 days and 19 responded to over 4 days.				
	Percentage of sealed road network resurfaced.	>5%	>5%	>8%	
Traffic services (street lighting, roadside vegetation, road signs, road markings) are visible and accurate.	Commentary 2020/21: Achieved. Some savings were used to complete further reseal sites late in the 2020/21 year. Total completed 14.56km, equalling 8.37% of sealed network resealed.				
	Percentage of road users satisfied that traffic services on the network are accurate and visible.	82%	>85%	88%	
Road users find the road environment predictable and the road safe to use.	Commentary 2020/21: Achieved. 88% rated satisfaction that traffic services on the network are accurate and visible as very/fairly satisfied.				
	Percentage of persons who as users rate the safety of the District's roads as good or excellent.	63%	>85%	71%	
Commentary 2020/21: Not achieved. 71% rated the safety of the District's roads as very/fairly good. This shows an improvement on the previous year and the trend is heading in the right direction. Further Road safety works and speed limit changes are planned for the coming years which aim to further improve on this measure to meet the 85% target. Would also suggest that safety of the state highway network could negatively affect the score users are giving for the Council roads, as Council staff often deal with complaints relating to state highway maintenance and safety issues, and in general road users don't know that there is a difference between the state highways and local roads.					

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	The average quality of a ride on a sealed local road network, measured by the smooth travel exposure.	98%	91-95% every other year.	98%	
	Commentary 2020/21: Achieved. No change as this data is collected only every 2 years. These results were published on 14 October 2020.				
	Change from previous year in number of fatalities and serious injury crashes on Council maintained roads.	4 *This was previously reported as -1 in the 2019/20 Annual Report but has been amended due to a change in recording parameters – see commentary below. Consists of: Serious crash = 2 Fatal crash = 2	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend	Consists of: Serious crash = 3 Fatal crash = 1	
	Commentary 2020/21: Achieved. No increase in result when compared to amended results for 2019/20 year. While the number of crashes overall has not increased or decreased the number of fatal crashes has decreased by 1. Additional reporting: Per guidance received from Department of Internal Affairs (DIA) it is noted to be best practice to include crashes on the intersection of a Council Road and State Highway.				
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.	59%	>75%	78%	
	Commentary 2020/21: Achieved. 78% rated the standard of footpaths as excellent or good. During 2020 and 2021 Council staff carried out major renewal and construction of footpaths using Provincial Growth Fund funding which increased the size of the network and carried out needed maintenance on the existing network. This level of satisfaction represents a major improvement on the previous year as well and exceeding the target.				

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	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.	70% of qualifying footpath faults scheduled for repair	80% of qualifying footpath faults scheduled for repair	N/A	
	Commentary 2020/21: Not applicable for 2020/21 year as planned renewals based on footpath condition surveys for 2020/21 year were not completed due to COVID-19 lockdown. The budget set aside for this was then used to supplement the PGF funding received for the new footpaths across the district - this included some renewals. It is expected that the renewals programme will continue as normal in 2021/22.				

Internal Borrowing

	Opening Balance 1/07/2020 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2021 \$ 000's	Interest 2021 \$ 000's
Subsidised Roothing	907	1,000	36	1,872	55
Non-Subsidised Roothing	71	751	11	811	17
	978	1,751	47	2,683	72

Capital Expenditure

	LTP 2021 000's	Actuals 2021 000's
- to improve the level of service		
Minor Improvements	-	566
Seal Extension (Subject to council approval)	230	-
New Roads (Harbour access 3km @600k/km)	836	-
Urban undergrounding share with Horizon	104	-
New Roads - Harbour	-	1,058
Wainui Road Safety Improvement	-	832
Harbour Access - Business case	-	23
Harbour access - Pre implement	-	15
Seal Extension	-	184
- to improve the level of service Total	1,170	2,677
- to replace existing assets		
Drainage Renewals	98	199
Footpath	52	28
Traffic Services Renewals	47	37
Urban Kerb & Channel	33	58
Sealed road resurfacing	416	452
Sealed road pavement rehabilitation	178	345
Structures component replacements	49	-
Minor improvements 2015-18 - Local Roads	214	-
PGF Opotiki Footpaths	-	2,885
Coastal Footpaths	-	586
Structures Component Replace	-	208
- to replace existing assets Total	1,087	4,798
Total capital expenditure	2,257	7,475

Funding Impact Statement

Ōpōtiki District Council - Land Transport Activity	2020	2021	2021	2021
	Long-term	Long-term	Actual	Annual
	plan	plan		Plan
	(\$000)	(\$000)	(\$000)	(\$000)
Funding Impact Statement for 30 June 2021				
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	1,547	1,502	1,659	1,659
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1,643	1,679	2,067	1,660
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	80	77	109	81
Total operating funding (A)	3,270	3,258	3,835	3,400
Applications of operating funding				
Payment to staff and suppliers	2,347	2,397	2,752	2,706
Finance costs	19	42	72	45
Internal charges and overheads applied	585	598	799	580
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,951	3,037	3,623	3,331
Surplus (deficit) of operating funding (A - B)	319	221	212	69
Sources of capital funding				
Subsidies and grants for capital expenditure	1,489	1,378	3,247	4,140
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	447	658	-	655
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	1,936	2,036	3,247	4,795
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,124	1,170	2,677	3,492
- to replace existing assets	1,252	1,087	4,722	1,368
Increase (decrease) in reserves	(121)	-	(3,940)	4
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2,255	2,257	3,459	4,864
Surplus (deficit) of capital funding (C - D)	(319)	(221)	(212)	(69)
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 to be about advancing common objectives.

Levels of service:

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
BOPLASS	Investigate new joint procurement initiatives for goods and service for BOPLASS councils.	8	Minimum of 4	7	
<p>Achieved. The new procurement initiatives which have been investigated during the year are as follows:</p> <p>Waste Operator Licencing and Data System – An ROI was undertaken by BOPLASS on behalf of all the BOPLASS and Waikato councils for a data management system and administration services to support the development of a region-wide waste operator licencing and data service. <i>The ROI process will be followed by a closed RFP.</i></p>					
<p>Skin Scans / Mole Mapping – BOPLASS explored opportunities for a collective contract to enable councils to offer a subsidised rate to their staff for mole mapping. A provider has not yet been appointed as the project has expanded to investigate health insurance options across the BOPLASS group of councils.</p>					
<p>Infrastructure Insurance – Councils infrastructure insurance was placed into the London markets in late 2020 through direct engagement with the London underwriters and Lloyds syndicates. Exceptional outcomes were achieved for all councils – both in insurance rates and the cover achieved. Due to a continued unprecedented level of international natural disaster claims, insurance markets have become extremely cautious about the risk they are prepared to write. The high standard of the information being provided by BOPLASS councils and our historical relationships with the international markets have proven to be a strength for us at renewal time.</p> <p><i>Securing councils' insurance cover requires a new procurement process to be undertaken every 12-months and includes investigating, or engaging with, alternative markets.</i></p>					
<p>GIS Technical Support –BOPLASS undertook procurement to appoint a Regional Technical Advisor to be used as a shared resource and provide technical support across all BOPLASS councils.</p>					

Goal	Key Performance Indicator	2019/20 Result	Target 2020/21	2020/21 Result	Status
	Website Quality Assurance – BOPLASS has established a collective agreement for website quality assurance.				
	IPWEA Membership – BOPLASS engaged with the Institute of Public Works Engineering Australasia on behalf of our constituent councils to establish a single BOPLASS portal to allow all councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes.				
	Courier Services – BOPLASS has led a procurement process across the three North Island LASS and Hawke's Bay councils for the appointment of a courier services provider.				
	Communicate with each shareholding Council through a minimum of one meeting with each Executive Leadership Team.	100%	100%	100%	
	Commentary 2020/21: 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. Operations Committee meetings held during the year with executive level input provided by all shareholding councils. Executive Leadership.				
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 2020/21: Achieved. A strategy and annual work plan was approved by the Toi-EDA board in September 2019 which they continue to work to. Further information can be found in the Toi EDA 2020-21 Annual Report on our website here: https://www.odc.govt.nz/our-council/reports-studies/reports				
	Submissions lodged on all regional and EBOP district plans.	100%	100%	100%	
	Commentary 2020/21: Achieved. Submissions lodged on applicable plans.				

Ōpōtiki District Council - Investments Activity

Funding Impact Statement for 30 June 2021

Sources of operating funding

	2020 Long- term plan (\$000)	2021 Long- term plan (\$000)	2021 Actual (\$000)	2021 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	73	74	57	57
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)	73	74	57	57

Applications of operating funding

Payment to staff and suppliers	60	61	(6)	45
Finance costs	-	-	-	-
Internal charges and overheads applied	13	13	12	12
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	73	74	6	57

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

-	-	51	-
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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	-	-	19	-
Increase (decrease) in investments	-	-	32	-
Total applications of capital funding (D)	-	-	51	-

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

-	-	(51)	-
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Funding balance ((A - B) + (C - D))

-	-	-	-
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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	The quality of life for Ōpōtiki residents will be underpinned by Council's core services such as water, stormwater, sewerage, roads and solid waste management.
Well-being focus area	Social well being
Priority for Council action	Provide infrastructure e.g. roads and footpaths, water, stormwater, sewerage, waste management, extension 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 2019/20 Annual Report was published • We complied with all statutory requirements and adopted the 2021-2031 Long Term Plan in June 2020 • We held nearly 30 open public meetings • Satisfaction with Council leadership was measured through our annual community survey. Residents are also 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 Te Arawhiti and Te Whānau a Apanui joint request re Ōpōtiki district reserve land, the Revenue and Financing Policy and Volknors Island Reserve concept plans. The Consolidated bylaws were adopted • At various times over the year Council welcomed the Prime Minister and various MPs to the District including then Deputy Prime Minister Winston Peters who made funding announcements for Te Tāhuhu o Te Rangi, the town centre revitalisation, the Ōpōtiki Golf Club and rugby club, a marine industrial precinct, and Mahi Ora Ōpōtiki (a community-employment programme providing an education-to-employment pipeline) • Council met with key agencies such as the Ministry of Social Development, Kāinga Ora, Whakatōhea Māori Trust Board, and Te Puni Kokiri to ensure an engaged and joined up approach to housing in our district as well as continuing its role of ensuring an easy-to-navigate regulatory environment, a District Plan that looks to encourage housing development through zoning, and careful infrastructure planning for growth.

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 compliance is in line with relevant standards
- Our library facilitated over 34 events and programmes
- The build of the new dog pound was completed
- The build of Te Tahuhu o Te Rangi began
- The digital hub opened
- The Town Centre Revitalisation plan was adopted and actions begun
- Council continues to support the Motu Trails Cycleway and work started on further cycleway extensions
- Rawinia Rangi reserve was completed and opened to the public
- Works begun on a new Skatepark and Pumptrack and the revamp of the existing Skatepark
- Development plans for all reserves was completed
- The CBD toilets got an upgrade.

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

- Workforce Development team put in place to ensure links between employers and training opportunities and community
- Council continued to support the upkeep of 22 of the district's Urupa
- Continued community funding was provided through MOUs with community organisations
- 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
- 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 Pound
- We continued to support a driver mentoring programme for the community
- Events were held to encourage community activity and participation.

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
<ul style="list-style-type: none"> To create a sustainable economic future by broadening the District's economic and therefore employment base. 	<ul style="list-style-type: none"> funding agreement with the Ministry of Business Innovation and Employment (MBIE) Maintained relationships with Ōpōtiki businesses including holding workshops and stakeholder strategy days to get planning input Workforce Development team administered a programme headed by the Mayors' Taskforce for Jobs and the Ministry of Social Development connecting Ōpōtiki small businesses with local rangitahi, providing them with an opportunity to get in to meaningful employment Maintained contact with tourism sector Held 8 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 continued with 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 Work on extensions to the Motu Trails began Employment opportunities and local business growth was generated as PGF funding enabled many long planned projects to proceed – details can be found in our Highlights and Significant Events section at the start of this document. Council continues to encourage development of Maori land via rates remission policies.

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 • Council continued its successful free microchipping and dangerous dog de-sexing programmes • Training for civil defence staff continued and civil defence education for/in the community continued in conjunction with Emergency Management Bay of Plenty • Research on coastal erosion and other hazards continues to be run in partnership with Bay of Plenty Regional 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

Ensure the environmentally safe collection and disposal of waste.

Minimise the creation of waste within the district.

Work programme and performance measure progress

- 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
- Council continues to issue litter infringements to combat the issue of fly-tipping and illegal dumping.

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

To protect the environment from the adverse effects of stormwater.

To protect public health and property.

Facilities and services that meet the expectations of the community for quality of life.

Work programme and performance measure progress

- 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
- Council completed its programmed works to maintain and upgrade its assets including various stormwater plant components to ensure optimal operation
- Planning was undertaken for Tarawa Creek Development, Richard Street Gravity Main Upgrade and King Street Culvert Upgrade

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

- The District Plan was adopted and made operative
- The Consolidated Bylaws were adopted.

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 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
- Sludge from the wastewater treatment pond was removed this year to improve the natural performance of the aerobic treatment pond
- 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.

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
- An assessment of the Ōpōtiki water supply model was undertaken to accommodate future growth and to inform where works are required to maintain and improve levels of service across the network
- Council is developing its Water Safety Plan
- Council completed its programmed works to maintain and upgrade its assets including various water supply plant components to ensure optimal operation.

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 continued 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
- Work was completed on the Snell Road access road for the Ōpōtiki harbour development project
- Successful funding applications for 'shovel-ready' projects enabled new and replacement footpaths for the Ōpōtiki township
- Council continued with the infill street lighting project in Ōpōtiki township and installed an additional 233 LED luminaries as part of the infill street lighting programme this year.

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.



Financial Information



Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2021

	Note	Actual 2021 000's	Budget 2021 000's	Actual 2020 Restated* 000's
Revenue				
Rates	2	11,739	11,329	11,256
Subsidies and Grants	4	11,266	28,209	8,548
Fees and Charges	3	1,282	1,355	1,254
Dividend & Subvention Income		-	-	-
Interest Revenue	5	55	42	9
Other Revenue	7	540	409	309
Development and financial contributions		-	-	3
Total Revenue		24,882	41,344	21,379
Expenditure				
Other Expenses	9	14,695	8,529	12,073
Depreciation and Amortisation	14,15	3,762	3,027	2,976
Personnel Costs	8	4,701	4,654	4,537
Finance Costs	5	291	928	257
Losses/(Gains)		-	-	-
Total Expenditure		23,449	17,138	19,843
Share of associate's surplus/(deficit)	13	32	-	16
Surplus / (Deficit)		1,465	24,206	1,552
Other Comprehensive Revenue and Expense				
Property, plant, and equipment revaluation		8,595	3,056	36,950
Gain / (Loss) on Financial Assets		-	-	-
		-	-	-
Total Other Comprehensive Revenue and Expense		8,595	3,056	36,950
Total Comprehensive Revenue and Expense		10,060	27,262	38,502

*Certain amounts shown here do not correspond to the 2020 financial statements and reflects adjustments made. Refer Note 30

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 2021

	Note	Actual 2021 000's	Budget 2021 000's	Actual 2020 Restated* 000's
Equity balance at 1 July		241,873	210,732	203,336
Comprehensive revenue and expense for year	22	10,060	27,262	38,502
Transfers	22	64	-	35
Equity Balance 30 June		251,997	237,994	241,873
Components of Equity				
Accumulated Funds at 1 July		138,249	137,076	135,596
Net Surplus/(Deficit)		1,465	24,206	1,552
Transfers to / (from) equity		(105)	(160)	1,101
Accumulated Funds 30 June		139,609	161,122	138,249
Asset Revaluation Reserves at 1 July		102,123	72,712	66,369
Transfers to / (from) reserves		-	-	(1,196)
Revaluation Gains/(Losses)		8,595	3,056	36,950
Revaluation Reserves 30 June		110,718	75,768	102,123
Council Created Reserves at 1 July		1,501	944	1,371
Transfers to / (from) reserves		169	160	130
Council created Reserves 30 June		1,670	1,104	1,501
Equity at 30 June		251,997	237,994	241,873

*Certain amounts shown here do not correspond to the 2020 financial statements and reflects adjustments made. Refer Note 30

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 2021

	Note	Actual 2021 000's	Budget 2021 000's	Actual 2020 Restated* 000's
ASSETS				
Current Assets				
Cash & Cash Equivalents	10	5,258	4,000	4,558
Debtors & Other Receivables	11	4,893	3,866	3,036
Other Financial Assets	12	4,000	-	3,200
Inventory		54	-	53
Prepayments		204	139	218
Total Current Assets		14,409	8,005	11,065
Non-Current Assets				
Investment Property	16	2,678	2,606	2,700
Investment in Associate	13	139	201	107
<i>Other Financial Assets:</i>				
- Investments in CCO's and Other Similar Entities	12	159	-	159
Property, Plant & Equipment	14	257,132	256,681	241,378
Intangible Assets	15	113	146	85
Total Non-Current Assets		260,221	259,634	244,429
TOTAL ASSETS		274,630	267,639	255,494
LIABILITIES				
Current Liabilities				
Payables and Deferred Revenue	18	13,696	4,730	4,700
Borrowings	21	1,500	-	-
Employee Benefit Liabilities	20	361	399	342
Provisions	19	9	-	8
Total Current Liabilities		15,566	5,129	5,050
Non-Current Liabilities				
Borrowings	21	7,000	24,351	8,500
Provisions	19	67	164	71
Total Non-Current Liabilities		7,067	24,515	8,571
TOTAL LIABILITIES		22,633	29,644	13,621
NET ASSETS (assets minus liabilities)		251,997	237,994	241,873
EQUITY				
Retained Earnings	22	139,609	161,122	138,249
Asset Revaluation Reserves	22	110,718	75,768	102,123
Council Created Reserves	22	1,670	1,104	1,501
TOTAL EQUITY		251,997	237,994	241,873

*Certain amounts shown here do not correspond to the 2020 financial statements and reflects adjustments made. Refer Note 30

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



David Moore
MAYOR
Date: 15 November 2022



Miles McConway
CHIEF EXECUTIVE - Interim
Date: 15 November 2022

Statement of Cashflows

Cash Flow Statement

For the Year Ended 30 June 2021

	Actual 2021 000's	Budget 2021 000's	Actual 2020 Restated* 000's
Cashflow from Operating Activities			
Receipts from rates revenue	11,817	11,172	11,455
Subsidies and grants received	10,285	28,661	8,103
Fees and charges received	1,282	1,257	1,254
Interest and dividends from investments	55	42	9
Other revenue	395	-	307
Payments to suppliers and employees	(14,957)	(12,710)	(12,529)
Finance costs	(291)	(928)	(257)
Payments to/on behalf of other authorities*	113	-	85
Goods and services tax (net)	(1,160)	-	363
Net cashflow from operating activities	7,539	27,494	8,790
Cashflow from Investing Activities			
Receipts from sale of property, plant and equipment	422	-	-
Receipts from sale of investment property	354	-	-
Purchases of property, plant and equipment	(13,061)	(36,242)	(5,795)
Purchases of investment property	(115)	-	(260)
Acquisition of investments	(800)	-	(3,283)
Capital grants received	6,451	-	-
Purchases of intangible assets	(90)	-	(57)
Net cashflow from investing Activities	(6,839)	(36,242)	(9,395)
Cashflow from Financing Activities			
Proceeds from borrowings	-	9,064	3,500
Repayment of borrowings	-	-	-
Net cashflow from financing activities	-	9,064	3,500
Net Increase / (Decrease) in Cash and cash equivalents	700	315	2,895
Opening Cash and cash equivalents	4,558	3,685	1,663
Closing Cash and cash equivalents	5,258	4,000	4,558

* 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	2020	2020	2021	2021
	LTP	Annual	Annual	Actual
Funding Impact Statement for 30 June 2021	(\$000)	report (\$000)	Plan (\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	8,483	8,368	8,610	8,585
Targeted rates	2,786	2,888	2,719	3,154
Subsidies and grants for operating purposes	1,749	2,034	2,386	2,568
Fees and charges	1,335	1,254	1,355	1,282
Interest and dividends from investments	102	9	42	55
Local authorities fuel tax, fines, infringement fees, and other receipts	225	285	354	323
Total operating funding (A)	14,680	14,838	15,466	15,967
Applications of operating funding				
Payment to staff and suppliers	11,994	16,594	13,184	19,363
Finance costs	646	257	928	291
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	12,640	16,851	14,112	19,654
Surplus (deficit) of operating funding (A - B)	2,040	(2,013)	1,354	(3,687)
Sources of capital funding				
Subsidies and grants for capital expenditure	18,638	6,515	25,823	8,698
Development and financial contributions	-	3	-	-
Increase (decrease) in debt	10,609	3,500	9,064	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	29,247	10,018	34,887	8,698
Application of capital funding				
Capital expenditure				
- to meet additional demand	20,634	1,092	20,529	1,077
- to improve the level of service	3,900	2,376	12,099	7,206
- to replace existing assets	6,753	2,652	3,613	7,625
Increase (decrease) in reserves	-	135	-	(10,692)
Increase (decrease) in investments	-	1,750	-	(205)
Total applications of capital funding (D)	31,287	8,005	36,241	5,011
Surplus (deficit) of capital funding (C - D)	(2,040)	2,013	(1,354)	3,687
Funding balance ((A - B) + (C - D))	-	-	-	-

Notes to Financial Statements

NOTE 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2021

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 from 1 July 2020 through to 30 June 2021.

BASIS OF PREPARATION

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

Statement of compliance

The financial statements of ODC have been prepared in accordance with the requirements of the LGA 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). The functional currency of Council is New Zealand dollars.

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:

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 requires entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Council will not early adopt this amendment.

Financial Instruments

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Finance Instruments and is effective for financial years beginning on or after 1 January 2022, with early adoption permitted. The main changes compared with 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 assessed the impact of the new standard on its financial position to be minimal.

PBE FRS 48 Service performance reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 *Presentation of Financial Statements* and is effective for the year ending 30 June 2023, 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

There have been no other changes in accounting policies.

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 prospective financial statements as ODC is acting as agent for BOPRC.

New Zealand Transport Agency Roadway Subsidies

The Council receives funding assistance from Waka Kotahi 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 or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licensing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally, there are no conditions attached to such revenue.

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

Borrowing Costs

Borrowing Costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

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

Discretionary grants are those grants where 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, irrespective of whether 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 or 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 an allowance for expected credit losses.

The Council applies the simplified expected credit loss model of recognising lifetime expected credit loss for receivables. The expected credit loss is calculated based on historic credit losses on both rates debtors and sundry debtors, adjusted for forward-looking factors.

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;
- amortised cost;
- fair value through other comprehensive revenue and expense

The classification of a financial asset depends on its cash flow characteristics and the Council management model for managing them.

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 they do not meet the criteria to be measured at amortised cost or fair value through other comprehensive revenue and expense.

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

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

Amortised Cost

Financial Assets are classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses.

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, less any expected credit losses.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that give rise to cash flows that are SPPI and are held within a management model whose objective is achieved by both collecting contractual cashflows and selling financial assets, or are equity investments not held for trading and are designated into the category at initial recognition

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, there is no assessment for impairment when fair value falls below the cost of the investment.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity.

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 the 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 ODC and the cost of the item can be measured reliably.

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

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

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

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

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 years (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
- Road 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%)
- Kerb and footpaths 20 to 80 years (1.25% - 5.0%)
- Reticulation 5 to 100 years (1% - 20.0%)
- Traffic facilities (road components) 10 to 30 years (3.33% - 11.32%)
- Culverts (road 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 road infrastructure are not depreciated. The annual maintenance programme set out in the asset management plan will ensure the specific level of service is maintained.

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

Intangible assets

Software acquisition and development

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

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

Staff training costs are recognised 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, ODC measures all investment property at fair value at each reporting date.

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

Payables and deferred revenue

Short-term creditors, other payables and deferred revenue 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 ODC has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee provides 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 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 ODC 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 prospective 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.

Cost allocation

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

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

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

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.

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 the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities 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.

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated “all in” approach, Council continues to recognise its three waters assets at 30 June 2021 in accordance with the accounting policies set out on pages 107 to 118. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council’s three water assets either in respect of disclosure or measurement.

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 2021 \$000	Actual 2020 \$000
General rate	9,309	9,046
Targeted rates attributable to activities		
Communities of Interest	288	286
Sewerage	911	865
Urban Refuse Collection	449	424
Water Supplies	686	621
Metered Water	536	408
Rate penalties	143	172
Rates Remissions	(583)	(566)
Total rates income	11,739	11,256

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

	2021	2020
Number of rating units within the district	5,687	5,656
Total capital value of rating units within the district	2,683,298,362	1,956,152,021
Total land value of rating units within the district	1,352,614,207	973,739,829

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

Note 3: Fees and Charges

	Actual 2021 \$000	Actual 2020 \$000
User fees and charges	614	633
Regulatory and resource consent charges	631	584
Infringements and fines	38	37
Other	(1)	-
	<u>1,282</u>	<u>1,254</u>

Note 4: Subsidies and grants

	Actual 2021 \$000	Actual 2020 \$000
New Zealand Transport Roding Subsidies	5,314	2,516
Grants towards Harbour Development	289	563
Grant for Opotiki Regional Digital hub	111	73
Grant from Eastern Bay Charitable Trust for streetlight upgrade	-	75
Grants for Summer festival	29	34
Grants towards parks and reserves	850	76
Grant for Driver Licensing Programme	40	-
MBIE Shovel ready projects	(1,340)	4,321
Grants for Cycleway	321	-
Taskforce for Jobs (MBIE and MTJF)	181	150
DIA Three Waters Reform	349	-
Grant for Waste Minimisation	33	33
Ministry of Health - Te Kaha Water	-	147
Te Tahuu (Library) / Technology Centre MBIE	5,089	550
COVID 19 - Civil Defense	-	10
Other	-	-
	<u>11,266</u>	<u>8,548</u>

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

Note 5: Finance revenue and finance costs

	Actual 2021 \$000	Actual 2020 \$000
Interest revenue		
- term deposits	55	9
Total finance revenue	<u>55</u>	<u>9</u>
Finance costs		
Interest expense		
- interest on borrowings	291	257
Total finance costs	<u>291</u>	<u>257</u>
Net finance costs	<u>236</u>	<u>248</u>

Note 6: Exchange and non-exchange revenue

	Actual 2021 \$000	Actual 2020 \$000
Revenue from exchange transactions		
Rental Revenue	273	273
Finance Revenue	55	9
Total revenue from exchange transactions	<u>328</u>	<u>282</u>
Revenue from non-exchange transactions		
Fees and charges from activities	1,337	981
Rate revenue	11,739	11,256
Subsidies and grants	11,266	8,548
Other non-exchange revenue	540	312
Total revenue from non exchange transactions	<u>24,882</u>	<u>21,097</u>

Note 7: Other revenue

	Actual 2021 \$000	Actual 2020 \$000
Petrol tax	67	68
Gain (Loss) on changes in fair value of investment property (note 16)	216	24
Other Revenue	257	217
	540	309

Note 8: Personnel costs

	Actual 2021 \$000	Actual 2020 \$000
Salaries & wages	4,404	4,376
Defined contribution plan employer contributions	137	116
Increase/ (decrease) in employee benefit liabilities	(2)	(41)
Direct Personnel Overheads	162	86
Total employee benefit expenses	4,701	4,537

Note 9: Other expenses

	Actual 2021 \$000	Actual 2020 \$000
Fees paid to principal auditor:		
- for audit of Long Term Plan	125	-
- for audit of Annual Report	112	103
Audit fees for Debenture Trust Deed assurance engagement	5	4
Council grants and contributions	138	104
Impairment of receivables (note 11)	(29)	253
Loss on disposal of property, plant and equipment (note 14)	4,465	3,469
Elected member remuneration (note 26)	330	317
Advertising and event promotion	173	190
IT systems costs	651	608
Subscription and license fees	126	135
Telephony	91	101
Consultants	901	368
Contractors and agency staff	3,222	2,419
Energy	54	40
Book Purchases	47	44
Sanitation, Cleaning and litter	301	351
Leases	73	86
Postage, printing and stationary	113	100
Repairs, maintenance & materials	1,306	940
Resource Recovery Centre- expenses	673	590
Wastewater - Private laterals expense	-	973
Legal costs	77	81
Rates on Council property	194	184
Insurance	190	204
Other operating expenses	1,357	409
Total Other Operating Expenses	14,695	12,073

Note 10: Cash and cash equivalents

	Actual 2021 \$000	Actual 2020 \$000
Cash at bank and in hand	706	451
Short term deposits maturing three months or less from date of acquisition	4,552	4,107
Total cash and cash equivalents	5,258	4,558

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 2021 \$000	Actual 2020 \$000
Rates receivable	4,136	4,048
Other receivables	3,413	1,625
Sundry debtors	38	86
	7,587	5,759
Less provision for impairment of receivables	(2,694)	(2,723)
Total debtors and other receivables	4,893	3,036

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

	Actual 2021 \$000	Actual 2020 \$000
At 1 July	2,723	2,470
Additional provisions made during the year	381	663
Receivables written off during the period	(410)	(410)
Provision for impairment at 30 June	2,694	2,723
Total receivables comprise:		
Exchange transactions	35	196
Non-exchange transactions	4,858	2,840
	4,893	3,036

The Chief Executive approved the write-off of rates receivable during the year under the LG(Rating) Act 2002 as follows:

- Section 90A: \$354,397 (2020: \$365,697)
- Section 90B: \$Nil (2020: \$Nil)

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 2021 \$000	Actual 2020 \$000
Current portion		
Short term deposits with maturities of 4 -12 month	4,000	3,200
<i>Held to maturity</i>		
Total current	4,000	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	136
Total Investments in other entities	154	154
<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	159
Total Other Financial Assets	4,159	3,359

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. (2020 : nil)

Note 13: Investment in Associate

	2021 \$000	2020 \$000
Investment in Evolution Networks Limited	120	120
Equity accounted carrying amount	112	80
Loan to Evolution Networks (12th November 2021)	27	27
	139	107
<i>Summarised financial information of associate presented on a gross basis</i>		
Assets	474	393
Liabilities	284	311
Revenues	373	508
Surplus/(deficit)	108	52
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 2020.

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

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

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

The most recent valuation of three waters assets was performed as at 1 July 2020. The three waters valuation was performed by ODC engineering staff and peer reviewed by Peter Erceg, Bcom(VPM) MPINZ of Aon New Zealand. Due to the materiality of the quantum of change in the valuation of three waters assets, it has been deemed necessary to give effect of the change in the 30 June 2020 figures. Please refer to *Note 30 Prior Period Error* for further information.

The roading network was valued at 30th June 2020. The roading assets valuation was performed by Peter Erceg, Bcom(VPM) MPINZ of Aon New Zealand. A fair value assessment of the roading assets was performed as at 30 June 2021, which has indicated an increase in fair value of \$10.2 million. This has been booked into Council's financial statements to 30 June 2021.

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 \$8,126,181 (2020 \$5,050,000)

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 (2020 \$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
2021				
Roading network	166,462	5,548	-	167,932
Water systems				
- Treatment Plants & Facilities	2,822	0	-	6,635
- Other	23,920	45	-	35,807
Sewerage system				
- Treatment Plants & Facilities	2,547	73	-	4,101
- Other	12,690	290	-	21,441
Stormwater	17,314	234	-	25,505

2020				
Roading network	152,173	1,092	-	143,607
Water systems				
- Treatment Plants & Facilities	2,106	147	-	3,931
- Other	9,549	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

Insurance	Actual 2021 \$000	Actual 2020 \$000
The total value of all assets that are covered by insurance contracts	155,809	132,045
The maximum amount to which they are insured	59,083	76,566
The total value of all assets that are covered by financial risk-sharing arrangements	114,981	89,067
The maximum amount available under this arrangement	68,989	53,440
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 2021 \$000's	Actual 2020 \$000's
Community Facilities	329	303
Economic Development	-	-
Land Transport	1,470	1,301
Regulation & Safety	3	3
Solid Waste Management	28	24
Stormwater	325	149
Support Services	521	519
Wastewater	374	433
Water Supplies	714	244
Community Development	-	-
Total depreciation	3,762	2,976

Note 14 Property, plant and equipment continued...

2021	Cost/ revaluation 2020	Accumulated depreciation and impairment charges 2020	Carrying amount 2020	additions	reclassified assets	additions Vested	impairment charges	disposals	depreciation	Depreciation Write Back	Revaluation surplus	Cost/ revaluation 2021	Accumulated depreciation and impairment charges 2021	Carrying amount 2021
Operational assets														
Land	836	-	836	-	-	-	-	275	-	-	307	868	-	868
Buildings	2,170	309	1,861	877	-	-	-	-	131	-	363	3,409	440	2,969
Site Improvements	299	63	236	-	-	-	-	-	19	-	48	347	82	265
Plant, machinery and vehicles	1,856	1,221	635	207	-	-	-	83	222	64	-	1,980	1,380	600
Fixtures, fittings and equipment	1,359	951	408	182	-	-	-	-	165	-	-	1,541	1,116	425
Library collections	836	663	173	-	-	-	-	-	-	-	-	836	663	173
Total operational assets	7,356	3,207	4,149	1,265	-	-	-	358	538	64	718	8,982	3,681	5,301
Infrastructural assets														
Roads and footpaths	152,173	-	152,173	5,548	-	-	-	-	1,470	-	10,211	167,932	1,470	166,462
Water systems												-		
- Treatment Plants & Facilities	2,956	-	2,956	-	-	-	-	-	130	-	-	2,956	130	2,826
- Other	24,453	-	24,453	45	-	-	-	-	584	-	-	24,498	584	23,914
Sewerage system												-		
- Treatment Plants & Facilities	2,546	-	2,546	73	-	-	-	-	72	-	-	2,619	72	2,547
- Other	12,702	-	12,702	290	-	-	-	-	302	-	-	12,992	302	12,690
Stormwater drainage	17,404	-	17,404	234	-	-	-	-	325	-	-	17,638	325	17,313
Cycle Ways	1,096	43	1,053	-	-	-	-	-	16	-	75	1,171	59	1,112
Total infrastructural assets	213,331	43	213,288	6,189	-	-	-	-	2,897	-	10,286	229,807	2,940	226,867
Restricted assets														
Land	12,792	-	12,792	-	-	-	-	-	-	-	(3,289)	9,503	-	9,503
Buildings	3,358	471	2,886	-	-	-	-	201	134	53	455	3,612	552	3,060
Site Improvements	3,571	358	3,213	5,227	-	-	-	4,458	131	-	425	4,765	489	4,276
Total restricted assets	19,721	829	18,891	5,227	-	-	-	4,659	265	53	(2,410)	17,880	1,041	16,839
Commissioned property, plant and equipment	240,408	4,079	236,328	12,682	-	-	-	5,017	3,700	117	8,595	256,668	7,662	249,006
WIP														
	Cost 2020		Carrying Amount 2020	Year Movement								Cost 2021		Carrying Amount 2021
Work in progress - Roads & footpaths	155	-	155	1,928								2,083		2,083
Work in progress - Water	-	-	-	142								142		142
Work in progress - Sewerage	45	-	45	86								131		131
Work in progress - Stormwater drainage	89	-	89	37								126		126
Work in Progress - Harbour	4,032	-	4,032	(4,032)								-		-
Work in Progress - Community Facilities and Property	730	-	730	4,914								5,644		5,644
Total work in progress	5,051	-	5,051	3,075	-	-	-	-	-	-	-	8,126	-	8,126
Total property, plant and equipment	245,459	4,079	241,379	15,757	-	-	-	5,016	3,700	117	8,595	264,794	7,662	257,132

The net carrying amount of PPE held under finance lease is \$0 (2020: \$0)

Note 14 Property, plant and equipment continued...

2020	Cost/ valuation 2019	Accumulated depreciation and impairment	Carrying amount 2019	additions	reclassified assets	additions Vested	impairment	disposals	depreciation	Write Back	Revaluation surplus	Cost/ valuation 2020	Accumulated depreciation and impairment	Carrying amount 2020
	2019			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	850	2,956	-	2,956
- Other	9,044	470	8,574	1,164	-	-	-	-	189	-	14,904	24,453	-	24,453
Sewerage system														
- Treatment Plants & Facilities	1,458	91	1,367	74	-	-	-	5	44	-	1,154	2,546	-	2,546
- Other	13,107	828	12,280	1,218	-	-	-	5	388	-	(402)	12,702	-	12,702
Stormwater drainage	8,574	317	8,257	175	-	-	-	7	149	-	9,129	17,404	-	17,404
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	36,950	213,331	43	213,288
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	36,950	240,407	4,079	236,328
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 and Property	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	36,950	245,457	4,079	241,378

Note 15 Intangible assets

	Computer software	Easement	Total
Cost			
Balance at 1 July 2020	633	16	649
Additions	90	-	90
Disposals	-	-	-
Balance 30 June 2021	723	16	739
Balance at 1 July 2019	508	10	518
Balance at 30 June 2020	633	16	649
Accumulated amortisation and impairment			
Balance at 1 July 2020	560	4	564
Amortisation charge	61	1	62
Disposals	-	-	-
Balance 30 June 2021	621	5	626
Balance at 1 July 2019	481	2	483
Balance at 30 June 2020	560	4	564
Carrying amounts			
Balance at 1 July 2020	73	12	85
Balance 30 June 2021	102	11	113
Balance at 1 July 2019	99	8	107
Balance at 30 June 2020	73	12	85

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 2021 \$000	Actual 2020 \$000
Balance 1 July	2,700	2,738
Additions	115	260
Disposals	(354)	-
Transfer to PPE	-	(322)
Fair value gains/(losses) on valuation (note 7)	217	24
Balance 30 June	2,678	2,700

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).

The remaining shareholdings are held in equal share by the territorial authorities within the Bay of Plenty.

The financial investment in BOPLASS is not considered material to the council.

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.

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>2020/21</u>	Result	Narration
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved	<p>Contracts negotiated and/or renewed for:</p> <p><u>Video Conferencing Services</u> – Canon video conferencing infrastructure was moved from a Canon managed service to a BOPLASS hosted service. This provided further cost savings to councils and acknowledged the global move from vendor hosted video conferencing solutions to cloud-based technologies, e.g. Zoom, Teams.</p> <p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed. No increases in cost to councils.</p> <p><i>No alternative provider in NZ.</i></p> <p><u>GIS software and services</u> –</p> <p>FME Geocortex Essentials Geocortex Analytics X-Tools NZ Archaeological Association RetroLens</p> <p><i>Contracts renegotiated and renewed – no alternative suppliers</i></p> <p><u>Health and Safety Training provider</u> – BOPLASS has renewed the collective agreement with Vertical Horizonz for H&S training across the BOPLASS councils. The agreement provides tailored training and discounted rates. (WCLASS have aligned their contract dates with BOPLASS, providing for opportunities to procure collectively at the end of the new contract term.)</p> <p><u>Print Media Copyright Agency (PMCA)</u> – a collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils’ print and media copyright services.</p> <p><i>Sole NZ provider of print and media copyright services.</i></p> <p><u>Treasury Staff Briefings</u> – BOPLASS coordinated presentations and workshops with senior NZ economists to better inform councils on the financial outlooks for local communities and the national economy. The workshops are provided at no cost to BOPLASS councils and have proven to be particularly valuable given the current international and local economic challenges.</p>

		<p><u>Aerial Imagery</u> – As part of the BOPLASS regional imagery programme a contract for orthophotography was awarded to AAM NZ Ltd on behalf of TCC and WBOPDC. The flying and imagery included specific requirements to capture high growth areas.</p> <p><u>N3</u> (previously known as GSB) – Purchasing group membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same rates.</p> <p><i>Sole NZ provider.</i></p> <p><u>Media Monitoring Services</u> – BOPLASS continues to manage a collective media monitoring service with Isentia that automatically monitors and reports on broadcast, print and social media based upon council requirements. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements. Council agreement to renew for another year. Same rates negotiated.</p> <p><i>Service to be put to open tender in 2022.</i></p> <p><u>Zoom Services</u> – Renewed group enterprise agreement. Zoom video conference services continue to provide BOPLASS councils with centralised account management and shared infrastructure.</p> <p><i>Enterprise contract renegotiated and renewed. No alternative providers.</i></p> <p><u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils.</p> <p><i>No alternative provider in NZ.</i></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><u>Waste Operator Licencing and Data System</u> – An ROI was undertaken by BOPLASS on behalf of all the BOPLASS and Waikato councils for a data management system and administration services to support the development of a region-wide waste operator licencing and data service. The collective approach to the ROI provided savings to all councils and garnered significant attention from suitable vendors due to the size of the aggregated opportunity.</p> <p><i>The ROI process will be followed by a closed RFP.</i></p> <p><u>Skin Scans / Mole Mapping</u> – BOPLASS explored opportunities for a collective contract to enable councils to offer a subsidised rate to their staff for mole mapping. A provider has not yet been appointed as the project has expanded to investigate health insurance options across the BOPLASS group of councils.</p>

		<p><u>Infrastructure Insurance</u> – Councils infrastructure insurance was placed into the London markets in late 2020 through direct engagement with the London underwriters and Lloyds syndicates. Exceptional outcomes were achieved for all councils – both in insurance rates and the cover achieved. Due to a continued unprecedented level of international natural disaster claims, insurance markets have become extremely cautious about the risk they are prepared to write. The high standard of the information being provided by BOPLASS councils and our historical relationships with the international markets have proven to be a strength for us at renewal time.</p> <p><i>Securing councils' insurance cover requires a new procurement process to be undertaken every 12-months and includes investigating, or engaging with, alternative markets.</i></p> <p><u>GIS Technical Support</u> – The majority of core GIS software used within councils is now procured through collective BOPLASS agreements. On behalf of the councils BOPLASS undertook procurement to appoint a Regional Technical Advisor to be used as a shared resource and provide technical support across all BOPLASS councils. Eagle Technology were appointed under a discounted enterprise agreement. In addition to the cost savings, the service helps facilitate further sharing of information and expertise across the GIS teams.</p> <p><u>Website Quality Assurance</u> – BOPLASS has established a collective agreement for website quality assurance. Monsido is the incumbent provider to several BOPLASS councils and discounted pricing has been negotiated, dependent on the number of councils participating.</p> <p><i>This project is still under action.</i></p> <p><u>IPWEA Membership</u> – BOPLASS engaged with the Institute of Public Works Engineering Australasia on behalf of our constituent councils to establish a single BOPLASS portal to allow all councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements.</p> <p><u>Courier Services</u> – BOPLASS has led a procurement process across the three North Island LASS and Hawke's Bay councils for the appointment of a courier services provider.</p>
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<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	<p>Achieved</p>	<p><u>Debt Recovery Services</u> – Additional BOPLASS councils have moved to the shared service established by MW LASS. As an inter-LASS service this negates duplication across the regions and provides cost-effective specialised local government debt recovery services.</p> <p><u>Insurance Renewals Standardisation</u> – BOPLASS led a project across the three North Island LASS to develop scorecards to assist councils with the preparation of accurate and timely renewal data for their annual insurance renewals. The scorecards help councils identify the required standards and any potential gaps in their processes. They will be used across all LASS participating in our collective insurance programme – BOPLASS, MW LASS and WLASS – ensuring a consistent and best-practice approach to renewal processes, ultimately assisting in achieving the best outcomes.</p> <p><u>Inter-LASS meetings</u> – A number of procurement projects are underway covering multiple LASS and leveraging benefits of aggregated volumes. Collaboration across the regions drives greater efficiencies and often allows projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato LASS and this group meet on a quarterly basis. BOPLASS has recently provided information to South Island councils that are investigating collective opportunities.</p> <p><u>Waste Operator Licensing and Data Collection</u> – BOPLASS is leading a joint BOPLASS/WLASS project to establish a cross-regional entity to administer licensing conditions on behalf of territorial authorities. The entity will also manage and collect waste data to assist councils in preparing detailed waste assessments and identification of priority waste management and minimisation actions. BOPLASS is leading the associated procurement exercises and is also engaging with other councils interested in participating in the project. The project includes continued engagement with MfE and WasteMINZ to ensure that the proposed approach is aligned with national strategies.</p> <p><u>Waste Minimisation Fund Application</u> – On behalf of the BOPLASS and WLASS councils, BOPLASS has submitted an application to the MfE Waste Minimisation Fund to support the development of collective projects across the two regions.</p> <p><u>Occupational Health Services</u> – BOPLASS has renewed the agreement with Waikato Occupational Safety Services for discounted occupational health services across the BOPLASS councils. This agreement is now undertaken in conjunction with WLASS.</p>
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		<p><u>Cross Council H&S audits and Safety Performance Indicators</u> – Waikato LASS and BOPLASS have collectively developed H&S projects to support best practice and shared learnings across councils in the greater region. The projects assist in identifying skills, processes or procedures that can be shared across the regions.</p> <p><u>Courier Services</u> – BOPLASS coordinated activity across the central North Island councils to establish confirmed participation in joint procurement for the appointment of a courier services provider.</p> <p><u>Insurance Forum</u> – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</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 10% 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 71% increase in the number of local government users with 161 new members joining.</p> <p>The increased membership is primarily a result of ongoing development of on-boarding and training material. Additionally, non-member councils have been proactively contacted to highlight the benefits and encourage participation.</p> <p>Five additional projects added to the MahiTahi Collaboration Portal, increasing from 48 to 53 lodged projects.</p> <p><u>RSIP Redevelopment</u> – The Regional Sector Information Portal is a collaboration tool used by regional and unitary councils. The RSIP Portal has been migrated to be hosted by BOPLASS on the same platform as the MahiTahi Collaboration Portal.</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>In addition to these regular meetings, the BOPLASS chair and CE undertook a roadshow to directly engage with executive staff across all shareholding councils. These meetings were used to provide an update on BOPLASS initiatives and to gain further insights into additional collaboration opportunities. New opportunities in both shared services and procurement were identified through these workshops.</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>	<p>Achieved</p>	<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>Funding model reviews were undertaken by the board during the 2020-2021 financial year with two changes undertaken to ensure the continued financial viability of the organisation:</p> <ul style="list-style-type: none"> • A one-off \$50,000 contribution to the BOPLASS aerial imagery programme received from LINZ was retained as income in advance to assist with funding the BOPLASS aerial imagery programme over the next five years. • The BOPLASS Board approved for a CPI adjustment to be included with council annual contributions. <p>Financial position year end 30 June 2021: \$15,970 surplus.</p>
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Note 18 Payables and Deferred Revenue

Payables and deferred revenue under exchange transactions

	Actual 2021 \$000	Actual 2020 \$000
Trade payables	4,217	1,821
Retained contract monies	703	455
Accrued expenses	194	243
Total	5,114	2,519

Payables and deferred revenue under non-exchange transactions

Rates due to Bay of Plenty Regional Council	1,417	1,304
Other taxes payable (eg GST and FBT)	79	352
Deposits and bonds	635	525
Other grants and bequests received subject to substantive conditions not yet met	6,451	-
Total	8,582	2,181
Total payables and deferred revenue	13,696	4,700

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore the carrying value of payables approximates their fair value.

Note 19 Provisions

Current provisions are represented by:

Landfill aftercare provision	9	8
	9	8

Non-current provisions are represented by:

Landfill aftercare provision	67	71
Weathertightness claims	-	1
	67	71

	Landfill Aftercare \$000	Weathertightness Claims \$000
Balance at 1 July 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
Additional provisions made during the year	2	-
Amounts used during the year	(3)	(1)
Unused amounts reversed during the year	-	-
Discount unwinding	(2)	-
Balance as at 30 June 2021	76	-

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 3.02% (2020 3.89%).

Weathertightness claims contingency

We were involved in the Ministry of Education claim against Carter Holt Harvey, along with 48 other Councils, which was discontinued during the financial year. As no further costs are anticipated, no provision has been made.

Note 20 Employee benefit liabilities

	Actual 2021	Actual 2020
Annual leave	308	310
Accrued pay	53	32
Total employee benefit liabilities	361	342
Comprising		
Current	361	342
Total employee benefit liabilities	361	342

Note 21 Borrowings

	Actual 2021 \$000	Actual 2020 \$000
Current		
Secured loans	1,500	-
Total current borrowings	1,500	-
Non-current		
Secured loans	7,000	8,500
Total non-current borrowings	7,000	8,500

Secured loans

ODC's secured debt is \$8,500,000 (2020 \$8,500,000). Of this, \$nil (2020: \$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 (2020 \$8,500,000) 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 Council's Long-Term Plan.

Note 22 Equity

	Actual 2021 \$000	Actual 2020 \$000
Accumulated Funds		
As at 1 July	138,249	135,596
Council created reserves	(169)	(130)
Transfers from:		
Council created reserves	-	-
Asset revaluation reserve	64	1,232
Surplus/ (deficit) for year	1,465	1,551
As at 30 June	139,609	138,249
Council created reserves		
As at 1 July	1,501	1,371
Transfers to:		
Accumulated funds		
Transfers from:		
Accumulated funds	169	130
As at 30 June	1,670	1,501
Asset revaluation reserve		
As at 1 July	102,123	66,369
Revaluation gains/ (losses)	8,595	36,950
Transfer to Equity	-	(1,196)
As at 30 June	110,718	102,123
Total Equity	251,997	241,873
Asset revaluation reserve consists of:		
Operational assets		
Land and Buildings	1,055	434
	-	-
Infrastructural Assets		
Roads and footpaths	62,945	52,736
Water systems	20,663	20,662
Sewerage systems	8,694	8,693
Stormwater system	16,102	16,101
Cycle Ways	452	376
Restricted assets		
Land and buildings	807	3,121
	110,718	102,123

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 - 2021

			Balance 1 July \$000	Deposits \$000	Withdrawals \$000	Balance 30 June \$000
Special Reserves	Activity	Purpose				
Cash in Lieu of Reserves	Economic Development	For general purpose funding	186	19	-	205
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	5	0	-	5
General Purposes (Electricity Proceeds)	Economic Development	For general purpose funding	43	1	-	44
Development Contributions - Facilities	Community Facilities	For development of recreational facilities	459	14	-	473
CBD Development Reserve	Community Development	For development of the town CBD	42	1	-	43
Road Upgrade Reserve	Land Transport	For upgrading of roading	127	4	-	131
Destination Playground	Community Facilities	For Development of Playground	3	0	-	3
Elections Reserve	Leadership	For Funding Triennial Elections	47	12	-	59
Coast Community Board Reserve	Community Development	For Funding CCB Projects	150	39	-	189
Library Redevelopment Reserve	Community Facilities	For the Library Development Project	416	29	-	445
Whakaari Taonga Management Reserve	Community Facilities	For the development of reserves	23	5	-	28
Waste Minimisation Reserve	Solid Waste Management	For waste minimisation initiatives	-	46	-	46
			1,501	169	-	1,670

Note 22: Council Created Reserve Funds- continued

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 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 2021 \$000	Actual 2020 \$000
1,169	4,133
1,169	4,133
159	384
-	-
664	3,659
346	90
1,169	4,133

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 2021 \$000	Actual 2020 \$000
13,905	1,471
4,036	1,471
9,869	-
-	-
13,905	1,471

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 2021 \$000	Actual 2020 \$000
58	58
16	16
-	-
74	74

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 directed that the trial be staged. The first stage was 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 preceding period but a notice of discontinuance was signed on 3 September 2020 which has therefore removed any uncertainty and the Council is no longer subject to this legal proceeding with no settlement involved. Accordingly there is no further need to retain a provision for the year (2020: \$1,000).

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.

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 2021 \$000	Actual 2020 \$000
BOPLASS		
Annual contribution	14	12
Services Provided	24	35

	Actual 2021 \$000	Actual 2020 \$000
Toi EDA		
Annual contribution	38	35
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 2021 \$000	Actual 2020 \$000
<i>Councillors:</i>		
Remuneration	310	297
Full time equivalent members	7	7
<i>Senior Management Team:</i>		
Remuneration	589	660
Full time equivalent members	5	4
Total key management personnel remuneration	899	957
Total full-time equivalent personnel	11	11

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

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on chief Executive remuneration is provided in Note 26.

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.

	2021	2020
Salary	244,200	223,778
Vehicle (including FBT)	15,092	15,092
	259,292	238,870
Other Benefits:		
Professional Association Fees	275	275
Total Remuneration	259,567	239,145

Elected Representatives

Council:

	Actual 2021	Actual 2020
Mayor - John Forbes (Including salary plus car plus FBT) - to October 2019	-	25,580
Deputy Mayor (to October 2019)/ Mayor (from October 2019) - Lyn Reisterer (Incl salary plus car plus FBT)	98,000	81,324
Councillor / Deputy Mayor - Shona Browne	52,218	43,346
Councillor - Audit & Risk Chair - Arihia Tuoro (to October 2019)	-	12,114
Councillor - Coast Community Board Chair - Haki McRoberts (to October 2019)	-	8,893
Councillor - Ken Young (to October 2019)	-	6,756
Councillor - Barry Howe	28,750	26,889
Councillor - Steve Nelson	28,750	20,162
Councillor - Debi Hocart	28,750	20,162
Councillor - David Moore	28,750	20,162
Councillor - Coast Community Board Chair - Louis Rāpihana	44,750	31,382
	309,968	296,770

Coast Community Board:

Member - Michael Collier	4,989	4,989
Member - Gail Keepa	4,989	4,989
Member - Jack Parata	4,989	4,989
Member - Allen Waenga	4,989	4,989
	19,956	19,956
Total Elected Representative Remuneration	329,924	316,726

Staff

	Actual 2021
Number of full time employees	56
Number of full time equivalent of all other employees	12
Number of employees receiving less than \$60,000	63
Number of employees receiving between \$60,000 and \$79,999	8
Number of employees receiving between \$80,000 and \$99,999	9
Number of employees receiving between \$100,000 and \$239,999	2
Total number of Employees	82

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 \$239,999	7
Total number of Employees	65

Note 27 Severance Payments

For the year ended 30 June 2021 the Council made no severance payments (2020: one severance payment of \$1,100).

Note 28 Events after balance date

In August 2021, Covid-19 reappeared in Auckland. The country was placed in lockdown at Alert Levels 3 and 4 since the outbreak occurred.

Staff continued to work either remotely or on site to align with government protocol on physical distancing. There was no significant impact on our essential services during Level 3 and 4. Deferred maintenance and capital works programmes have not affected our services.

On 27 October 2021, the Minister for Local Government announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

Note 29 Explanation of major variances against budget

Explanations for major variations from ODC's estimated figures in the 2020-2021 Annual Plan are as follows:

		2021	
		\$000	
Statement of Comprehensive Income			
Actual surplus of \$1,465 million versus budget surplus of \$24,206 million			
An unfavourable variance of -\$22,741 million.			
Total revenue of \$24,882 million was \$16,462 million less than budget, made up as follows:			
Rates Revenue	a	410	Favourable
Subsidies and grants	b	(16,943)	Unfavourable
Fees and charges	c	(73)	Unfavourable
Financial Income	d	13	Favourable
Other Revenue	e	131	Favourable
Development and financial contributions		-	
		(16,462)	
Total expenditure of \$23,449 million was \$6,311 million more than budget made up as follows:			
Personnel costs	f	(47)	Unfavourable
Depreciation and Amortisation	g	(735)	Unfavourable
Finance costs	h	637	Favourable
Other Expenditure	i	(6,166)	Unfavourable
		(6,311)	
Share of associate's surplus/(deficit)		32	Favourable
Net Operating Surplus		(22,741)	
Property Plant & Equipment Revaluation	j	5,539	
		(17,202)	

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 Council now not taking ownership of the harbour and related funding. Otherwise grants and subsidies are up, largely due to \$5.089k for Te Tahuhu o Te Rangi.

c. Fees and charges revenue is slightly down with the closure of some services and facilities during Covid-19 related lockdown.

d. Finance income is more than budget due to the higher level of cash and cash equivalents held during the year than was budgeted.

e. Other revenue is more than budget due largely to gains on changes in fair value of investment property.

f. Personnel costs are slightly more than budget due to the impact Covid-19 had on some operations.

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

h. Finance costs are less than budget due to low interest rates, the delay in completing a number of capital projects and with ownership and related financing of the harbour development now not coming under Council ownership.

i. Other expenditure is unfavourable mostly due to the transfer of capital related expenditure on the harbour development to Central Government.

j. This is mostly as a result of booking an increase in the fair value of roading and footpaths assets, than was budgeted.

Note 29 Explanation of major variances against budget - continued

Statement of Financial Position

Actual net equity of \$251,997 million versus budget of \$237,994 million, variance of \$14,003 million.

An analysis of the major variances are set out below:

An increase in cash and cash equivalents	k	1,258	Favourable
An increase in debtors and other receivables	l	1,027	Favourable
An increase in inventory		54	Favourable
An increase in other financial assets	m	4,000	Favourable
An increase in property, plant and equipment	n	451	Favourable
An increase in investment property		72	Favourable
An decrease in intangible assets		(33)	Unfavourable
An increase in prepayments		65	Favourable
An increase in investments in associates		97	Favourable
An increase in payables and deferred revenue	o	(8,966)	Unfavourable
A decrease in borrowings	p	15,851	Favourable
A decrease in provisions		88	Favourable
A decrease in employee benefit liabilities		38	Favourable
		<u>14,002</u>	

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

l. The increase in debtors and other receivables is due mostly to NZTA Waka Kotahi subsidies.

m. The increase in other financial assets represents short-term deposits held due to unbudgeted PGF Covid-19 shovel reading funding.

n. The increase in property, plant and equipment is mainly due to the booking of the increase in assessed fair value of roading and footpath assets, partially offset by the the ownership and funding of the harbour development being different than expected. There were also other projects that have either been delayed, deferred or still in progress by year-end. These include Opotiki-Ohiwa Cycleway, redevelopment of Mechanics Institute, and Coastal Reserves Tourism Infrastructure projects.

o. The increase in payables and deferred revenue is due largely to funding for PGF, three water reform and Mayor's Taskforce for Jobs being received in advance of contractual fulfilments been met.

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

Note 29 Explanation of major variances against budget - continued

Statement of Cash Flows

2021 actual movement was a \$0.700 million increase in cash held versus a budgeted increase in cash of \$0.315 million.

Net cash flow from operating activities was \$7,539 million against a budget of \$27,494 million.

The unfavourable variance is due to the harbour development project and related funding now being delivered by central Government, instead of Council.

Net cash flow from investing activities was -\$6,839 million against a budget of -\$36,242 million.

This variance is driven largely by the harbour development being delivered by central Government, instead of Council. There were also number of projects that were either delayed or postponed due to Covid-19 related disruption, as outlined earlier in the report.

Net cash flow from financing activities was \$Nil against a budget of \$9,064 million.

The favourable variance is due to council not drawing on additional debt due to various capital projects not progressing at the rate envisaged.

Note 30 Prior Period Error

There has been a restatement of the 2020 figures in respect of the carrying amount of property, plant and equipment as at 30 June 2020. The valuation of the Council's water, wastewater and stormwater was carried out as at 1 July 2020 with the intent of the impact giving effect to the 2021 figures. However due to the materiality of the quantum of change in the valuation reports, it has been deemed necessary to give effect of the change in the 30 June 2020 figures.

As a result, the comparative figures have been restated and the following table summarises the impact of the prior period error on the financial statements:

30 June 2020	As previously reported 000's	Adjusted 000's	As restated 000's
Statement of Comprehensive Revenue and Expense			
Property, plant, and equipment revaluation	11,315	25,635	36,950
Total other comprehensive revenue and expense	11,315	25,635	36,950
Total Comprehensive Revenue and Expense	12,867	25,635	38,502
Statement of Financial Position			
Property, plant and equipment	215,743	25,635	241,378
Total assets	229,859	25,635	255,494
Asset Revaluation Reserves	76,488	25,635	102,123
Total equity	216,238	25,635	241,873
Statement of Changes in Equity			
Comprehensive revenue and expense for year	12,867	25,635	38,502
Equity Balance 30 June	216,238	25,635	241,873
Revaluation Gains/(Losses)	11,315	25,635	36,950
Revaluation reserves 30 June	76,488	25,635	102,123

The comparative figures in the corresponding notes to the financial line items noted above have been restated.

Note 31 Breach of Legislation

We acknowledge that the adoption of the financial statements was completed later than required by the section 98(3) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

Statement of Compliance and Responsibility

For the Year Ending 30 June 2021.

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 2021, fairly reflect the financial position and operations of the Ōpōtiki District Council.



David Moore

MAYOR

Date: 15 November 2022



Miles McConway

CHIEF EXECUTIVE - Interim

Date: 15 November 2022

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 2021

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.

Our audit was completed late

Our audit was completed on 15 November 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the section 98(7)(a) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

Opinion on the audited information

In our opinion:

- the financial statements on pages 102 to 148:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2021;
 - 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 106; 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 Annual plan;
- the Council activities and performance on pages 34 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 2021, 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 24, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 38, 44, 47, 52, 57, 61, 65, 68, 73, 80, 86, and 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 19 to 23, 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 – The Government's three waters reform programme announcement

Without modifying our opinion, we draw attention to note 28, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local

authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

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 *4 to 18, 26 to 32, 91 to 100 and 149* but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

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.

Other than the audit and our report on the disclosure requirements, we have no relationship with or interests in the District Council.



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

