

Ōpōtiki District Council 2020/21 Summary Annual Report

October 2022



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 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.



Lyn Riesterer, MAYOR



Aileen Lawrie, CEO

What you'll find in this report

- Message from Mayor and CE
- Non-financial performance overview
- Highlights and significant events
- Where your rates dollars are spent
- Financial reporting and prudence information
- Financial Strategy information
- Finances in brief
- Financial summary
- Summary Accounting Policies
- Summary Audit Report

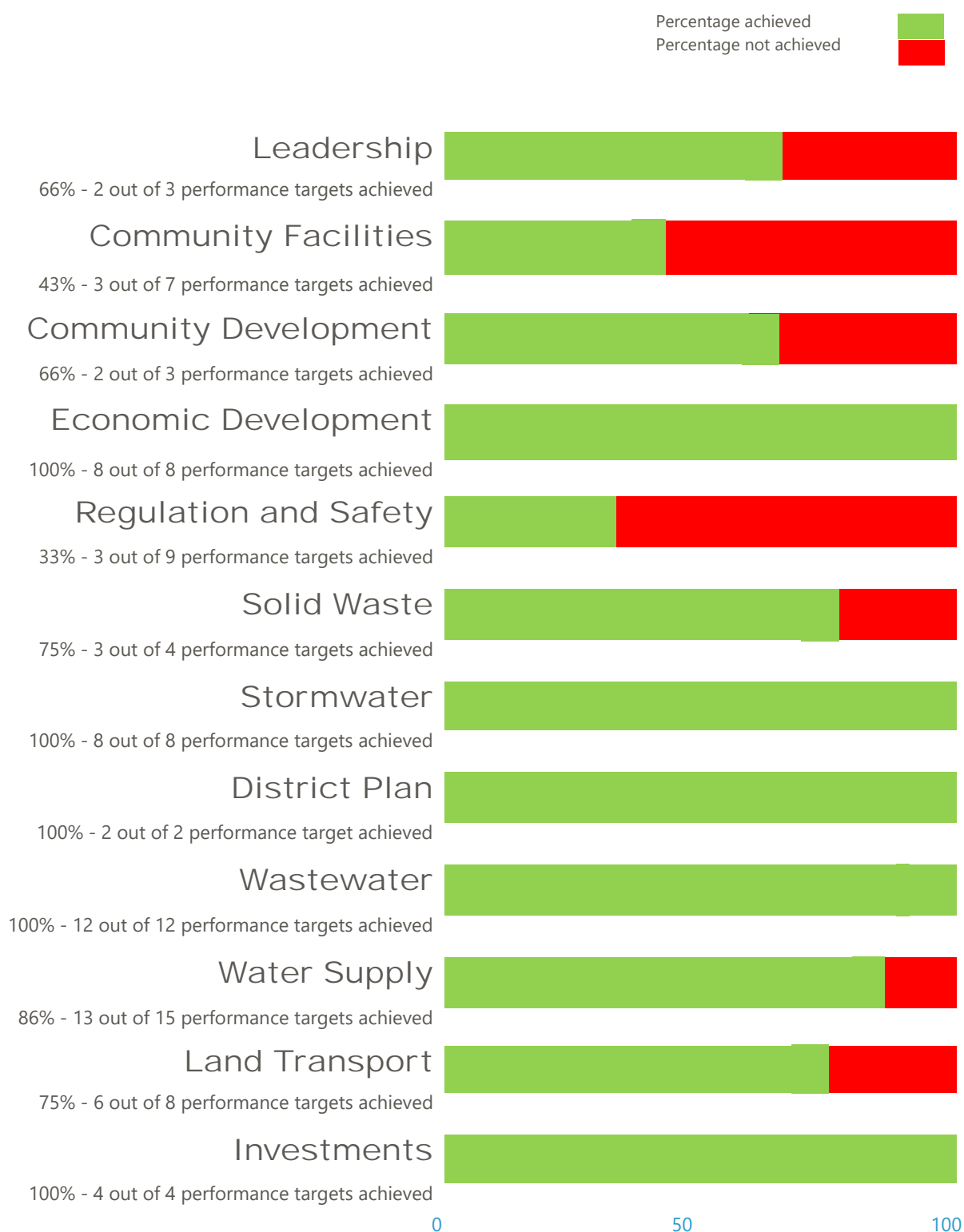
Our cover image: Taken during the four day taonga takaro wananga which hosted 60 youth from 7 different Aotearoa communities as part of the 2021 Ōpōtiki Matariki Festival.

Our performance

Our projects and work programmes are contained in 12 groups of activities.

In our Long Term Plan for this financial year we had 83 non-financial key performance measures to report on and these are highlighted below. Our performance measures provide us with targets to meet, covering things such as responsiveness, safety, timeliness, meeting statutory requirements, and compliance. This graph shows the percentage of targets achieved and not achieved. The calculation does not include, or take in to account, the performance measures that were not applicable (did not need to be reported on or were not measurable) for the 2020/21 year.

Detailed reporting on the individual measures can be found in our full Annual Report along with information on how our measures help us achieve our community outcomes and what progress has been made towards achieving the outcomes.



Highlights and significant events

Harbour Development Project

The walls are now well underway

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) with MBIE taking on the ownership and risk of the Harbour wall construction.

Snapshot from the year:

- HEB Construction progressed with the final design for review
- Council proceeded with consultation and planning for the upgrade of Snell Road
- Snell Rd completed in August 2020

- HEB moved onto site September 2020 constructing laydown areas and haul roads and completing dynamic compaction testing
- In October 2020 MBIE started rock supply to the 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 Maori Trust Board took out the top honour as the overall LGNZ Local EXCELLENCE winner for the Ōpōtiki Harbour project.



Hanbars stacked and ready to be used at the Ōpōtiki harbour development site—July 2021

Te Tāhuhu o Te Rangi

Ōpōtiki's new research and technology library opens

Thanks to the generous support of multiple funding partners, the impressive new library and community hub was constructed during 2020/21, 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 on 2 December. The building is now open to the public and offering a wide range of library services and more.



Image: Concrete pour 15 February 2021 during build of Te Tāhuhu o Te Rangi

Lots 9 and 10, Church Street commercial development

Building due to be completed early 2022

Following the grant of Provincial Growth Funding toward this project in 2020, a tender process was carried out and a design team appointed in March 2021. A design process followed and building consents were approved. The site was made clear after the old buildings were

demolished and the contract for construction of the new building has now been awarded. The building works are starting shortly. We've advertised for tenancies and expressions of interest have been received.

Town centre revitalisation

Master plan being progressed

Following consultation with the community the whakairo concept plan was created. Māori cultural installations are being used 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 Whakatōhea Māori Trust Board.

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 lease the premises. This funding will also be used to remove and replace verandahs outside some Church Street properties, and refurbish the shop currently occupied by Hospice. This work will be done at the same time as the Lots 9 and 10 commercial development construction.

Rawinia Rangi Reserve

Community enjoying this refurbished and upgraded space

Tracks Concrete Ltd was awarded the tender in December 2020 for the upgrade of this reserve (previously known as the Rose Garden reserve). The contract works included 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 new name of the reserve was suggested by the whānau of Rawinia Rangitakatu who made a 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: Splashpad at Rawinia Rangi Reserve

Skatepark

One of the best in NZ

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. After consulting with the community the design was signed off in March 2021 with works starting shortly after in April. The newly

constructed skatepark and pump track sections opened to the public in September. Restoration of the old skatepark is well underway and will be completed in the 2021-22 financial year.



Image: New sections of the skatepark/pumptrack

Walkways/Coastal Access

As far as the eye can see

Ōpōtiki District Council and contractors have completed 3.3km of cycleway from Waiotahi Drifts subdivision to Waitotahe 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 Ōpōtiki and Te Kaha thanks to funding from the PGF.

Council staff will soon let another contract for more cycleways from Baird Road to the Waiotahi Drifts subdivision.



Water Supply

Assessment completed—works programmed

Council assessed the current water supply model and updated it to allow for growth and where works would be required to maintain and improve levels of services.

The following works were programmed:

- Upgrade the existing 40mm watermain in 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.



Image: Plantings of ferns and shrubs along the Tarawa Creek banks

Stormwater

Modelling completed

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.

The Tarawa Creek Development includes cleaning of the creek, widening sections of the creek behind the Senior Citizens Hall and planting of selected ferns and shrubs along the Tarawa Creek banks.

The Richard Street Gravity Main Upgrade includes construction of 1200mm diameter stormwater pipe behind the Magnus Lennie yard from the Tarawa Creek outlet structure and towards Richard Street and St John Street intersection and further into Richard Street/Goring Street intersection.

Sewerage

We got the pooper scooper in

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: Wastewater treatment pond undergoes de-sludging

Asset Renewal

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

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

Embedding best practice

Work is underway on 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. It will improve the asset management systems and better inform planning and decision making for our assets.

Solid Waste

Waste to landfill increases

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 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

More funding leads to lighter streets

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.

District Plan

Mediation of appeals completed

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

Building Control Authority

Online applications on the rise

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. The increase in consent numbers, combined with our difficulty in recruiting permanent staff and

consultants due to the current labour market conditions, 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%.

Animal Control

More impounded dogs have been rehomed

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.



Short-term jobs on the new footpaths created pipelines for local rangatahi and young people to find permanent employment with our local civil construction companies.

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 was a particularly impressive achievement at a time when there were 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 2021 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 with Future Leaders programme members from across the country attending. 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.

The Summer Festival finished on a record breaking high with 5,000 attendees at the Ōpōtiki Lantern Festival.



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.

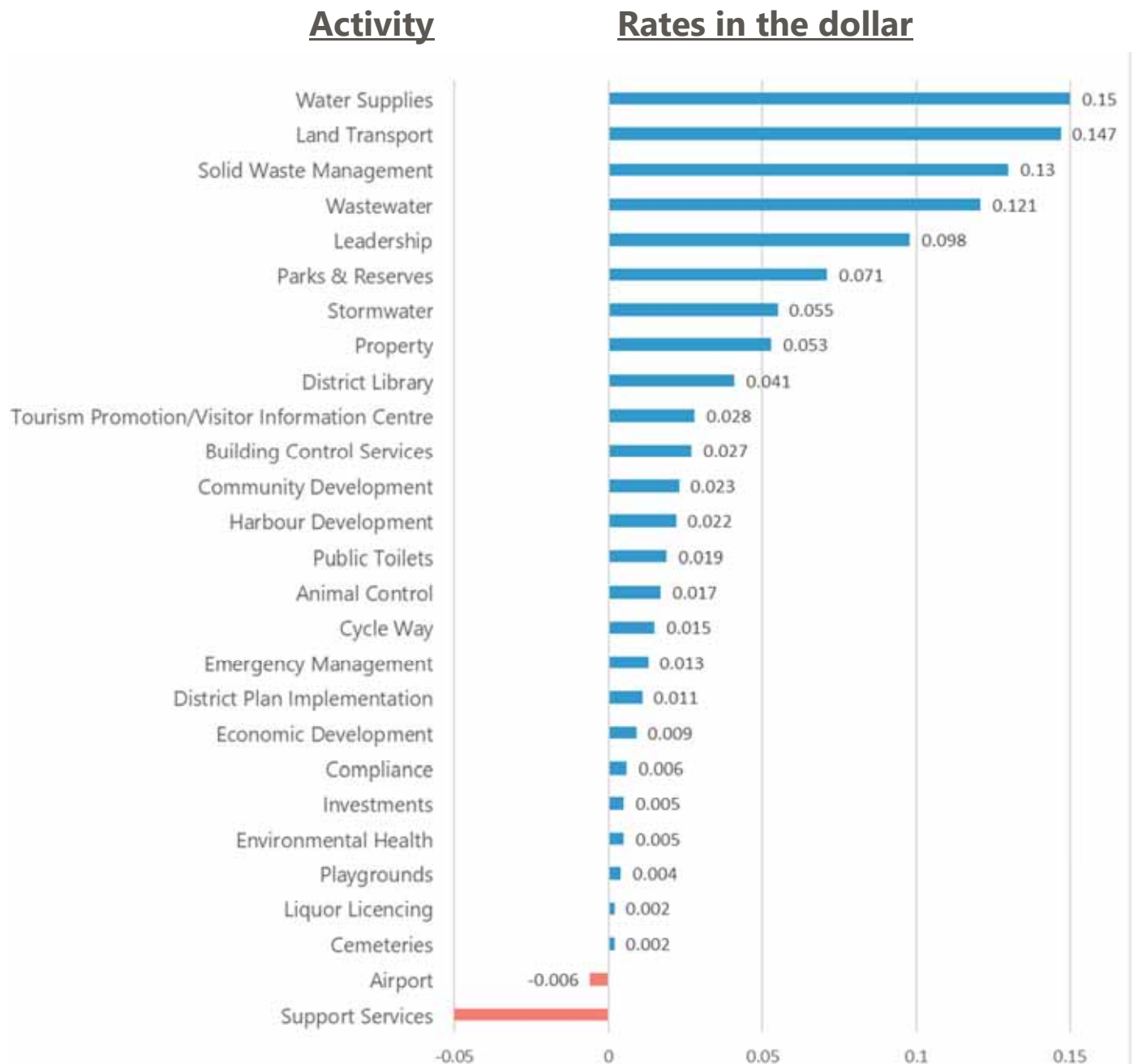


Image: Bruce and Chris Comyns are long-time library users and they weren't too shy to try the virtual reality equipment for the first time! Bruce is immersed in the 3D world and Chris is watching on the iPad to see what Bruce is seeing.



Our vision: STRONG COMMUNITY STRONG FUTURE

Where your rate dollar goes

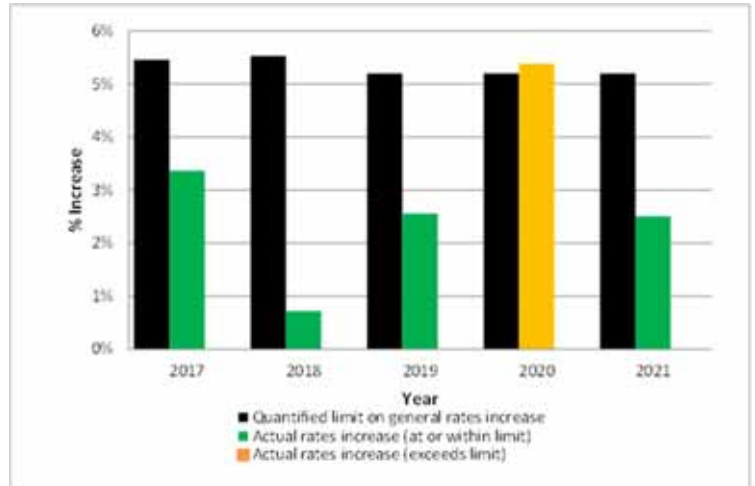


The Council receives money from leasing out the aerodrome for farming operations. The Council also, through the support services activity, receives revenue from the Bay of Plenty Regional Council for the collection of Regional Council rates.

Financial Reporting and Prudence

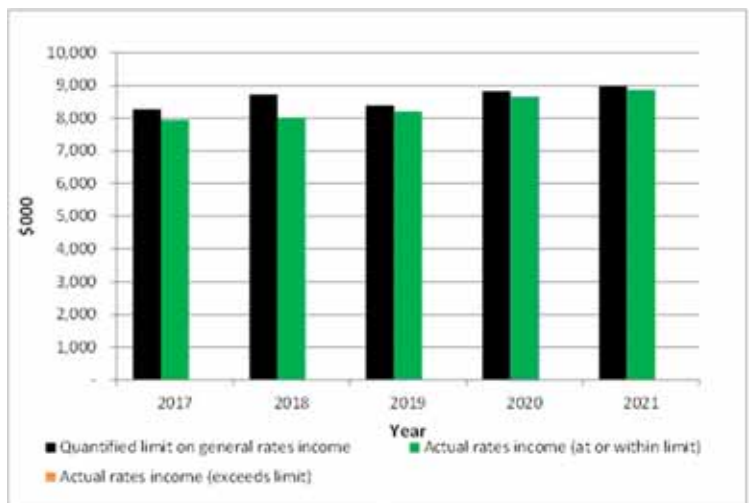
Rates (increases) Affordability Benchmark – General Rates

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%.



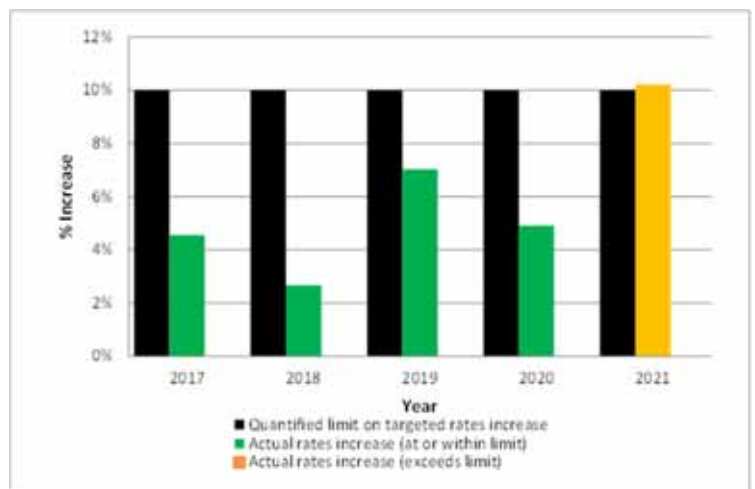
Rates (Income) Affordability Benchmark – General Rates

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%).



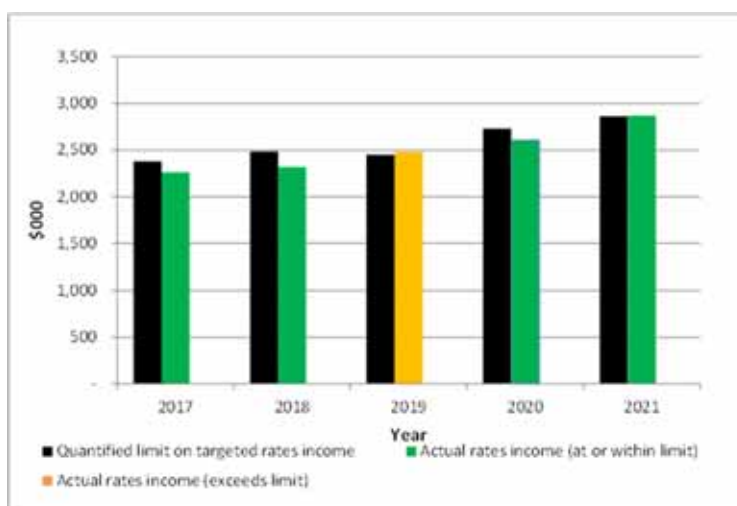
Rates (increases) Affordability Benchmark – Targeted Rates

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

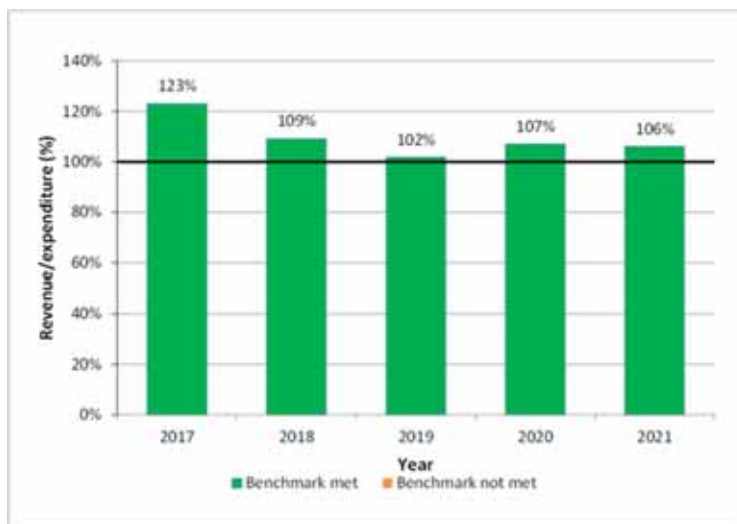
This graph compares the council's actual targeted rates income with a quantified limit on targeted rates income contained in the financial strategy included in the council's long-term plan.



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.

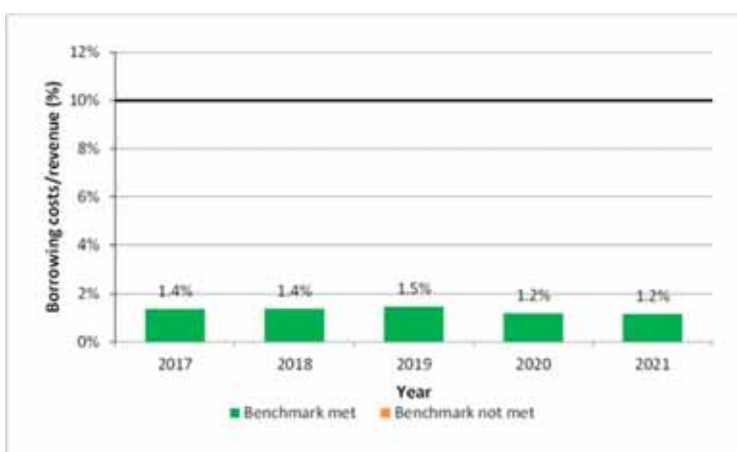
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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.

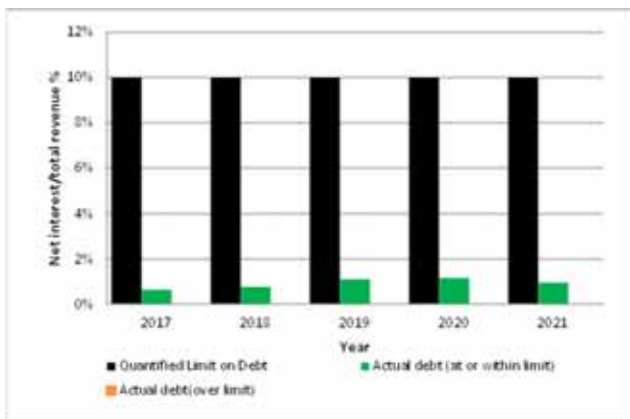


Debt Affordability Benchmark

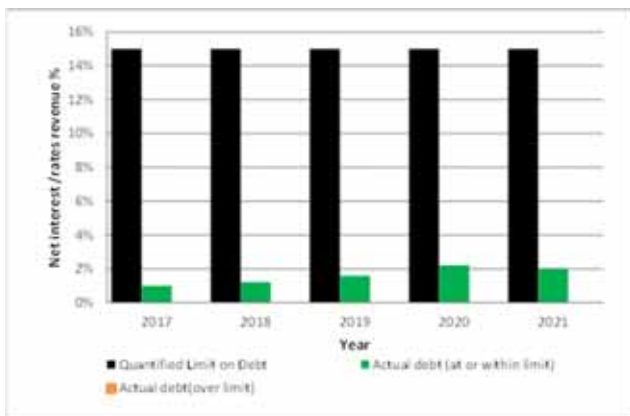
The Council meets the debt affordability benchmark if its borrowing is within each quantified limit on borrowing. The following graphs compare the Council's actual borrowing with the quantified limits on borrowing stated in the financial strategy included in the council's long term plan.

The quantified limits are:

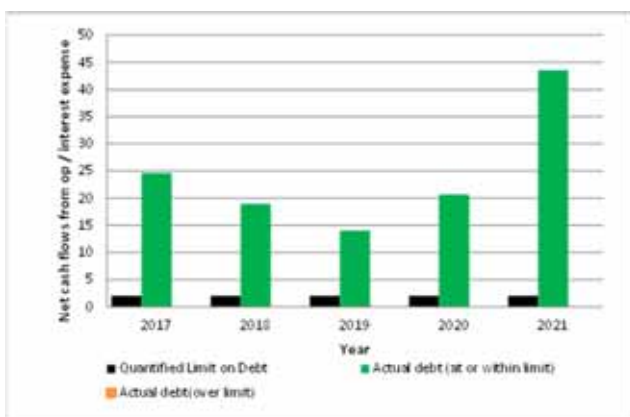
Net interest expense/total revenue less than or equal to 10%



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



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

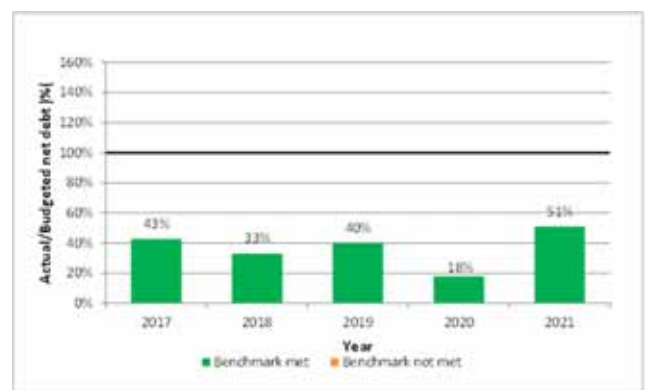


Debt Control Benchmark

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).

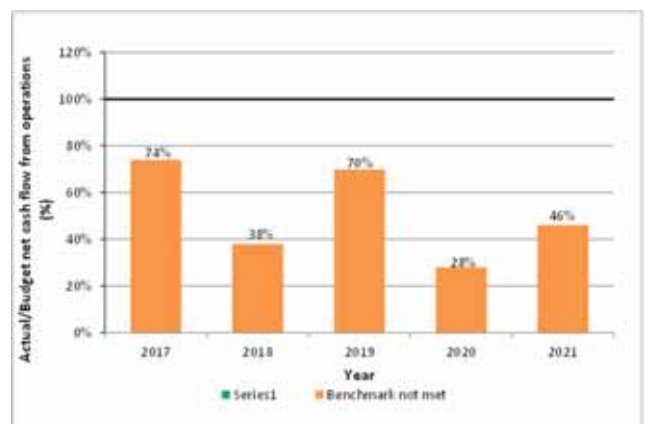
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



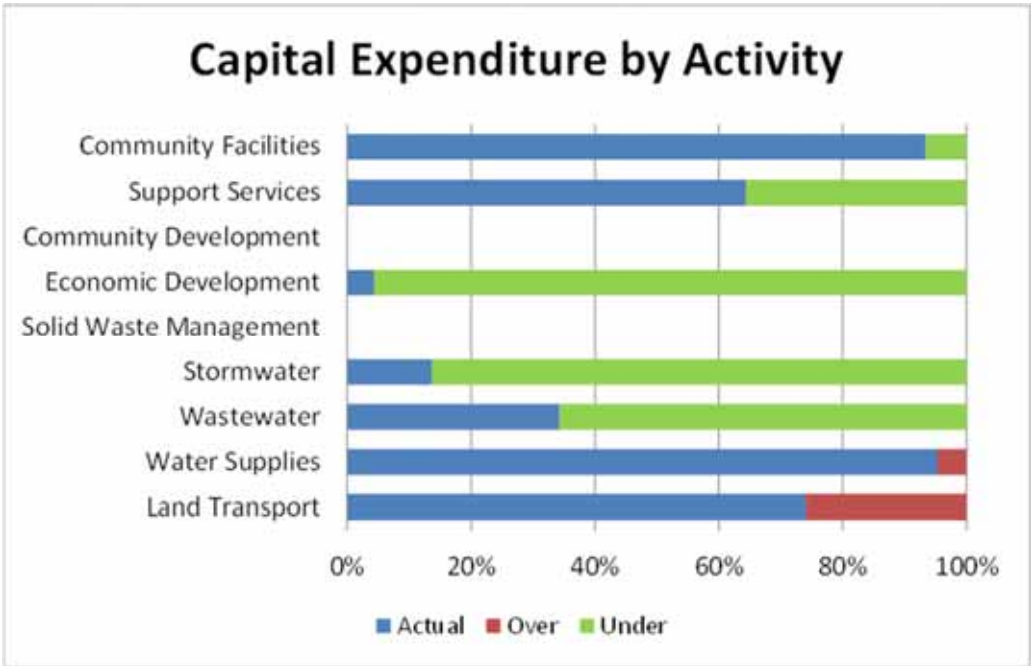
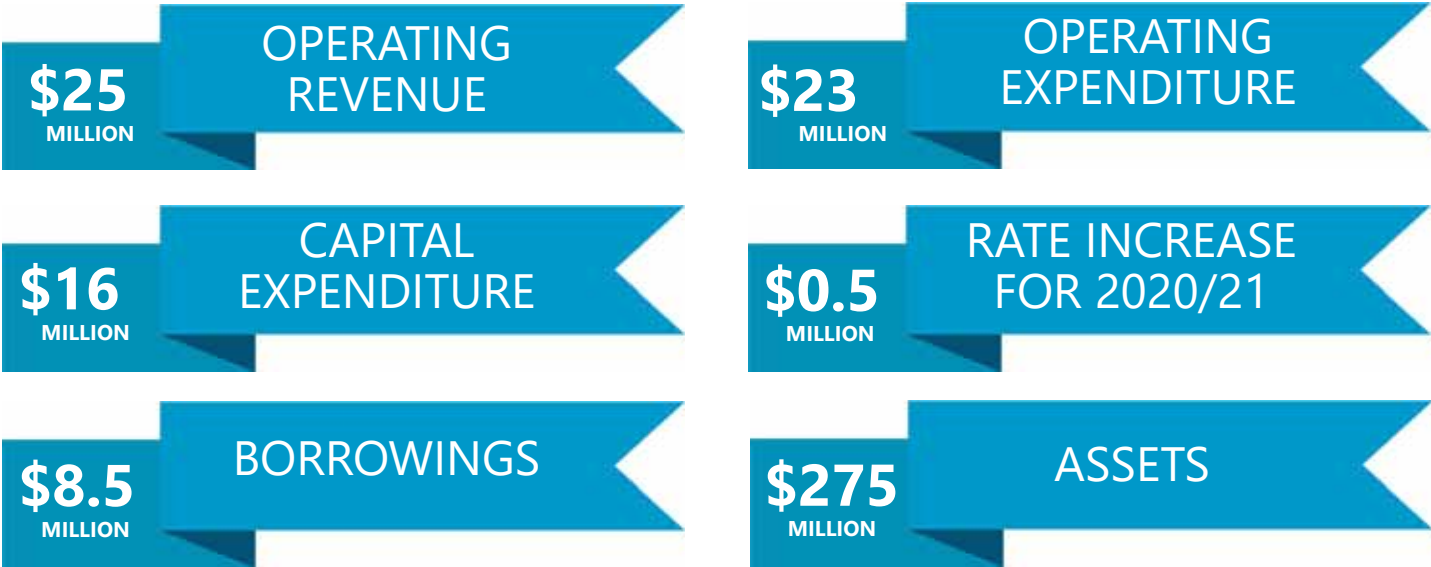
Operations Control Benchmark

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.



Our finances in brief



Major Variances

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

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.

Financial strategy

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.

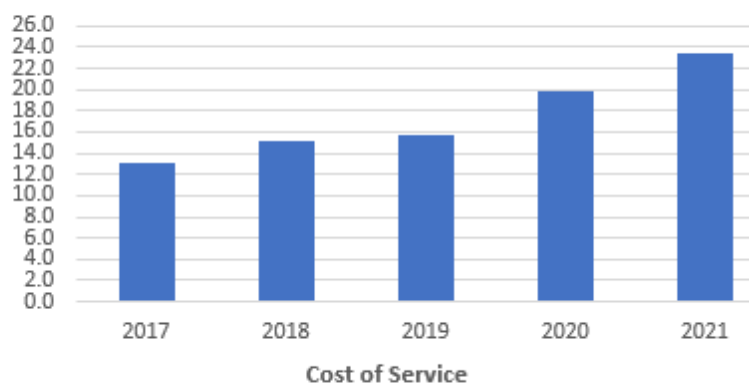
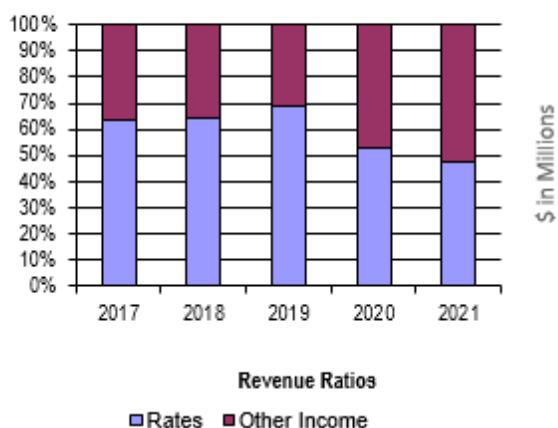
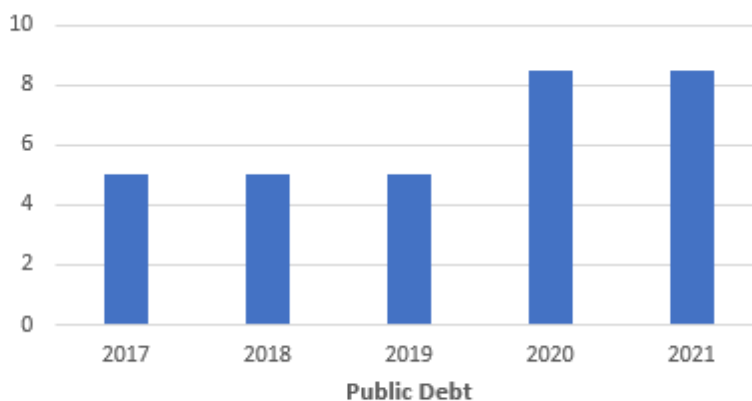
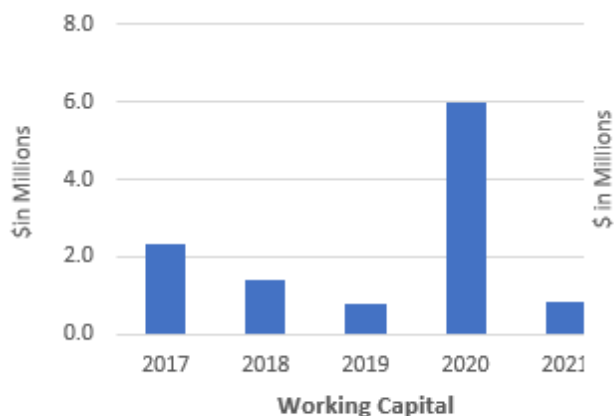
Although the harbour development project will be delivered by central government over the next 3 years, there will still be a requirement for Council to contribute its \$5.4 million as previously resolved.

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 our financial prudence measures outline 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 if directly rate-funded. 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, or regulation, 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 generation. It is fair that the cost of the future benefit is paid by future generations. Otherwise it would be the "now" generation paying for the benefit that those in the future would receive.



Financial summary

Variance Comments

Income

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.

Expenditure

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 full annual report document.

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.

Ōpōtiki District Council Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2021	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Total Revenue	24,882	41,344	21,379
Operating Expenditure	23,158	16,210	19,586
Finance Costs	291	928	257
Operating Surplus/(Deficit)	1,433	24,206	1,536
Share of Associate Surplus/(Deficit)	32	-	16
Other Comprehensive Revenue			
Gain on Asset Revaluations	8,595	3,056	36,950
Total Comprehensive Revenue and Expense	10,060	27,262	38,502

Ōpōtiki District Council Summary Statement of Changes in Equity for the year ended 30 June 2021	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Equity at the Beginning of the Year	241,873	210,732	203,336
Total Comprehensive Revenue and Expense	10,060	27,262	38,502
Transfers to/from Equity	64	-	35
251,997	237,994	241,873	
Equity - Closing Balances			
Accumulated Funds	139,609	161,122	138,249
Asset Reserves	110,718	75,768	102,123
Council Created Reserves	1,670	1,104	1,501
Equity at the End of the Year	251,997	237,994	241,873

Ōpōtiki District Council Summary Statement of Financial Position as at 30 June 2021	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Total Current Assets	14,409	8,005	11,065
Total Non-Current Assets	260,221	259,634	244,429
Total Assets	274,630	267,639	255,494
Total Current Liabilities	15,566	5,129	5,050
Total Non-Current Liabilities	7,067	24,515	8,571
Total Liabilities	22,633	29,644	13,621
Net Assets/Equity	251,997	237,994	241,873

Statement of Financial Position

Total assets are higher than budget as Council was in receipt of funding that was yet to be used (PGF, three water reform, Mayors Taskforce for Jobs).

\$3.5 million to fund capital infrastructure works.

Statement of Cash Flows

Net cash from operations of \$7.5 million was lower than the budget of \$27.5 million due to the harbour development project and related funding now being delivered by central Government, instead of Council.

Net cash from investing activities of -\$6.8 million was lower than the budget of -\$36.3 million due largely to the harbour development being delivered by central Government, instead of Council. There were also a number of projects that were either delayed or postponed due to Covid-19 related disruption.

Net cash from financing activities of \$Nil was lower than budget of \$9 million due to Council not drawing on additional debt due to various capital projects not progressing at the rate envisaged.

Ōpōtiki District Council	Actual	Budget	Actual
Summary Statement of Cash Flows	2021	2021	2020
for the year ended 30 June 2021	\$000	\$000	\$000
Net Cash from Operating Activities	7,539	27,494	8,790
Net Cash from Investing Activities	(6,839)	(36,242)	(9,395)
Net Cash from Financing Activities	-	9,064	3,500
Net Increase/(Decrease) in Cash	700	315	2,895
Cash at the Beginning of the Year	4,558	3,685	1,663
Cash at the End of the Year	5,258	4,000	4,558

Summary Accounting Policies

The information included in this summary has been extracted from the audited full financial information in the Ōpōtiki District Council 2020/21 Annual Report. It is prepared on an individual entity basis as Ōpōtiki District Council does not have a group. This Summary Annual Report was authorised for issue on 15 November 2022 by the Mayor and Chief Executive of the Council.

The Council's full Annual Report has been audited by Audit New Zealand and an unmodified opinion was issued on 15 November 2022.

The full financial statements have been prepared in accordance with Tier 2 PBE accounting standards. This Summary Annual Report has been prepared in accordance with PBE FRS-43 Summary Financial Statements.

The approval by the Council on 15 November 2022 of the Financial Statements for the year ended 30 June 2021 is outside the statutory deadline for adoption established by the Local Government Act 2002, which requires that the financial statements are completed and adopted by Council before 31 October each year. This was due to an auditor shortage in New Zealand and the consequential effects of covid-19 including lockdowns.

The presentational currency is the New Zealand Dollar NZD.

Summary Additional Disclosures

Contingencies

We have no contingent liabilities (2020: \$1,000). We have no contingent assets either (2020: \$Nil).

Commitments

Council has capital commitments at 30 June 2021 of \$1.17 million (2020: \$4.13m). These relate to capital works for water supply, roading and buildings assets.

Council has operating commitments of \$13.9 million (2020: \$1.47m). These relate to non-cancellable contracts that have been entered into during the current financial year. These contracts have the following maturities: less than one year \$4m (2020: \$1.47m); later than one year but not later than five years \$9.9m (2020: \$Nil).

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.

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. Once legislated will mean Council is no longer responsible for the delivery and infrastructure or three waters services from 1 July 2024.

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 Jun 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 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
Summary Statement of Comprehensive Revenue and Expense			
Gain on Asset Revaluations	11,315	25,635	36,950
Total Comprehensive Revenue and Expense	12,867	25,635	38,502
Summary Statement of Financial Position			
Total assets	229,859	25,635	255,494
Net Assets/Equity	216,238	25,635	241,873
Summary Statement of Changes in Equity			
Total Comprehensive Revenue and Expenses	12,867	25,635	38,502
Equity - Closing Balance	216,238	25,635	241,873

Disclaimer

This document is a summary of the full Annual Report, and as such does not include all of the detail and disclosures of the full Annual Report. It cannot be expected to provide as complete an understanding as provided by the full Annual Report. Copies of the full Annual Report are available from Ōpōtiki District Council Customer Services or Library. It is also available for viewing or downloading from Council's website at www.odc.govt.nz

Independent Auditor's Report

To the readers of Ōpōtiki District Council's summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of the Ōpōtiki District Council (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 3, 16 to 18 and 21 to 23:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of "Our Performance".

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2021 in our auditor's report dated 15 November 2022. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the uncertainties over the Government's three waters reform programme announcement. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services. These matters are addressed on page 23 of the summary financial statements.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

In addition to our audit of the audited information and our report on the disclosure requirements, we performed a limited assurance engagement related to the District Council's debenture trust deed and audit engagements for the 2021-31 Long-term plan Consultation Document and the 2021-31 Long Term Plan, which are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



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