



Ōpōtiki District Council

# 2021/22 Annual Report

ISSN 1173-1842



# Directory

Council Office	108 St John Street P O Box 44 Ōpōtiki 3162 New Zealand
Telephone	64 7 315 3030
Facsimile	64 7 315 7050
E-mail	<a href="mailto:info@odc.govt.nz">info@odc.govt.nz</a>
On the web	<a href="http://www.odc.govt.nz">www.odc.govt.nz</a>
Bankers	ANZ 57 Spring Street Tauranga
Auditors	Audit New Zealand on behalf of the Auditor General
Solicitors	Simpson Grierson Wellington
Insurance Brokers	Aon New Zealand Tauranga

# Executive Staff

Aileen Lawrie  
**Chief Executive**

Peter Bridgwater  
**Group Manager Finance and Corporate Services**

Stace Lewer  
**Group Manager Engineering and Services**

Gerard McCormack  
**Group Manager Planning and Regulatory**

Anna Hayward  
**Group Manager Community Services and Development**

Produced by Ōpōtiki District Council  
May 2023  
File Number: A258555

Cover photo: Council staff compete in Waka Ama during Matariki Festival 2022

# Contents

Directory .....	2
Executive Staff .....	2
Contents .....	3
Your representatives 2021/22.....	4
<b>Introduction .....</b>	<b>5</b>
From the Mayor and CE .....	6
Highlights and significant events .....	7
5 Year Financial Summary .....	20
2021/22 Performance Overview .....	22
Financial Reporting and Prudence.....	23
Capital Expenditure 30 June 2022.....	28
<b>Council Organisation.....</b>	<b>29</b>
Council Values and Vision .....	30
Organisational Structure 2021/22.....	32
Priorities for Council Action.....	33
EEO Report .....	33
Governance and Structure .....	34
<b>Council Activities and Performance .....</b>	<b>37</b>
Our activity groups.....	38
Community and Cultural Sustainability .....	40
Leadership .....	40
Community Facilities .....	43
Community Development.....	49
Economic Development.....	53
Regulation and Safety.....	59
Environmental Sustainability.....	64
Solid Waste Management.....	64
Stormwater .....	70
District Plan .....	75
Wastewater.....	78
Economic Sustainability .....	83
Water Supply .....	83
Land Transport.....	90
Investments .....	95
Progress towards community outcomes .....	98
<b>Financial Information .....</b>	<b>107</b>
Statement of Comprehensive Revenue and Expense .....	108
Statement of Changes in Equity .....	109
Statement of Financial Position .....	110
Statement of Cashflows .....	112
Funding Impact Statement .....	113
Notes to Financial Statements.....	114
Statement of Compliance and Responsibility .....	156
<b>Report from Audit New Zealand .....</b>	<b>157</b>

# Your representatives 2021/22



**Mayor Lyn Riesterer**

## Coast Community Board

**Chairperson Louis Rāpihana**



**Deputy Mayor Shona Browne**

**Allen Waenga**

**Michael (Spike) Collier**



**Councillor Barry Howe**

**Tiaki (Jack) Parata**

**Gail Keepa**



**Councillor Steve Nelson**



**Councillor Debi Hocart**



**Councillor David Moore**



**Councillor Louis Rāpihana**



*Kua hinga te totara i Te Waonui-a-Tāne – the totara tree has fallen in Tāne's great forest.*

In April 2023, Ōpōtiki lost Louis Rāpihana, former Councillor and Coast Community Board Chair 2020-2022. He is deeply missed by all those who knew him for his warmth, wit, integrity and the passion he brought to all council discussions on behalf of his community.



# Introduction



We shared in the joined-up and creative approach that made sure the mahi needed to help keep our communities safe took place.

# From the Mayor and CE

The past 12 months has been full of challenges particularly with the impact of Covid and storm events experienced within the community. Lockdowns and supply chain delays were particularly difficult to navigate however we were still able to deliver some excellent outcomes for the community.

Council continues to assist the project delivery team with the ongoing construction of the Ōpōtiki harbour Development which is due for completion in late 2023. Te Tāhuhu o Te Rangi construction was completed, and the facility has seen numerous visitors since opening its doors. A range of improvements around the CBD have commenced including the development of lots 9 & 10. The skatepark and Rawinia Rangi Reserve developments were completed and are great open-space facilities with many people utilising them. Numerous Roothing, Wastewater and Three Waters projects were also commenced or delivered. These projects form part of the biggest capital works programme in the history of the council.

At the same time as delivering our major projects, a great deal of time and effort has gone into providing information and submissions on the government's Three Waters reform. We have been united, with Iwi and the community, in our opposition to the reform, and this has been reflected in our submissions. We have still participated in providing information on our Three Waters Assets to the government in good faith.

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.

Overall we think it is has been an incredible year, despite its numerous challenges, and we hope you enjoy reading our many highlights.



**Mayor David Moore**



**CEO Stace Lewer**

# 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 2020 MBIE commenced procurement and supply of nearly 400,000 tonnes of rock and that was concluded in November 2022. The walls require 12,000 hanbar reinforcing units to protect the walls against wave action. The units have been manufactured on site using concrete from Eastern Bay Concrete in Ōpōtiki. Hanbar casting was completed in October 2022. In August 2022 Hinewai, the amphibious excavator, commenced dredging the river and channel. The walls are now nearing completion and focus of the project is moving to stockpiling sufficient sand to close the river and construct a new dune on the western side. River closure works have increased in scale due to the westward drift of the river entrance in recent years. The new harbour channel will be progressively opened during the second half of 2023.



Image: Drone photo breakwater progress 8 March 2023.



## Te Tāhuhu o Te Rangi

Our library has welcomed locals and visitors with open arms into our new and larger community hub to enjoy the shared space and the hospitality provided. The addition of meeting rooms has been well utilised for many purposes; charity trusts, training providers, hapū and iwi groups, individuals and study groups to name a few. Our collections continue to reflect the community that it serves and ensures our members have access to good quality materials. Our physical books, magazines, digital equipment and DVDs are met with a growing selection of free eBooks, Audios, eMagazines, eNewspapers and eMovies online. Introducing customers to our Makerspace equipment has grown into a flurry of fantastic projects and has proved to be a space with great educational opportunities. As the digital world expands into many aspects of our lives, the library's Digital Literacy programme has become a valued vehicle for public service delivery, and contribution to our community wellbeing.



Image: GoodYarn facilitator using our community hub to provide mental health and wellness workshops for our local farmers and their whānau at Te Tāhuhu o Te Rangi.



## Lots 9 and 10, Church Street commercial development

This new two-level tilt concrete panel building is currently under construction and is due for completion late May 2023. The Lot 9 & 10 project presents an opportunity to stimulate and attract new activity directly into Ōpōtiki's town centre. The tenancies will be linked by a northern laneway with accessible entry points, which provides integral flow through to a service lane at the rear of the site, connecting visitors to Ōpōtiki's wider features such as the new entrance to the cycle trail. The Laneway building has been designed by award-winning Rotorua firm DCA Architects of Transformation and is currently being marketed for lease by Bayleys Real Estate.



Image: Ōpōtiki District Council Commercial Development | Renderings from DCA Architect of Transformation



Image: Ōpōtiki District Council Commercial Development | Building works underway

## Other town centre revitalisation projects

Additional funding received from the Provincial Growth Fund is being used to remove and replace verandas outside a number of Church Street properties, and refurbish 'Lot 7' - the shop next to Te Tāhuhu o Te Rangi. This work is being carried out in conjunction with the Lots 9 and 10 commercial development construction and is currently being marketed for lease.

## Rawinia Rangi Reserve cottage Upgrade

Rawinia Rangi Reserve playground development was completed July 2021. Although the playground looked fantastic, we still had to renovate the beautiful little building on site, known as the Rose Garden Cottage. The cottage was in desperate need of repair and with funding assistance from PGF the cottage has now been restored to its former glory and we will be working through how it may best be utilised in the future.



Image: Ōpōtiki District Council February 2023

## Skatepark

The skatepark and adjoining carpark were completed. They are proving to be very popular and additional features have been added to the area including a toilet block, seating, BBQ, shelters, and CCTV cameras. In the next 12 months a new playground will be added along with culture features and signage to promote the area as an entry point onto the Motu trails.



Image: The hugely popular skatepark and pumptrack.



## Walkways/Coastal Access

Ōpōtiki District Council and contractors have now completed the cycleway from Ōpōtiki Township to Waiotahi Drifts subdivision and onto Waiotahe Pipi Beds. Further signage and improvements will be made to the look of the trail and almost 15 thousand plants have been planted within the sand dunes around the trail since work commenced on it.

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



Image: New cycleway – Waiotahe Beach, Ōpōtiki

## Water Supply

Major works this year included:

- Completion of the upgrade of the 40mm watermain in the Hukutaia Dip Road area with 150mm watermain. This included hydrants at required intervals for firefighting safety standards
- Completion of the upgrade of the existing watermain from Otara Road to Te Rere Pa Road to service the Te Rere Marae
- Working on plans to install UV treatment at the Ōpōtiki Water Treatment Plant in the 2022/23 year. This is required under the new drinking water standards to disinfect the treated water before it goes into the reticulation system
- Exploring the options of additional water supply sources for the Te Kaha Water Supply system.

## Stormwater

We have made progress towards completing a Comprehensive Stormwater Consent submission. This application was submitted to Bay of Plenty Regional Council (BOPRC) in December 2022.

Council is nearing completion of stormwater pipe upgrades along Richard Street. This has been a large job which included 375m of 1200mm pipe and 210m of 750mm diameter pipe along Richard Street, 124m of 900mm diameter along St John Street and associated manholes. The completed pipes will be connected into the planned King Street culvert upgrade project. This work is planned for the 2022/23 year with the culvert upgraded to a 2.5m width x 1.5m height concrete box culvert.

Following the completion of the stormwater pipeline projects and the proposed King Street culvert upgrade, council has planned to construct a stormwater storage area. This will include wetland near Tarawa Creek flood bank to settle and purify the stormwater collected before pumping into Waioeka River. Council has also planned to construct a new stormwater pump station away from the Waioeka River flood bank.



Image: Laying stormwater pipe Richard Street, Ōpōtiki

## Solid Waste

As of 1 January 2022, Ministry for the Environment made it mandatory for Council's to report on all waste material types received and diverted from landfill for each of our three sites. The need has required Council to improve its data collection methods to meet reporting requirements. There has been another clear increase in waste produced with an estimated 3727 tonnes produced in the 2021/22 year of which Council has diverted 1018 tonnes through various recycling methods. To assist in data collection, Council successfully applied for a grant of \$100k to construct a weighbridge and Council contribution will see a second weighbridge installed at the Opotiki site which will provide consistency in daily operations.

## Asset Renewal

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

- ODC completed its annual road surfacing renewals work, resealing roads across the district. Drainage, unsealed road, and sign renewals were completed under the road maintenance contract in line with maintenance schedules and as needed. Some renewal works were deferred to the 2022/23 year to achieve cost efficiencies, these were pavement and footpath renewals
- Various stormwater, wastewater and water supply plant components to ensure optimal operation.



## Wastewater

Around 1200 tons of sludge from the wastewater treatment pond was removed this year to increase the capacity of the pond and improve the natural performance of the aerobic treatment pond.

Through 2021/22 the inlet works concept design was completed. This sets the stage for the detailed design and construction of a new set of screens at the treatment pond and for installation of aerators to improve the treatment process. The work also considered a range of options for further investigation and design which will be required as council look toward replacing our wastewater effluent disposal consent which expires in July 2025.

We also completed an options and concept design assessment of wastewater infrastructure for the Hukutaia area which has been identified as the preferred future housing development area. This work was progressed alongside an Infrastructure Acceleration Fund application to central government. This fund supports councils in providing critical infrastructure to support housing development. The grant application was unsuccessful, however the concept design provides a vision for infrastructure into the area and will be picked up as we continue to explore options for providing wastewater infrastructure to the area.

In the next financial year we plan to start further investigations (identified in the design and assessment work listed above) that will take both the consent replacement and growth related projects to their next stages.



Image: Wastewater testing at the top of the Imhoff tank

## Lighting Programme

Work began on the street lighting infill project after funding was received from Waka Kotahi NZTA and Trust Horizon to complete the remaining street lighting in Opotiki township. The Woodlands/Hukutaia area is to be completed in 2022/23.

## 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.

## Land Transport

The urban street upgrade project was tendered but did not receive enough market interest, so was deferred to 2022/23. It has been combined with other street upgrade sites planned for that year to increase project scale and attract more competition.

**Major Storm Damage:** In October & November 2021, heavy rain and wind caused damage to road assets around the Otara area. Another larger event in February 2022 caused further damage on a more widespread area across the district. The damages from these events totalled \$545,000 in initial response and repair costs. This work was subsidised by Waka Kotahi NZTA, and additional council funding approved for the repair costs. The works were carried out throughout the remainder of the year by contracting crews, under our road maintenance and emergency works contract. Some of the works were more specialist in nature and required other contractors to work on them.

## 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.

### RM Reform

In November 2022, central government proposed to repeal the Resource Management Act 1991 and replace it with three new pieces of legislation. Two of these have been introduced to parliament. They are called the Natural and Built Environments Bill and the Spatial Planning Bill. The Environment Select committee heard submissions in February. ŌDC was part of a combined Bay of Plenty Regional Councils submission, and it can be read online on the NZ Parliament website. The third piece of legislation is called the Climate Change Adaptation Bill, and we are all waiting for this to be introduced which will likely be at the end of the year. All of these bills will have an effect on our District Plan and how this is created: we will keep a close eye on the bills and inform the community of any changes they need to know about.

### Future for Local Government

The Review into the Future for Local Government panel released their draft report in October 2022. The Panel were tasked with looking at how the system of local government and governance needs to adapt and change over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively embody the Treaty partnership. Lots of councils around the country wrote submissions on the draft report, including ŌDC. You can see our submission on the website. The Panel presents their final report to the Minister for Local Government in June, and we will wait to see if any changes to local government follow on from the final report.

### Three waters reforms

Central government's three waters legislation took the next step forward in November 2022 with the [Select Committee review of the Water Services Entities Bill](#) completed and recommendations published.

Our council continues to focus on being adaptable to the changing environment, seek benefit from any proposed changes, while continuing to advocate for a local voice. During the year we worked with partner agencies, other local councils and stakeholder groups to call for politics to be taken out of three waters management and to seek a consensus and inclusive approach to water management. This helps ensure we are as well prepared as possible for the outcome of these reforms.

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.

## 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, Te Puni Kokiri and other housing providers.

Kāinga Ora clearly understood the challenges we are facing around affordable and social housing and they committed to a net increase of 20-40 additional houses within the next 18 months on top of an upgrade to existing housing stock.

Kāinga Maha have gained resource consent for 46 housing units on the old Sale Yards site and construction of houses has begun on site.



Image: More public housing is on the way with the sale of part of Council's Wellington Street / Union Street block to Kāinga Ora - Homes and Communities.

## **Building Control Authority**

A total of 171 building consent applications were received in 2021/22. This is a 6% increase in application numbers compared to the previous financial year, and a 40% increase when compared to 2018/19. This increase in consent numbers, has placed a strain on the service particularly given the combined difficulty in recruiting permanent staff and consultants due to the current labour market conditions. However, we have been working hard to improve our processes and efficiency to manage the demand, as well. In the coming year we are expecting to receive over 200 consent applications which further demonstrates the growth and confidence of the development industry in Ōpōtiki.

### **Earthquake prone buildings**

All territorial authorities are required to report their progress toward identifying earthquake-prone buildings to the Ministry of Business, Innovation and Employment (MBIE) every year for a five year period, as part of the ongoing commitment to identifying and managing them.

Details of building that have been issued with earthquake prone building notices can be found on the MBIE register

Ōpōtiki district is identified as having a 'High' seismic risk, with a Z factor of 0.30 (see Verification Method for Building Code Clause B1-Structure). Territorial authorities that are within a high seismic area had to identify potentially earthquake-prone buildings by 1 January 2020. Ōpōtiki District Council achieved this, and all buildings considered to be earthquake-prone were identified. The building owners were then notified of the legislative requirements, and informed that they are required to provide to Council an earthquake assessment of their building by 31 December 2020. Depending on what each building assessment provides, varying works will be required on each of the buildings. It is the building owners' responsibility to carry out an earthquake assessment, and action any points necessary to address earthquake risk.

We have issued 40 Earthquake Prone Building notices, two have subsequently been removed from the register as they now meet the requirements. This leaves 38 that are still active and are required to achieve compliance by 2029.

## **Resource Consents**

A total of 63 resource consent applications were received, reflecting a 17% drop in applications compared to the previous 2020-21 year. This number of applications remains higher than the past five year trend of around 53 applications being received and pushes the five year trend to an average of 60 applications.

All consents processed during 2021/22 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.

## **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.



## Civil Defence

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

Council is developing and organising a process for engagement in schools with Emergency Management Bay of Plenty to raise awareness and educate students and families on emergency planning within the district under public education. Council has also undertaken engagement within various Marae in Ōpōtiki, communicating with those Marae spokespersons to ensure they are integrated in to the community response team planning.



Image: Heavy rain event 15 December 2021 - Toone Road, Waiōtahe, Opotiki

## Digital services

We continue to make sure our investments in technology and digital services are carefully targeted to make things quicker, easier, and more convenient for both customers and staff while still meeting auditing, reporting, security and privacy requirements.

In the 2021-22 year we completed the background work on an updated contact and service request system which strengthens our commitment of keeping the customer at the heart of what we do. The new solution should greatly increase two-way communications between Council and our customers. This system went live in February 2023 and an updated online services portal experience for customers will follow in early May.

## Animal Control

This year 1,511 dogs were registered, a slight increase on the previous year. In terms of dogs impounded, this is significantly less than in the previous financial year, due to the lockdown. The de-sexing scheme over the last five years has contributed significantly to there being less unwanted puppies which in turns leads to a decrease in unregistered roaming dogs. This has resulted in significantly less dogs being euthanised and a higher degree of dogs being rehomed, due to only a few dogs impounded being of dangerous/menacing breed.

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.



*Image: The new pound is open*

## Events

Staff planned and delivered two Matariki Festivals in the 2021-22 financial year and pivoted to play a key promotional and event delivery role within the Ōpōtiki Our Way community COVID response team.

Matariki in 2021 was held in July (1-11 July) and 2022 was in June.

For the 2021 Matariki Festival we organised and produced 5 Events and helped to facilitate a four-day wānanga at Waioweka Marae with 50 Future Leaders from all over the country. We also supported and promoted 10 events organised by the community for Matariki.

The 2022 festival ran from 16-26 June and included 5 events run by the i-SITE and 12 events run by the community. The success and uptake of community led Events to celebrate Matariki has propelled us towards our goal of becoming a go to destination to celebrate Matariki.

A key highlight has been the regeneration of mātauranga (Māori Knowledge) associated with Matariki through the delivery of events and workshops and gathering of people.

Our normal Summer Festival was cancelled due to COVID restrictions. Instead, the i-SITE supported the Ōpōtiki Our Way vaccine drive through management of social media and promotion and coordination of vaccine events held at various locations around the community.

Opotiki District Council received a *highly commended* at the Local Government Excellence Awards in the Social Wellbeing Category for the Ōpōtiki Our Way – COVID preparedness and response project.

Congratulations to the team on their success in growing Matariki and their role in supporting a nationally recognised community response to COVID.





# 5 Year Financial Summary

For the year to 30 June:

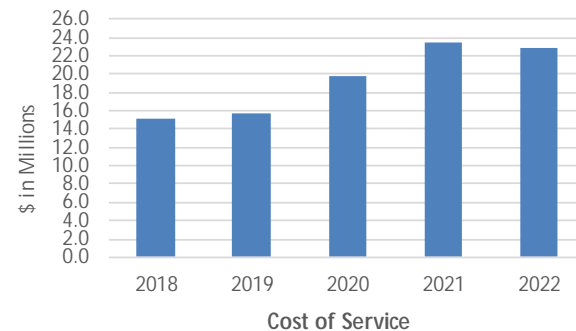
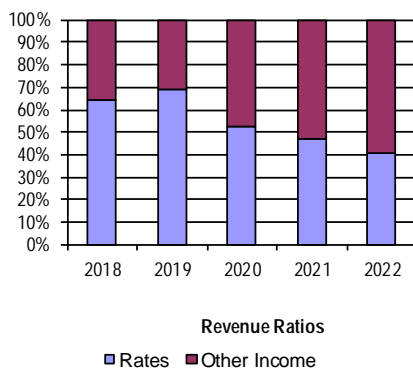
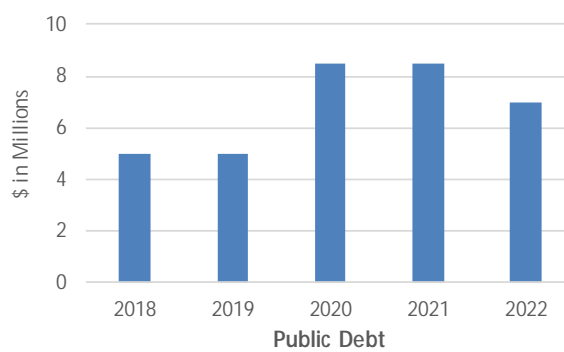
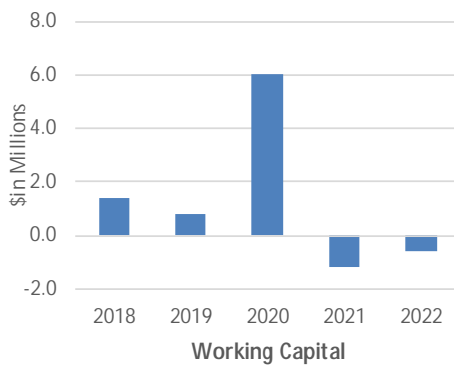
	2018	2019	2020	2021	2022
	\$000	\$000	\$000	\$000	\$000
<b>Income Statement</b>					
Rates (including penalties)	10,576	10,998	11,256	11,739	11,779
Other income	5,959	5,011	10,123	13,143	17,101
	16,535	16,009	21,379	24,882	28,880
Cost of services	15,158	15,732	19,827	23,417	22,870
<b>Net surplus/(deficit)</b>	<b>1,377</b>	<b>277</b>	<b>1,552</b>	<b>1,465</b>	<b>6,010</b>

## Financial Position

Current assets	7,124	4,816	11,065	14,409	9,806
Current liabilities	5,724	4,046	5,050	15,566	10,375
Working capital	1,400	770	6,015	-1,157	-569
Non current assets	205,287	207,661	244,429	260,221	334,866
	206,687	208,431	250,444	259,064	334,297
Non current liabilities	3,634	5,095	8,571	7,067	5,559
<b>Net assets</b>	<b>203,053</b>	<b>203,336</b>	<b>241,873</b>	<b>251,997</b>	<b>328,738</b>

## Financed by:

Ratepayers equity	132,122	135,596	138,249	139,609	146,916
Reserves	70,931	67,740	103,624	112,388	181,822
	203,053	203,336	241,873	251,997	328,738



\* 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 has been previously very conscious of keeping debt low to allow capacity to invest in the harbour development and the rehabilitation of the town's 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 and water reform projects. Our debt levels have increased from a previously stable \$5 million to \$7 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 more resilience and greater housing development.

Although the harbour development project is being delivered by central government over three years (scheduled completion late 2023), there will still be an obligation for Council to contribute its \$5.4 million towards the expected funding gap in the earlier years post construction.

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.

# 2021/22 Performance Overview

Overall Council has achieved an operating surplus of \$6 million for the year against a budgeted surplus of \$14.1 million.

Subsidies and Grants are \$4.6 million lower than budgeted for the year due to a number of projects being either delayed or deferred as a result of Covid-19 induced disruption, or where the external funding was unable to be secured.

Fees and charges revenue was slightly down on budget \$89k with the closure of some services during Covid-19 induced lockdowns.

Other revenue is higher than budget \$746k due to the fair value gain on the revaluation of investment property \$621k. Funding from the Bay of Plenty District Health Board was also received towards the Opotiki Covid-19 response programme.

Development and financial contributions received is \$1.2m favourable due to financial contributions received for future harbour maintenance.

Finance revenue is less than budget \$13k due to lower interest rates than was anticipated. Additionally, available cash is used before any new borrowing is raised

Other operating expenditure is \$3.9 million higher than budget for the year, mostly due to the loss on disposal of property, plant and equipment \$3.3m. Other cost variations relate to consultancy and contract costs relating to infrastructure projects (but not capitalisable) and costs which were either partially or fully externally funded (three waters reform, Covid-19 health response, Mana in Mahi cadetship programme, Mayors Taskforce for Jobs programme).

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 \$730k as a result of asset revaluations performed in the previous year being higher than expected.

Employee benefit costs are higher than budget \$450k. This is due to a combination of: the ongoing disruption Covid-19 had on some operations; some unbudgeted positions being externally funded (government response initiatives), less unfilled positions than was anticipated, and also due to the budget for some non-direct costs (training/recruitment) sitting under other expenses.

Other comprehensive revenue was \$70.7 million more than budget. This is mostly due to the increase in fair value of Council's roading, three waters, cycleways, and land and buildings assets, than was budgeted.

# Financial Reporting and Prudence

Annual report disclosure statement for year ending 30 June 2022

## 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.

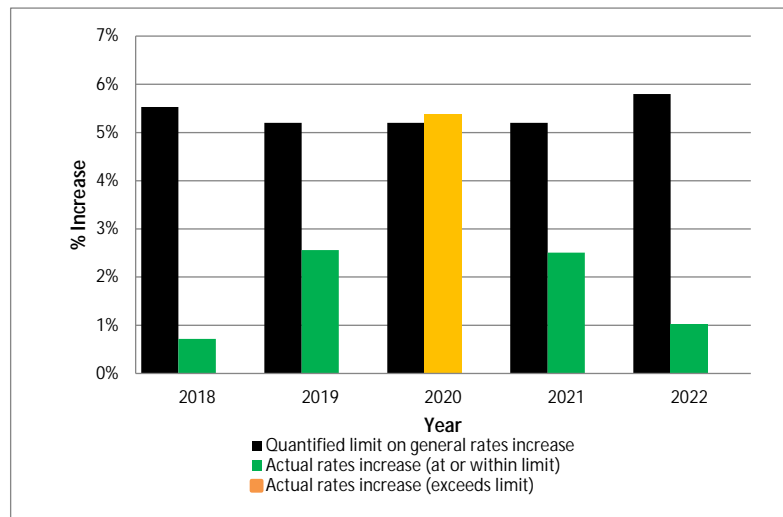
## Rates Affordability Benchmark

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.

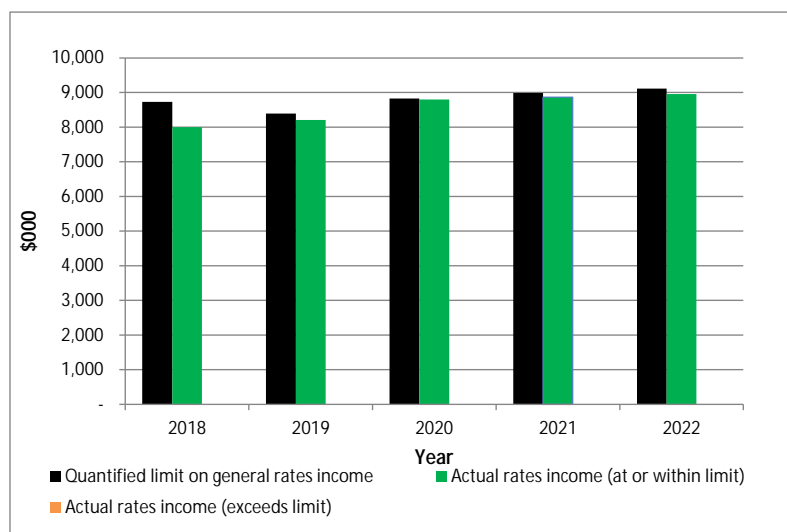
### Rates (increases) Affordability Benchmark – General Rates

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

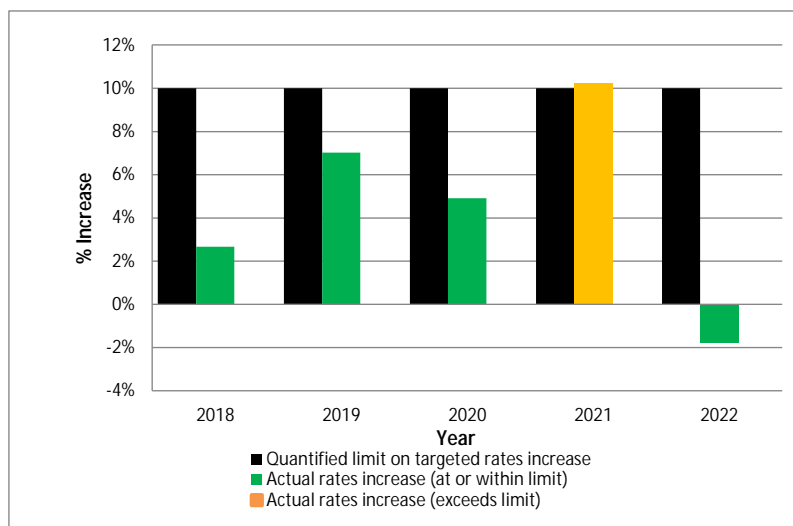
This graph compares the council's actual general rates income with a quantified limit on general rates contained in the financial strategy included in the council's long-term plan. The quantified limit is prior year general rates plus (LGCI plus 3%).



### Rates (increases)

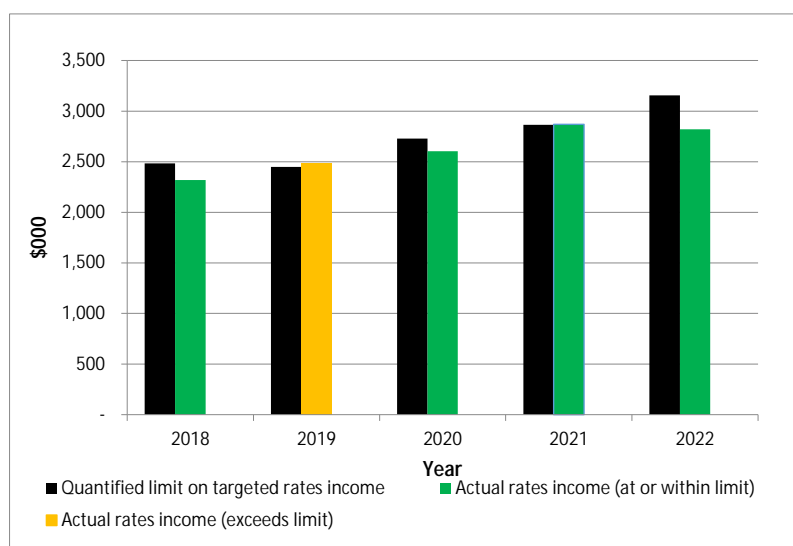
#### Affordability Benchmark – Targeted Rates

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. The quantified limit is prior year targeted rates plus 10%.

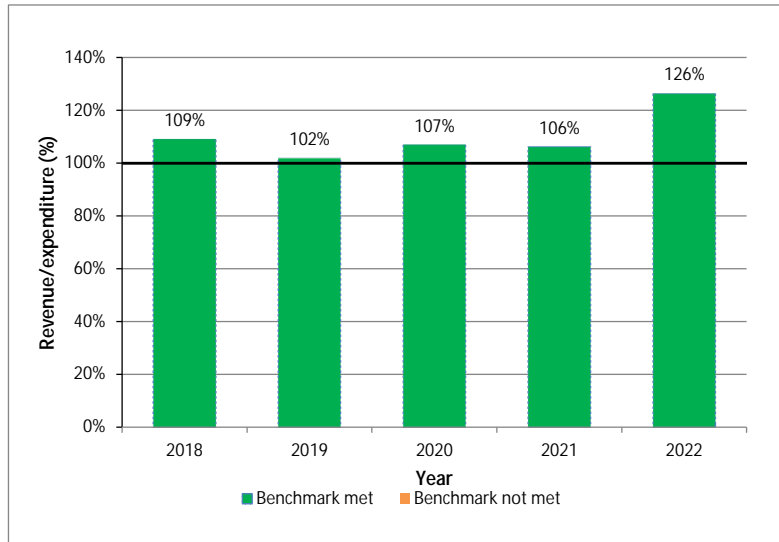




### Balanced Budget Benchmark

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).

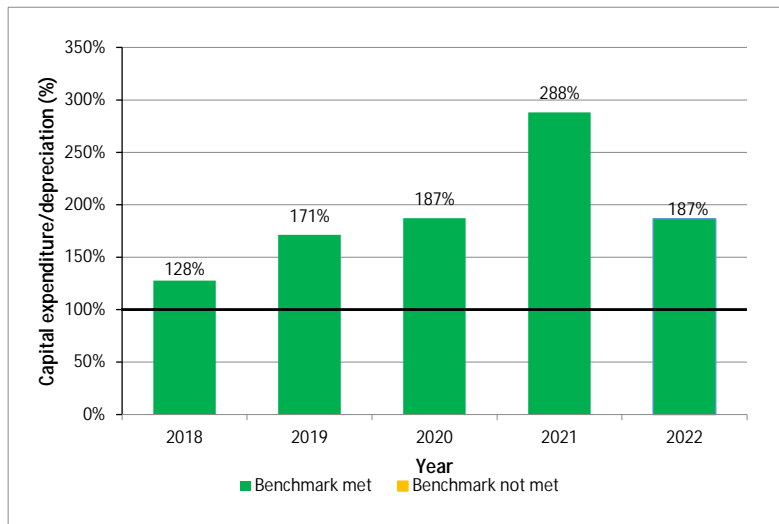
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



### Essential Services Benchmark

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

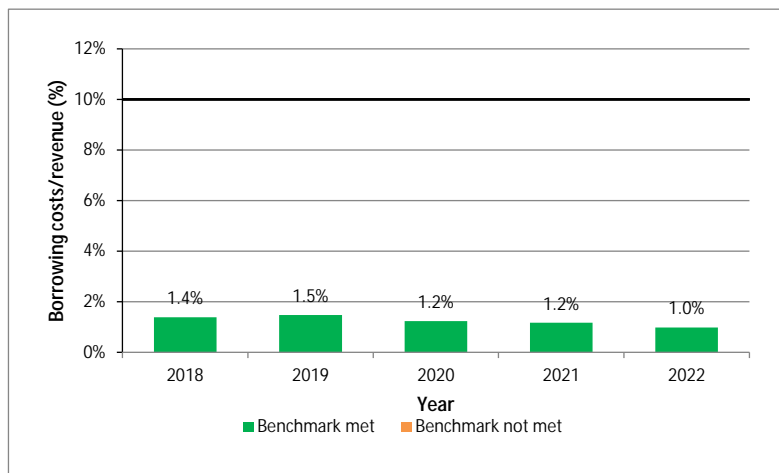
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



### 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.

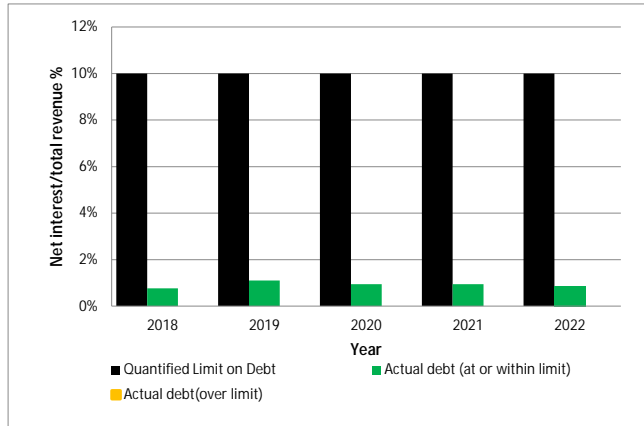


### Debt Affordability Benchmark

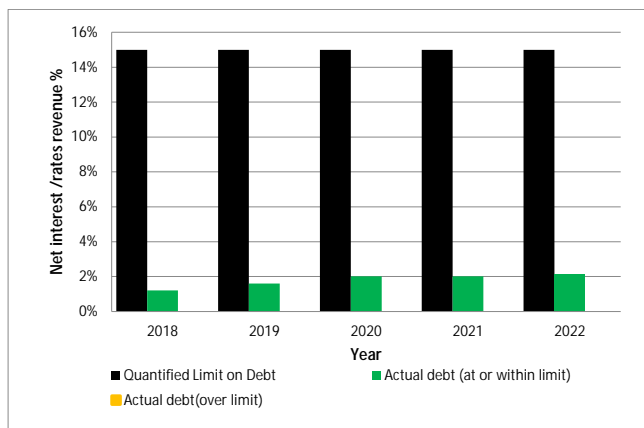
The Council meets the debt affordability benchmark if its borrowing is within each quantified limit on borrowing. The following graphs compare the Council's actual borrowing with the quantified limits on borrowing stated in the financial strategy included in the council's long term plan.

The quantified limits are:

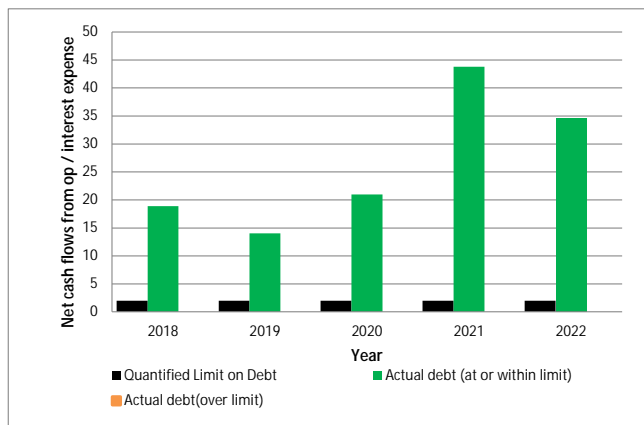
Net interest expense/total revenue less than or equal to 10%



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



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

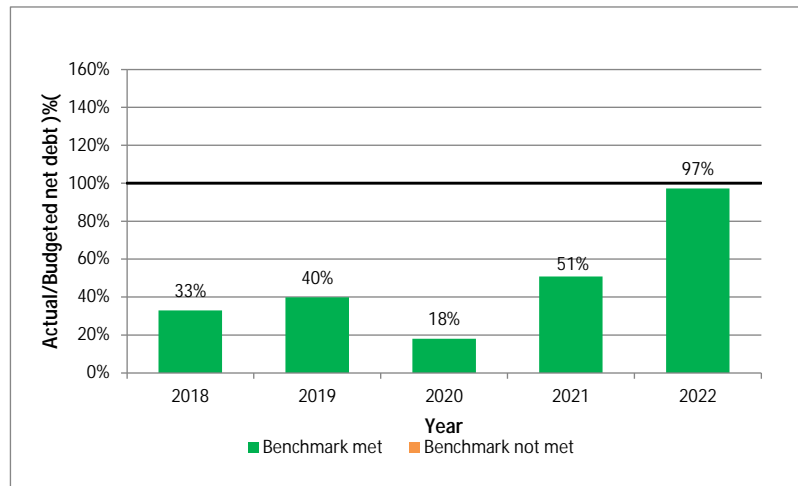


### Debt Control Benchmark

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).

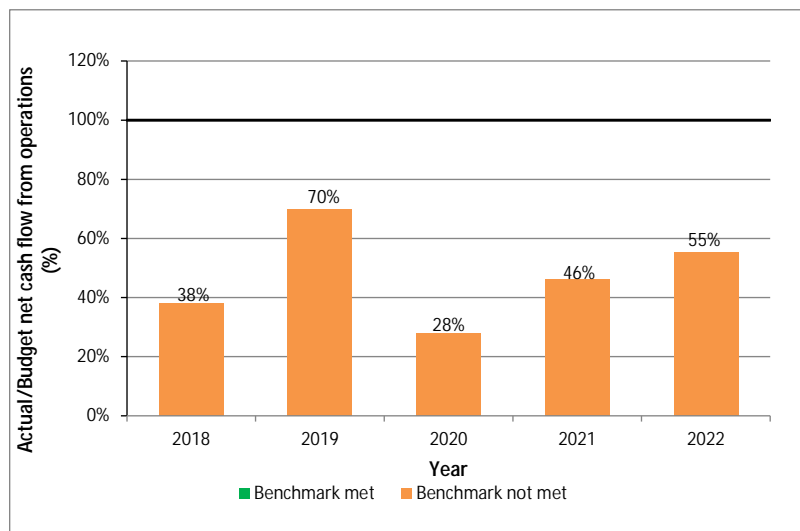
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



### 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.

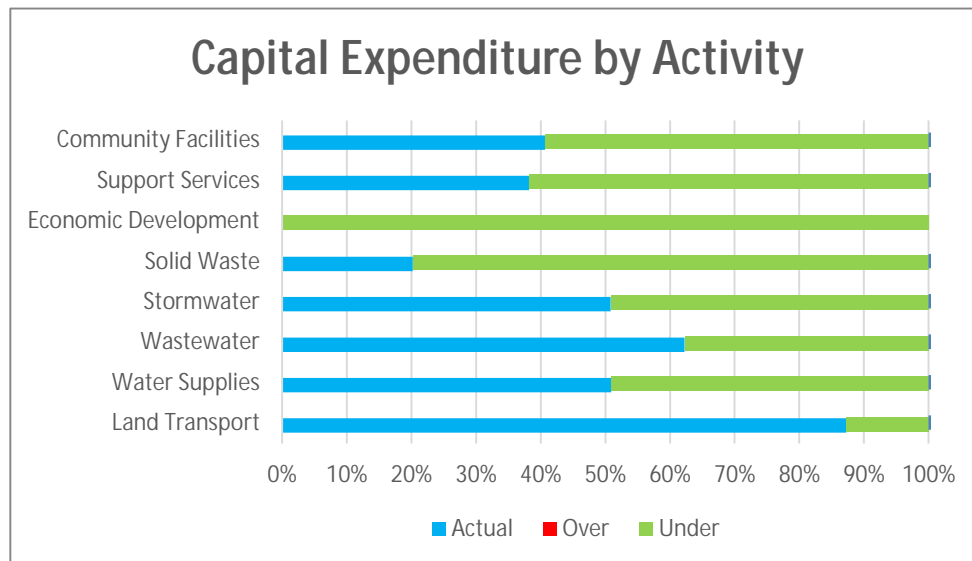


### Benchmarks not met

#### 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 2022



**Community Facilities** - This activity is underspent as the timing of a number of projects had been delayed, due largely to the ongoing effects Covid-19 disruption has had on supply chain and logistics. These include: skate park and pump track, library development, redevelopment of lots 9 & 10 (Mechanics Institute), CBD enhancement works, cycleway extensions and coastal reserves tourism infrastructure (reliant on external funding).

**Support Services** – The property digitisation project was completed this year. Renovations to the Council administration building was put on hold pending further review of options. The ERP replacement project was deferred pending the outcome of Central Government’s review on the future of local government, while Fleet replacement was deferred into 2022-23 due to effects Covid-19 had on the international supply chain.

**Economic Development** – The budget was used to fund the replacement of the air-conditioning unit at the i-SITE service centre (spend shown within the support services capital summary).

**Solid Waste Management** – A number of bins and operations renewals were unable to be progressed as anticipated, due to the effects Covid-19 had on supply chain logistics. The green waste recycling project has been deferred into 2022-23.

**Stormwater** – A number of key projects were able to be progressed this year, including the Richard Street gravity main. Progress was also made toward preparing a stormwater catchment management plan for submission to BOPRC as part of our comprehensive stormwater consent. Various projects were impacted by Covid-19 and its effects on resources, supply chain and logistics.

**Wastewater** – Design of the treatment plant inlet works upgrade was completed. Additionally, progress was made towards the options and concept design of wastewater and stormwater infrastructure into the Hukutaia area. Various projects were impacted by Covid-19 and its effects on resources, supply chain and logistics.

**Water Supplies** – A number of reticulation renewals and improvements were completed during the year, including Dip Rd water main and Terere Pa Rd water main upgrades. Various projects were impacted by Covid-19 and its effects on resources, supply chain and logistics.

**Land Transport** – The upgrade of Snell Road is a three year project which is planned to be completed by the 2023-24 year. Work on Wainui Road safety improvements was undertaken, while major emergency reinstatement works had to be carried out due to damage caused by severe weather events. Other projects completed during the year include drainage renewals, minor roading improvements, rehabilitation and resurfacing, and footpath renewals.



# Council Organisation



In 2022 Council took to the road to collect votes in the 2022 Local Government Elections. Here Rates Officer, Robyn McMillan and Harbour Project Administration Officer, Rita Maxwell greet voters in Te Kaha.

# 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 huatanga 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**



Council's Environmental Health Officer and Team Leader Compliance, Annette Munday ran a food act and food safety training session for local businesses – June 2022.

# Organisational Structure 2021/22

Council



## **Aileen Lawrie - CE**

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.

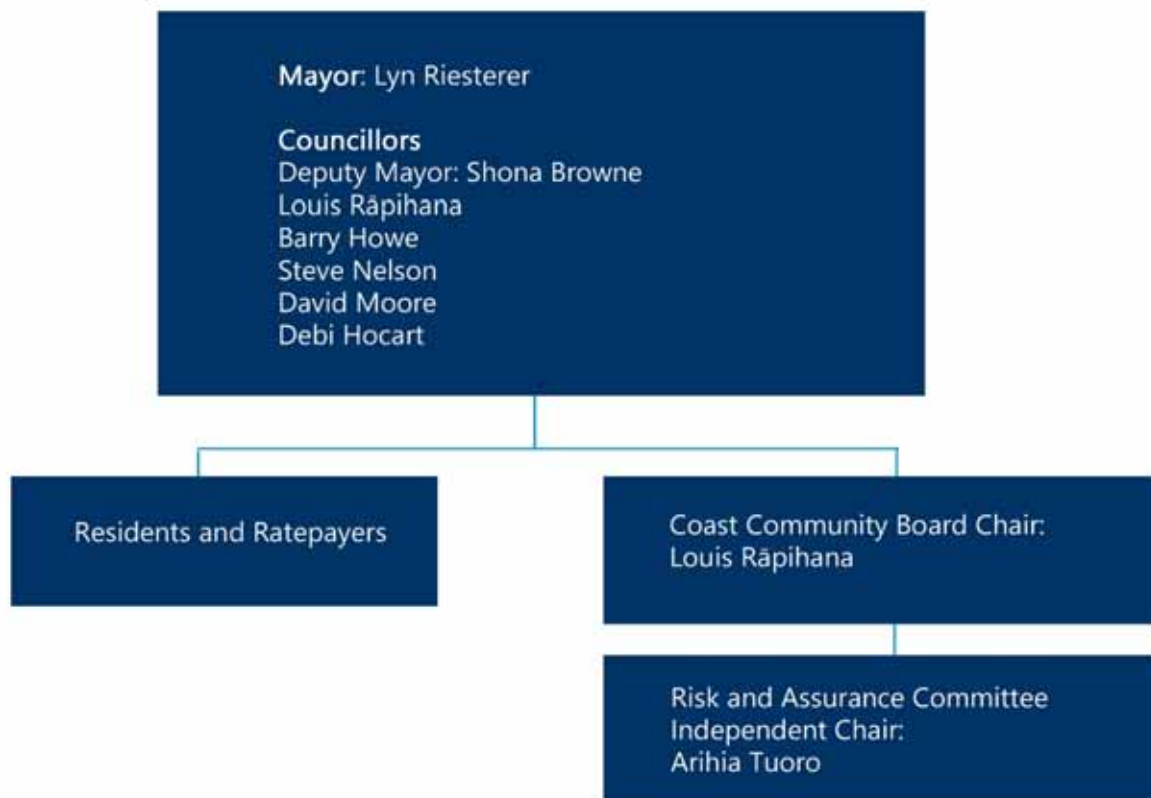
The most visible review mechanism is the local authority's annual report, which sets out the performance of the local authority against its objectives over the preceding year.

## **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:

<b>Council Committees</b>	<b>2019-2022 Triennium</b>
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
<b>Joint Committees</b>	
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
<b>Non-Statutory Internal Working Parties/Groups</b>	<b>2019-2022 Triennium Representatives</b>
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
<b>External Organisation</b>	
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



Cleaning out the Imhoff tank – part of the Wastewater network – April 2022

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

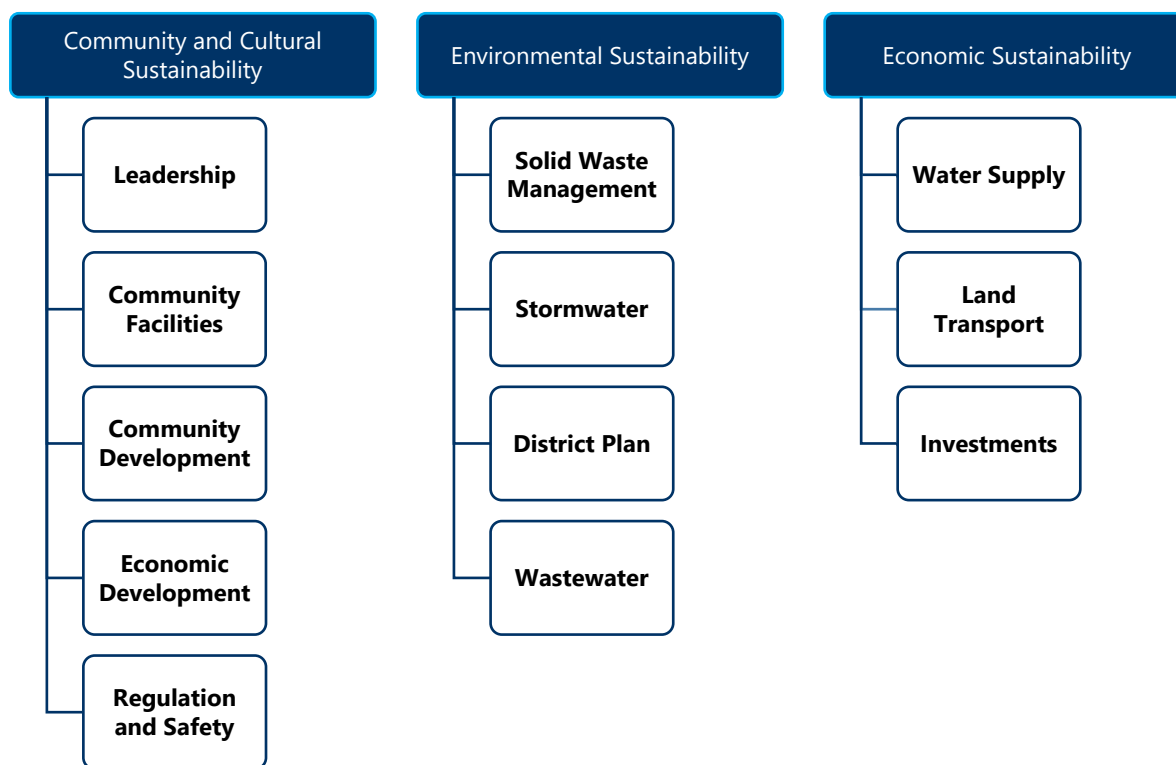


Blue if no target was set or required for the 2020/21 year

### Commentary on result variances between 2021/21 and 2021/22

\* The 2020-21 community survey was undertaken by a new provider who delivers new data collection methods, deeper insights into respondent behaviours and attitudes, extra technology methods, and enhanced data analysis. With the new methods, we now get more responses from younger residents. A trend seen across New Zealand is that they tend to be less satisfied with Council services. This has meant there is greater variation in the current results than in previous data – the levels against which our 2021-31 targets were set. Our provider advises comparison to earlier surveys should be treated with caution as the two are statistically different and not comparable and the adjustments made this year will allow for a more robust and representative baseline for ongoing surveys.

# 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 Iwi and Hapū 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:

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Council will provide leadership that is visionary, community focused, efficient and representative	Community satisfaction with Council leadership	83%	75%	44%	
	<b>Commentary 2021/22:</b> Not achieved. *See commentary on result variances between 2020/21 and 2021/22.				
	Level of community satisfaction with the opportunities to participate in decision making	58%	60%	34%	
	<b>Commentary 2021/22:</b> Not achieved. *See commentary on result variances between 2020/21 and 2021/22. Council's new Community Services and Development team have a strong focus on community engagement and this can be seen in a range of recent events and activities, particularly focussed on youth and school-aged students (recent wharf events and playground design), and attendance and stalls at community events (for example waka ama competition). Many new and strengthened relationships were built during covid and the vaccine rollout. Staff will continue to work with this wide range of community organisations, for example Ōpōtiki Primary, Healthy Families, the Ko-Kollective, Te Ao Hou and many others. We now livestream council and committee meetings, making the process more transparent and accessible. It is hoped this may lead to more involvement in the public forum of these meetings.				

**Funding Impact Statement**
**Ōpōtiki District Council - Leadership Activity**
**Funding Impact Statement for 30 June 2021**
**Sources of operating funding**

	2021 Long- term plan (\$000)	2022 Long- term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	1,032	1,299	1,322	1,299
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	251	-
Fees and charges	2	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	-	-	-
<b>Total operating funding ( A )</b>	<b>1,037</b>	<b>1,299</b>	<b>1,573</b>	<b>1,299</b>

**Applications of operating funding**

Payment to staff and suppliers	823	995	1,606	995
Finance costs	-	-	-	-
Internal charges and overheads applied	195	304	236	304
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>1,018</b>	<b>1,299</b>	<b>1,842</b>	<b>1,299</b>

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

<b>19</b>	<b>-</b>	<b>(269)</b>	<b>-</b>
-----------	----------	--------------	----------

**Sources of capital funding**

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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	-	(269)	-
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding ( D )</b>	<b>19</b>	<b>-</b>	<b>(269)</b>	<b>-</b>

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

<b>(19)</b>	<b>-</b>	<b>269</b>	<b>-</b>
-------------	----------	------------	----------

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

<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
----------	----------	----------	----------

# 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:**

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Provide recreation facilities including development of walkways, cycleway, horse trails, sports fields, and playgrounds	% of community satisfied with the provision of recreation facilities in annual surveys	74%	75%	73%	
<b>Commentary 2021/22:</b> Not achieved. *See commentary on result variances between 2020/21 and 2021/22. We have not seen any increase in the number of service requests or complaints received for recreation facilities in our contact centre/service request system. Council has delivered new parks, new skatepark and pump track, new cycle trails, new facilities at parks and reserves over the last two years and feedback from the community has been very positive towards these awesome new facilities.					
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%	85%	91%	
<b>Commentary 2021/22:</b> Achieved. Exceeded last audit undertaken on 1 July 2020. The audit is completed every two years with the next one due in 2022/23.					

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Provide facilities for community use	% of customer satisfaction with cleanliness and quality of toilet facilities	New measure for 2021-2031	60%	38%	
	<b>Commentary 2021/22:</b> Not achieved. This was a new measure for 2021/22. We have not seen any increase in the number of complaints or requests for service for toilets received through our service request system over this period. Responding to public demand, new public toilet facilities with baby change tables and external drinking water fountains have been installed and are now open for use during daylight hours at Rawinia Rangi Reserve and Whitikau Park adjacent to the newly upgraded skatepark.				
Provide facilities and services that meet current and future needs, and are accessible to all	% of community satisfied with maintenance and tidiness of cemeteries	71%	75%	77%	
	<b>Commentary 2021/22:</b> Achieved. *See commentary on result variances between 2020/21 and 2021/22.				
	% of the community satisfied with the library facility and service	68%	85%	69%	
	<b>Commentary 2021/22:</b> Not achieved. *See commentary on result variances between 2020/21 and 2021/22.				



	Number of library facilitated programmes per year	34	8	> 15	
	<p><b>Commentary 2021/22:</b> Achieved. Having a larger library, dedicated meeting rooms and a Makerspace has allowed for a much wider programme and events that have been available for members and non-members alike. We were able to go ahead with 6 of our 7 Arts on Tour events with only one cancelled due to Covid restrictions. Arts on Tour continues to provide an unusual level of performing arts exposure however funding has been cut for next year so we'll either seek funding ourselves or concentrate on different kaupapa for our Cultural literacy kaupapa. Reduced Covid restrictions enabled us to change our sessions to suit more 1 to 1 tutoring in our Digital Literacy programme. This was greatly appreciated by patrons who were seeking free advice on how to deal with new online government forms and a better understanding of how to safely navigate our online world. The meeting rooms have been well utilised and we have welcomed large events, many with a social and health focus. One of the biggest events was a full Saturday of whenua hui which allowed for an informative day where computers and printers could be accessed as well as wifi and a kids area to entertain the young ones while whānau waited to attend their allocated time. The two Book clubs continue to use the meeting rooms and we're starting to see other non-profit organisations holding their monthly meetings at Te Tāhuhu o Te Rangi. The opening of Te Tāhuhu o Te Rangi has dominated our time within this new whare/home. The number of programmes was minimised as we settled into our new building. Welcoming regular patrons, non-members and visitors from out of town, the time spent doing tours for individuals, groups and schools has been great to highlight what Ōpōtiki Library has to offer but did take us away from the planning of big idea programmes. As we enter the next financial year we look forward to introducing some traditional events/programmes such as Storytime and Stepping Up classes for digital literacy learning.</p>				

## Internal Borrowing

	Opening Balance 1/07/2021	Borrowed	Repaid	Balance 30/06/2022	Interest 2022
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Cemeteries	14	-	1	13	1
Cycle Way	1,098	462	3	1,557	52
Library	102	-	3	99	4
Parks	302	164	11	455	15
Playgrounds	12	-	1	11	1
Public Toilets	373	-	2	371	15
Property	4,036	1,600	35	5,601	188
	<b>5,937</b>	<b>2,226</b>	<b>56</b>	<b>8,107</b>	<b>276</b>

**Capital Expenditure**

	<b>LTP</b>	<b>Actuals</b>
	<b>2022</b>	<b>2022</b>
	<b>000's</b>	<b>000's</b>
<b>- to meet additional demand</b>		
Ōpōtiki - Waiōtahe Beach - Ōhiwa	-	82
PGF - Cycle trail entrance	-	964
PGF Skate Park & Pump track	1,150	436
Heritage Trail	-	36
Marine Precinct & Wharf Redev	-	39
Coastal Reserves Tourism Infrastructure	500	-
Tirohanga Military Track	100	-
<b>- to meet additional demand Total</b>	<b>1,750</b>	<b>1,557</b>
<b>- to improve the level of service</b>		
New Technology and Research Centre	2,800	1,823
Rose Garden Renovation	-	111
Trail enhancements	-	2
Motu Cycleway Extensions MBIE	1,000	363
<b>- to improve the level of service Total</b>	<b>3,800</b>	<b>2,299</b>
<b>- to replace existing assets</b>		
Earthquake Prone Buildings	50	4
PGF Rose Garden Upgrade	-	154
PGF Redevelopment of lots 9&10	4,500	573
Plunket Building development	200	109
PGF CBD Pavements and Verandas	1,200	27
PGF Hospice Shop - 105 Church	-	1
Parks and Reserves renewals	50	17
Cycleway renewals	30	16
Airport Renewals	2	-
Cemetery Renewals	10	-
Memorial Park Renewals	20	-
CBD Street Modification	150	-
Playground Equipment replacement	20	-
<b>- to replace existing assets Total</b>	<b>6,232</b>	<b>901</b>
<b>Total capital expenditure</b>	<b>11,782</b>	<b>4,757</b>

**Funding Impact Statement**
**Ōpōtiki District Council - Community Facilities Activity**
**Funding Impact Statement for 30 June 2021**
**Sources of operating funding**

	2021 Long-term plan (\$000)	2022 Long-term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	2,597	2,159	2,207	2,159
Targeted rates	74	104	103	104
Subsidies and grants for operating purposes	-	19	210	19
Fees and charges	405	466	364	466
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	18	67	14	67

**Total operating funding ( A )**
**3,094 2,815 2,898 2,815**
**Applications of operating funding**

Payment to staff and suppliers	1,554	1,685	2,076	1,685
Finance costs	288	60	274	60
Internal charges and overheads applied	713	675	948	675
Other operating funding applications	-	-	-	-

**Total applications of operating funding ( B )**
**2,555 2,420 3,298 2,420**
**Surplus (deficit) of operating funding (A - B)**
**539 395 (400) 395**
**Sources of capital funding**

Subsidies and grants for capital expenditure	837	11,410	5,428	11,410
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,181	(44)	2,226	(44)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-

**Total sources of capital funding ( C )**
**2,018 11,366 7,654 11,366**
**Application of capital funding**

Capital expenditure				
- to meet additional demand	1,250	1,500	1,557	1,500
- to improve the level of service	1,796	5,250	489	5,250
- to replace existing assets	52	4,982	885	4,982
Increase (decrease) in reserves	(541)	29	4,413	29
Increase (decrease) in investments	-	-	(90)	-

**Total applications of capital funding ( D )**
**2,557 11,761 7,254 11,761**
**Surplus (deficit) of capital funding (C - D)**
**(539) (395) 400 (395)**
**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:

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
The things that make Ōpōtiki unique and worth caring about are understood and supported	Grants for the maintenance of the 22 district Urupa will be distributed by 31 December each year	100%	100%	0%	
<b>Commentary 2021/22:</b> Not achieved. Grants not paid by 31 December but have been paid within the 2021/22 year.					
Support iwi and hapū to exercise kaitiakitanga taking appropriate account of the principles of the Treaty of Waitangi	Number of engagement initiatives with Tangata Whenua	New measure 2021-2031	3 per year	>3	
<b>Commentary 2021/22:</b> Achieved. 1. Te Whanau-a-Apanui/Te Arawhiti joint request (December 2021): Special Consultative Procedure conducted in relation to the join request received from Te Whanau-a-Apanui iwi and the Crown in relation to a treaty settlement process. 2. Harbour-Wharf Masterplan and Implementation Plan (February 2022): informal consultation process where ŌDC approached Te Whakatōhea iwi and Ngāti Ngahere hapū for their input and guidance to create the Harbour and Wharf Masterplan and Implementation Plan. 3. Raukōkore Economic Development Rates Remission Application (June 2022): whanau and Te Whanau-a-Pararaki hapū in Raukōkore engaged with ŌDC to realise development aspirations through a rates remissions plan.					
Support and encourage positive community activities where people work and play together	Provide community grants	New measure for 2021-2031	3	6	
<b>Commentary 2021/22:</b> Achieved, annual community grants were provided during the financial year. Council also administered the Creative New Zealand Creative Communities Scheme and the Sport NZ Rural Travel Fund.					
Consider the creation of safer communities through the services and infrastructure we provide	Continual expansion to CCTV camera system in town	0	2	6	
<b>Commentary 2021/22:</b> Achieved. Also during the financial year a full replacement of the CCTV system in the Ōpōtiki Town was completed.					

### Internal Borrowing

	Opening Balance 1/07/2021 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2022 \$ 000's	Interest 2022 \$ 000's
Community Development	40	8	40	8	2
	<b>40</b>	<b>8</b>	<b>40</b>	<b>8</b>	<b>2</b>



**Capital Expenditure**

	<b>LTP</b>	<b>Actuals</b>
	<b>2022</b>	<b>2022</b>
	<b>000's</b>	<b>000's</b>
<b>- to improve the level of service</b>		
CCTV camera and internet expansion		8
<b>- to improve the level of service Total</b>	<b>-</b>	<b>8</b>
<b>Total capital expenditure</b>	<b>-</b>	<b>8</b>

## Funding Impact Statement

### Ōpōtiki District Council - Community Development Activity

#### Funding Impact Statement for 30 June 2021

#### Sources of operating funding

General rates, uniform annual general charge, rates penalties	299	317	322	317
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	38	2	17	2
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	5	181	5

#### Total operating funding ( A )

2021 Long- term plan (\$000)	2022 Long- term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
339	324	520	324

#### Applications of operating funding

Payment to staff and suppliers	277	267	430	267
Finance costs	3	1	2	1
Internal charges and overheads applied	49	51	57	51
Other operating funding applications	-	-	-	-

#### Total applications of operating funding ( B )

329	319	489	319
-----	-----	-----	-----

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

10	5	31	5
----	---	----	---

#### Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(8)	-	7	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-

#### Total sources of capital funding ( C )

(8)	-	7	-
-----	---	---	---

#### Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	21	-	8	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(19)	5	30	5
Increase (decrease) in investments	-	-	-	-

#### Total applications of capital funding ( D )

2	5	38	5
---	---	----	---

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

(10)	(5)	(31)	(5)
------	-----	------	-----

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

-	-	-	-
---	---	---	---

# Economic Development

## What we do and why:

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

- Impact positively on the overall social, economic and cultural well-being of the Ōpōtiki Community and the Eastern Bay of Plenty
- Promotes investment, industry and employment in the district
- Enhance recreation opportunities and public access to the coast
- Capitalise on opportunities from the Aquaculture Industry already under development 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:

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Development that enables industry growth and meaningful employment for the community	Communicate regularly with the community on Ōpōtiki Harbour Development project progress	New measure for 2021-2031	3 public communications per year	> 3 public communications	
	<b>Commentary 2021/22:</b> Achieved. Photo of the harbour progress is released every Friday on Facebook. Harbour model set up TWMB board room for their visitors to view. Share updates and answer questions at the Opotiki Marine Advisory Group (OMAG). Public engagement session in Te Tahuu o Te Rangi. Press release in February about the hitting the halfway mark for the harbour development. Articles in Opotiki News about Hinewai (the dredge) and in the Panui.				

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Enable people to derive pride and purpose from a variety of work and learning opportunities / Support local and regional business growth and workforce development	Council supports work and learning opportunities	New measure for 2021-2031	4 council or community actions / programmes supported	>10 council or community actions / programmes supported	
<p><b>Commentary 2021/22:</b> Achieved.</p> <p>1. Delivery of the Mayors' Taskforce for Jobs programme: From 1 July 2021 we have assisted 72 under 30-year-olds into sustainable employment, and 55 rangatahi are receiving the support of Mayors' Taskforce for Jobs subsidies. 36 of these subsidies were approved from 1 July 2021. This was the second year of ODC delivering for MTfJ and our employment outcomes were up by 26%. Our MTfJ retention rate is also 91% - of 60 joining across 2 years, 55 are still in employment.</p> <p>2. MTfJ Cadetship Opportunities initiative within Council: 5 under 30-year-old rangatahi placed into the Engineering, Resource Consents, Harbour, and Parks and Reserves departments of Council. After four months, the Harbour Cadet went on to receive offer of a full-time Concrete Construction apprenticeship with HEB. The remaining 4 Cadets have received an individualised programme of training with Council relevant to both their interests and their current roles, as well as ongoing mentoring and support from the Workforce Development team, management team, and HR.</p> <p>3. This is the fifth year that ODC has sourced resourcing to support the Ōpōtiki Community Driver Mentor Programme aimed to improve the rate at which local rangatahi achieve Full Class 1 licences. This year we also supported ancillary training such as Class 1 Learners tuition and co-ordination of Defensive Driving Courses in Ōpōtiki. From 1 July 2021, 69 rangatahi have passed their licence test, made up of 39 Restricted and 30 Full. Additional Class 1 licencing training providers assisted 15 rangatahi to pass their Learners licence, and 15 rangatahi to complete a Defensive Driving Course, which helps accelerate their pathway to a Full licence. This results in a total of 99 Class 1 Licence outcomes for 2021-2022</p> <p>4. We delivered a training 'menu' for Ōpōtiki employers and youth to employment support services (e.g., Whakatōhea Y2 Hub, Whakaatu Whanaunga Trust, etc). Since 1 July 2021 we have achieved 68 training outcomes across training sessions that included Traffic Control, Class 2, First Aid, Site Safe, and Chainsaw courses. The majority of attendees in these training sessions were under 30.</p> <p>Additional supported actions/programs include: • Keeping MBIE and the Harbour project informed of workforce progress • Participation in the EBOP Careers Expo in Whakatāne alongside Toi EDA to promote careers in local government • Increased activity and partnering along the Coast e.g., including driver licencing and 4 MTfJ Cadetships • Active support for Te Pou Oranga ō Whakatōhea to prepare for delivery of entry-level training in aquaculture, horticulture, tourism/hospitality, and business services in early 2023; and commence the Ringa Raupā Whakatōhea and Ōpōtiki College Trade Training initiative • Assistance and co-ordination within the Ōpōtiki Our Way COVID-19 response to ensure our businesses and workforce were better protected • MTfJ support for the Whakatōhea Tūāpapa Foundation Programme, which accelerated locals into employment at the Ōpōtiki Mussel Factory. Ongoing liaison and support e.g., Class 1 licencing.</p>					



Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Support the aspirations of Māori to develop their land	Development Remissions applied	New measure for 2021-2031	5 development remissions applied to Māori Titled land blocks	>5	
<b>Commentary 2021/22:</b> Achieved. A number of economic development remissions on Maori land were applied as part of a significant development initiative currently underway.					
Promote and support community events / Support opportunities for artistic and cultural expression	Facilitate community events	8 events	5 events	10 events organised and another 23 supported.	
<b>Commentary 2021/22:</b> Achieved. We held two Matariki Festivals in the 2021-22 financial year. Matariki in 2021 was in July (1-11July) and 2022 was in June. For the 2021 Matariki Festival we organised and produced 5 Events and helped to facilitate a four-day wānanga at Waioweka Marae with 50 Future Leaders from all over the country. We also supported and promoted 10 events organised by the community for Matariki. The 2022 Matariki Event ran from 16-26 June and included 5 events run by the i-SITE and 12 events run by the community. We did not have our normal Summer Festival due to COVID restrictions. Instead, the i-SITE supported the vaccine drive and coordinated vaccine events held at various locations around the community.					
Promote tourism and develop infrastructure to grow the visitor economy	Communicate regularly with tourism contacts	>4 bulletins posted	4 bulletins posted	Weekly bulletins posted	
<b>Commentary 2021/22:</b> Achieved. i-SITE send a weekly listing of upcoming events and activities to our 'What's On' distribution list. This goes out every Tuesday and includes information on regular activities or events for our community and upcoming events. The Ōpōtiki News take the highlights from the What's On list and publish the information weekly. Local radio stations also use the information for weekly updates on air. We also communicated with the tourism and business sector via email updates to invite businesses and groups to participate in the Destination Management Plan. Regular posts and updates are also published on the Ōpōtiki NZ Facebook page.					
Develop and maintain a vibrant town centre as an enjoyable meeting place for all people	Town centre development plan created and implemented	New measure 2021-2031	Adoption of a Plan	Town centre development plan created and implemented	
<b>Commentary 2021/22:</b> Town Centre development plan created and implemented. We are expected to spend all PGF funding by May 2023.					

## Internal Borrowing

	Opening Balance 1/07/2021	Borrowed	Repaid	Balance 30/06/2022	Interest 2022
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Tourism Promotion/Visitor Information Centre	22	-	-	22	1
Harbour Development	922	-	1	921	36
	<b>944</b>	<b>-</b>	<b>1</b>	<b>943</b>	<b>37</b>

**Capital Expenditure**

	<b>LTP</b>	<b>Actuals</b>
	<b>2022</b>	<b>2022</b>
	<b>000's</b>	<b>000's</b>
<b>- to improve the level of service</b>		
Event Equipment	10	
<b>- to improve the level of service Total</b>	<b>10</b>	<b>-</b>
<b>Total capital expenditure</b>	<b>10</b>	<b>-</b>

## Funding Impact Statement

### Ōpōtiki District Council - Economic Development Activity

#### Funding Impact Statement for 30 June 2021

#### Sources of operating funding

	2021 Long-term plan (\$000)	2022 Long-term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	839	505	517	505
Targeted rates	108	89	84	89
Subsidies and grants for operating purposes	21	60	165	60
Fees and charges	16	35	53	35
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	33	13	33
<b>Total operating funding ( A )</b>	<b>989</b>	<b>722</b>	<b>832</b>	<b>722</b>

#### Applications of operating funding

Payment to staff and suppliers	719	594	1,119	594
Finance costs	96	6	22	6
Internal charges and overheads applied	174	281	177	281
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>989</b>	<b>881</b>	<b>1,318</b>	<b>881</b>

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

<b>-</b>	<b>(159)</b>	<b>(486)</b>	<b>(159)</b>
----------	--------------	--------------	--------------

#### Sources of capital funding

Subsidies and grants for capital expenditure	16,552	-	340	-
Development and financial contributions	-	-	1,226	-
Increase (decrease) in debt	1,886	168	-	168
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>18,438</b>	<b>168</b>	<b>1,566</b>	<b>168</b>

#### Application of capital funding

Capital expenditure				
- to meet additional demand	18,438	-	-	-
- to improve the level of service	-	10	-	10
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	1,080	-
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding ( D )</b>	<b>18,438</b>	<b>10</b>	<b>1,080</b>	<b>10</b>

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

<b>-</b>	<b>158</b>	<b>486</b>	<b>158</b>
----------	------------	------------	------------

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

<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>
----------	------------	----------	------------

# 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:

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Provide services that meet current and future needs, and are accessible to all	All statutory timeframes met for processing liquor licences, building consents, food premises checks and resource consents	New combined measure for 2021-2031	100%	The statutory processing times in 2021-22 have been: Liquor licenses - 94% Building Consents - 89.20% Food premises - 100% Resource Consents - 100%	
	<b>Commentary 2021/22:</b> Not achieved. Environmental Health - from the completed inspections, our inspectors are reporting continued improvement in operating practices and compliance with the Food Act requirements.				
	% of customer satisfaction with building control team (where customer has interacted with them in the last year)	Not measurable	70%	19%	



Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
	<p><b>Commentary 2021/22:</b> Not achieved. *See commentary on result variances between 2020/21 and 2021/22.</p> <p>We have made more staff resources available to assist within the building team. In particular, a performance manager has been brought in to assist customers through the process and ensure that applications are processed in a timely manner and, when necessary, communicate the reasons for delays to owners, agents/project managers. Customers will be encouraged to provide all information relating to their applications through the online services portal which will enable us to process the paperwork more efficiently as well as ensure documentation can be easily uploaded and retrieved by customers.</p>				
Community where people feel safe	Number of patrols undertaken in the Ōpōtiki urban area by Animal Control team	New measure for 2021-2031	2 per day	2 per day	
	<p><b>Commentary 2021/22:</b> The animal control team patrol the urban area twice a day, 5 days a week. 520 patrols have been carried out this year.</p>				
	All animal control complaints of an aggressive or threatening nature are responded to within 2 hours from receipt of complaint	48%	80%	66%	
	<p><b>Commentary 2021/22:</b> Not achieved. 53 complaints received. 35 responded to within 2 hours and 18 responded to outside of the 2 hour target. The team is now fully staffed. This will mean investigations will be undertaken in a timely manner, with those who report issues to us being provided with an outcome and patrols will be carried out from time to time outside of regular office hours. Last year the team re-homed around fifty dogs and returned a high number of dogs to owners. Our community surveys report a low level of reporting of dog attacks and roaming dogs so in the coming year we will be encouraging residents to report issues especially using the Antenno app.</p>				
Support the provision of emergency management services	% of roles identified and staffed for 24 hours operation of the Emergency Coordination Centre	80%	85%	56% fully trained	
	<p><b>Commentary 2021/22:</b> Not achieved due to the number of training courses scheduled during covid being low as face-to-face training was unable to be undertaken. At the same time the number of staffing changes was high. This meant we had a decrease in our normal levels of staff undergoing training. We expect the numbers to increase to approximately 71% in the 2022-23 year as courses have started to become available.</p>				

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
	Minimum number of council delivered initiatives to promote community resilience and safety	4 initiatives delivered	4 initiatives delivered	>4 initiatives delivered	
	<b>Commentary 2021/22:</b> Achieved: A partnership between Ōpōtiki Iwi Leaders and Ōpōtiki District Council was formed to manage tsunami public education, mapping, designated safe zone assembly points and design and placement of signage across the region. Initial funding from the National Resilience Fund has been sought, and although not successful for this round a reapplication will be submitted this year. Work will continue on this project in 2022/23. Community response planning with Whanarua Bay residents took place with planning sessions, resources and advice to the community. The Community Radio system was reviewed with visits to each coastal site and advice and resources provided on Tsunami evacuation and ability to communicate via radio. Ongoing weekly communication with District Community Radio contacts continues. Civil Defence and Ōpōtiki Neighbourhood Support are working together to engage with Neighbourhood Groups to promote safety and household readiness for emergency events.				

## Funding Impact Statement

### Ōpōtiki District Council - Regulation & Safety Activity

#### Funding Impact Statement for 30 June 2021

#### Sources of operating funding

	2021 Long- term plan (\$000)	2022 Long- term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	640	628	639	628
Targeted rates	89	95	97	95
Subsidies and grants for operating purposes	13	-	-	-
Fees and charges	513	841	770	841
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	67	5	67
<b>Total operating funding ( A )</b>	<b>1,260</b>	<b>1,631</b>	<b>1,511</b>	<b>1,631</b>

#### Applications of operating funding

Payment to staff and suppliers	926	1,196	1,108	1,196
Finance costs	2	-	-	-
Internal charges and overheads applied	314	434	391	434
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>1,242</b>	<b>1,630</b>	<b>1,499</b>	<b>1,630</b>

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

<b>18</b>	<b>1</b>	<b>12</b>	<b>1</b>
-----------	----------	-----------	----------

#### Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	3	(1)	-	(1)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>3</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>

#### Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	21	-	-	-
Increase (decrease) in reserves	-	-	12	-
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding ( D )</b>	<b>21</b>	<b>-</b>	<b>12</b>	<b>-</b>

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

<b>(18)</b>	<b>(1)</b>	<b>(12)</b>	<b>(1)</b>
-------------	------------	-------------	------------

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

<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
----------	----------	----------	----------

# 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:

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Provide facilities and services that meet current and future needs, and are accessible to all	Number of justified complaints received about kerbside refuse and recycling collection service. (Note: service conditions outlined on brochure delivered annually)	14	<20	9	
	<b>Commentary 2021/22:</b> Achieved. Only 9 complaints received for the year regarding the kerbside refuse and recycling collection service. This is the lowest level of complaints received in the last five years.				
	Customer satisfaction rating of waste transfer stations good or better	89%	>80%	63%	
	<b>Commentary 2021/22:</b> Not achieved*See commentary on result variances between 2020/21 and 2021/22. We have not seen an increase in complaints regarding the Resource Recovery Centres in our contact centre/service request system. In fact the 2021/22 year had the lowest ever with zero complaints recorded.				

	Percentage of actions identified in the Waste Management and Minimisation Plan for the year that have been completed. This identifies the total annual actions required. Actions are required within specification and budget	New measure 2021-2031	70%	75%	
<p><b>Commentary 2021/22:</b> Achieved.</p> <p><b>Solid Waste Bylaw:</b> The objective to review and include the target in the consolidated bylaws has been completed.</p> <p><b>Regional licensing and data collection project:</b> The council has provided input and feedback into the metadata standards through the GIS Advisory group hosted by BOPLASS, and this objective is complete.</p> <p><b>Illegal Dumping:</b> The council consistently follows up on the issue of illegal dumping, and this is an ongoing objective.</p> <p><b>Develop a data strategy aligned with the national waste data framework:</b> The council has continued to collect data using previous methods and has met all timeframes in providing data to MfE through the new online Waste Levy reporting tool. This objective is complete.</p> <p><b>General Education and Engagement:</b> Although the short COVID lockdown periods at the end of 2021 prevented school education schemes, the providers have since picked up on this and completed these schemes across a number of schools within the district. This is an ongoing annual activity and is complete.</p> <p><b>Specific Education and Engagement relating to any service changes:</b> This objective is an as-required activity and has not been needed over the last 2 years.</p> <p><b>Review kerbside collection systems generally:</b> The kerbside collection system was completed in 2018 with the replacement of the refuse bin and introduction of additional recycle services, and this objective is complete.</p> <p><b>Food Waste Diversion:</b> The council has provided feedback concerning food waste diversion via a joint submission from the national waste liaison group. Although food waste collection has not been implemented in the district as yet, the council has met its objective by providing feedback and waiting for MfE to consult on whether to make this mandatory and ultimately provide funding to assist councils in implementing this service.</p> <p><b>Farm waste:</b> Farm waste in relation to chemicals is collected through agricultural disposal services, which is partly funded by the council through its waste minimisation funding. This objective is complete.</p> <p><b>Peak season collections:</b> This objective is not deemed feasible until freedom camping numbers are reduced to within the allocated occupancy of these sites. This objective is complete.</p>					



**Extend RRC's:** Additional waste streams have been introduced to provide reduced recycling contamination. Improved signage has been erected, and fees and charges are to be reviewed in the next LTP. This objective is complete.

**Capital Works:** Capital works/renewals are completed adhoc as required, and this objective is complete.

**Working proactively with commercial and community sectors:** The working group has not been established, and this objective is not complete.

**Participate in collaborative projects:** The council has continued to collaborate with neighbouring councils to achieve cost savings on processing recyclables and recently joined two other councils to engage consultants to carry out a food waste collection feasibility and options report. This objective is ongoing.

**Advocate for extended product stewardship:** The council has provided feedback concerning food waste diversion via a joint submission to the solid waste reform consultation from the national waste liaison group, and this objective is complete.

**Medical Waste Collection:** The council has worked with health services to support the public with some medical waste, specifically accepting, at a reduced charge, the large volume of recyclables some health issues can generate such as home-based dialysis, which medical supplies are transported. This objective is complete.

**Internal Borrowing**

	<b>Opening Balance 1/07/2021</b>	<b>Borrowed</b>	<b>Repaid</b>	<b>Balance 30/06/2022</b>	<b>Interest 2022</b>
	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>	<b>\$ 000's</b>
Solid Waste Management	110	35	14	131	5
Refuse Collection	109	4	19	94	4
	<b>219</b>	<b>39</b>	<b>33</b>	<b>225</b>	<b>9</b>

**Capital Expenditure**

	<b>LTP 2022 000's</b>	<b>Actuals 2022 000's</b>
<b>- to improve the level of service</b>		
Additional Bins for District	8	4
Green waste recycling project	60	-
<b>- to improve the level of service Total</b>	<b>68</b>	<b>4</b>
<b>- to replace existing assets</b>		
Opotiki RRC Renewals	80	30
Waihau Bay RRC Renewals	15	4
Te Kaha RRC Renewals	25	-
<b>- to replace existing assets Total</b>	<b>120</b>	<b>34</b>
<b>Total capital expenditure</b>	<b>188</b>	<b>38</b>

## Funding Impact Statement

### Ōpōtiki District Council - Solid Waste Management Activity

#### Funding Impact Statement for 30 June 2021

#### Sources of operating funding

	2021 Long- term plan (\$000)	2022 Long- term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	893	1,245	1,266	1,245
Targeted rates	365	514	520	514
Subsidies and grants for operating purposes	37	-	51	-
Fees and charges	288	272	329	272
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total operating funding ( A )</b>	<b>1,583</b>	<b>2,031</b>	<b>2,166</b>	<b>2,031</b>

#### Applications of operating funding

Payment to staff and suppliers	1,259	1,589	1,782	1,589
Finance costs	5	4	9	4
Internal charges and overheads applied	308	413	366	413
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>1,572</b>	<b>2,006</b>	<b>2,157</b>	<b>2,006</b>

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

<b>11</b>	<b>25</b>	<b>9</b>	<b>25</b>
-----------	-----------	----------	-----------

#### Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(11)	165	38	165
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>(11)</b>	<b>165</b>	<b>38</b>	<b>165</b>

#### Application of capital funding

Capital expenditure				
- to meet additional demand	-	8	-	8
- to improve the level of service	-	60	4	60
- to replace existing assets	-	120	34	120
Increase (decrease) in reserves	-	-	9	-
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding ( D )</b>	<b>-</b>	<b>188</b>	<b>47</b>	<b>188</b>

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

<b>(11)</b>	<b>(23)</b>	<b>(9)</b>	<b>(23)</b>
-------------	-------------	------------	-------------

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

<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>
----------	----------	----------	----------

# 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.		✓	✓	✓	<p>Reduce the risk by maintaining existing urban drainage systems and undertake catchment modelling to understand future stormwater management needs in line with future development.</p> <p>Ensure buildings have appropriate stormwater design and suitable drainage fittings.</p>

**Levels of service:**

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 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	
	<b>Commentary 2021/22:</b> Achieved. No overflows recorded as entering habitable floors.				
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system)	0/1000 connections	0/1000 connections	0/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. No overflows recorded as entering habitable floors.				
Service requests and complaints are processed as they come in	Median response time to attend a flooding event, from notification to personnel on site. 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	<4 hours	0/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. No reports of overflows affecting habitable floors received. For the Stormwater activity a total of 19 requests were received where habitable were not affected. The median response time to attend those requests was 3 hours and 44 minutes.				
	Number of complaints received about the performance of the stormwater system per 1000 connections to the Council's stormwater system	<6/1000 connections	<10/1000 connections	<13/1000 connections	
	<b>Commentary 2021/22:</b> Not achieved. 20 complaints received which is <13/1000 connections based on 1,600 connections.				

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Stormwater water quality will be managed effectively for 365 days of the year	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of:				
	a) abatement notices	0	0	0	
	<b>Commentary 2021/22:</b> Achieved. No abatement notices received.				
	b) infringement notices	0	0	0	
	<b>Commentary 2021/22:</b> Achieved. No infringement notices received.				
	c) enforcement orders	0	0	0	
	<b>Commentary 2021/22:</b> Achieved. No enforcement orders received.				
	d) convictions	0	0	0	
	<b>Commentary 2021/22:</b> Achieved. No convictions received.				
received by Council in relation to those resource consents					

#### Internal Borrowing

	Opening Balance 1/07/2021	Borrowed	Repaid	Balance 30/06/2022	Interest 2022
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Stormwater	1,519	721	4	2,236	73
	<b>1,519</b>	<b>721</b>	<b>4</b>	<b>2,236</b>	<b>73</b>



**Capital Expenditure**

	<b>LTP</b>	<b>Actuals</b>
	<b>2022</b>	<b>2022</b>
	<b>000's</b>	<b>000's</b>
<b>- to improve the level of service</b>		
Upgrade to Richard St Gravity Main	1,326	870
Comprehensive Discharge	-	26
3 Waters Reform - Stormwater	1,098	970
Stormwater - Ricardo at Critical Pump Stations	66	-
Stormwater Pump stations	220	-
Stormwater Channel works	110	-
Stormwater Reticulation extensions/upgrades	329	-
Tarawa Creek Pumpstation	500	-
<b>- to improve the level of service Total</b>	<b>3,649</b>	<b>1,867</b>
<b>- to replace existing assets</b>		
SW Reticulation Replacements	-	5
SW - Plant replacements	2	-
Flood Gates Replacements	33	-
<b>- to replace existing assets Total</b>	<b>35</b>	<b>5</b>
<b>Total capital expenditure</b>	<b>3,684</b>	<b>1,871</b>

## 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

Targeted rates

Subsidies and grants for operating purposes

Fees and charges

Internal charges and overheads recovered

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

#### Total operating funding ( A )

#### Applications of operating funding

Payment to staff and suppliers

Finance costs

Internal charges and overheads applied

Other operating funding applications

#### Total applications of operating funding ( B )

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

#### Sources of capital funding

Subsidies and grants for capital expenditure

Development and financial contributions

Increase (decrease) in debt

Gross proceeds from sale of assets

Lump sum contributions

Other dedicated capital funding

#### Total sources of capital funding ( C )

#### Application of capital funding

Capital expenditure

- to meet additional demand

- to improve the level of service

- to replace existing assets

Increase (decrease) in reserves

Increase (decrease) in investments

#### Total applications of capital funding ( D )

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

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

	2021 Long- term plan (\$000)	2022 Long- term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charge, rates penalties	612	576	585	576
Targeted rates	68	144	143	144
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
<b>Total operating funding ( A )</b>	<b>680</b>	<b>720</b>	<b>728</b>	<b>720</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	216	248	381	248
Finance costs	105	58	73	58
Internal charges and overheads applied	149	109	190	109
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>470</b>	<b>415</b>	<b>644</b>	<b>415</b>
<b>Surplus (deficit) of operating funding ( A - B )</b>	<b>210</b>	<b>305</b>	<b>84</b>	<b>305</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	1,319	-	1,319
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	592	2,168	721	2,168
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>592</b>	<b>3,487</b>	<b>721</b>	<b>3,487</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	110	158	110
- to improve the level of service	765	3,649	1,692	3,649
- to replace existing assets	37	35	21	35
Increase (decrease) in reserves	-	-	(1,066)	-
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding ( D )</b>	<b>802</b>	<b>3,794</b>	<b>805</b>	<b>3,794</b>
<b>Surplus (deficit) of capital funding ( C - D )</b>	<b>(210)</b>	<b>(307)</b>	<b>(84)</b>	<b>(307)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>

# 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:**

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Provision of a District Plan that meets the district's needs going forward	Review District Plan in accordance with the RMA as required	N/A	100%	100%	
<b>Commentary 2021/22:</b> Achieved. A report will be presented to council seeking confirmation of direction in relation to the district plan review.					
Community where people feel safe	Percentage of existing bylaws that are reviewed within legislative timeframes to ensure they remain relevant	100%	100%	100%	
<b>Commentary 2021/22:</b> Achieved. Where individual chapters are required, these will be carried out in a bespoke basis.					

## Funding Impact Statement

### Ōpōtiki District Council - District Plan Activity

#### Funding Impact Statement for 30 June 2021

#### Sources of operating funding

General rates, uniform annual general charge, rates penalties	260	338	344	338
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	14	-
Fees and charges	37	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1	-	1

#### Total operating funding ( A )

#### Applications of operating funding

Payment to staff and suppliers	221	238	264	238
Finance costs	-	-	-	-
Internal charges and overheads applied	76	100	91	100
Other operating funding applications	-	-	-	-

#### Total applications of operating funding ( B )

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

#### Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	11	-
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	-	1	14	1
Increase (decrease) in investments	-	-	-	-

#### Total applications of capital funding ( D )

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

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

	2021 Long- term plan (\$000)	2022 Long- term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
<b>Total operating funding ( A )</b>	<b>297</b>	<b>339</b>	<b>358</b>	<b>339</b>
<b>Total applications of operating funding ( B )</b>	<b>297</b>	<b>338</b>	<b>355</b>	<b>338</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Total sources of capital funding ( C )</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>
<b>Total applications of capital funding ( D )</b>	<b>-</b>	<b>1</b>	<b>14</b>	<b>1</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>-</b>	<b>(1)</b>	<b>(3)</b>	<b>(1)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Wastewater

## What we do and Why:

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

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

## This significant activity includes:

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








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






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

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



**Levels of service:**

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 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 expressed per 1000 connections to Council's sewerage system.				
	a) sewerage odour	<2/1000 connections	<5/1000 connections	<2/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. 2 complaints received which is less than 2 per 1000 connections based on a total of 1600 connections.				
	b) sewerage system faults	<3/1000 connections	<5/1000 connections	<5/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. 7 complaints received which is less than 6 per 1000 connections based on a total of 1600 connections.				
	c) sewerage system blockages	3/1000 connections	<5/1000 connections	<4/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. 5 complaints received which is less than 4 per 1000 connections based on a total of 1600 connections.				
	d) Council's response to issues with its sewerage system	0/1000 connections	<2/1000 connections	0/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. No complaints received.				
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system	7 minutes	<4 hours	1 hour	
Sewage is managed without risk to public health	<b>Commentary 2021/22:</b> Achieved. 3 complaints received and the median time to attend was 1 hour.				
	Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system	3 hours and 32 minutes	<2 days	<2 days	
	<b>Commentary 2021/22:</b> Achieved. 3 complaints received and the median time to resolve was 24 hours and 37 minutes.				
	Number of sewage overflows into habitable buildings due to faults in the wastewater system	0	0	0	
<b>Commentary 2021/22:</b> Achieved. No complaints received of overflows into habitable buildings.					

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 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	<2/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. 3 dry weather overflows reported (none in to habitable buildings) which is less than 2 per 1000 connections based on 1600 connections.				
The quality of effluent leaving the treatment plant is of a standard required by consents	Compliance with Council's resource consents for discharge from its sewage system, measured by the number of				
	a) abatement notices	0	0	0	
	<b>Commentary 2021/22:</b> Achieved. No abatement notices received.				
	b) infringement notices	0	0	0	
	<b>Commentary 2021/22:</b> Achieved. No infringement notices received.				
	c) enforcement orders	0	0	0	
	<b>Commentary 2021/22:</b> Achieved. No enforcement orders received.				
	d) convictions	0	0	0	
	<b>Commentary 2021/22:</b> Achieved. No convictions received.				
	received by Council in relation to those resource consents				

## Internal Borrowing

	Opening Balance 1/07/2021	Borrowed	Repaid	Balance 30/06/2022	Interest 2022
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Opotiki Sewerage	4,759	342	16	5,085	192
	<b>4,759</b>	<b>342</b>	<b>16</b>	<b>5,085</b>	<b>192</b>

## Capital Expenditure

	LTP 2022 000's	Actuals 2022 000's
<b>- to meet additional demand</b>		
Public toilet WW disposal field upgrade	220	-
Hukutaia Growth - Option 2 Revised and funded	500	-
<b>- to meet additional demand Total</b>	<b>720</b>	<b>-</b>
<b>- to improve the level of service</b>		
Pump Station 2 Rising main extention	220	-
<b>- to improve the level of service Total</b>	<b>220</b>	<b>-</b>
<b>- to replace existing assets</b>		
Reticulation Renewals	60	23
WW Treatment Renewals Opotiki	40	5
3 Waters Reform - Wastewater	-	1,342
WW Reticulation Renewals Waihau Bay	5	-
WW Treatment Renewals Waihau Bay	1	-
WW Treatment Plant Inlet works	1,000	-
WW Reticulation Rehabilitation	100	-
Waihau Bay Wastewater disposal field	55	-
<b>- to replace existing assets Total</b>	<b>1,261</b>	<b>1,370</b>
<b>Total capital expenditure</b>	<b>2,201</b>	<b>1,370</b>

## 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

Targeted rates

Subsidies and grants for operating purposes

Fees and charges

Internal charges and overheads recovered

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

#### Total operating funding ( A )

#### Applications of operating funding

Payment to staff and suppliers

Finance costs

Internal charges and overheads applied

Other operating funding applications

#### Total applications of operating funding ( B )

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

#### Sources of capital funding

Subsidies and grants for capital expenditure

Development and financial contributions

Increase (decrease) in debt

Gross proceeds from sale of assets

Lump sum contributions

Other dedicated capital funding

#### Total sources of capital funding ( C )

#### Application of capital funding

Capital expenditure

- to meet additional demand

- to improve the level of service

- to replace existing assets

Increase (decrease) in reserves

Increase (decrease) in investments

#### Total applications of capital funding ( D )

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

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

	2021 Long- term plan (\$000)	2022 Long- term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charge, rates penalties	574	347	353	347
Targeted rates	1,051	810	819	810
Subsidies and grants for operating purposes	-	110	-	110
Fees and charges	6	20	1	20
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	-	-
<b>Total operating funding ( A )</b>	<b>1,632</b>	<b>1,287</b>	<b>1,173</b>	<b>1,287</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	515	642	532	642
Finance costs	289	106	192	106
Internal charges and overheads applied	369	210	421	210
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>1,173</b>	<b>958</b>	<b>1,145</b>	<b>958</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>459</b>	<b>329</b>	<b>28</b>	<b>329</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	631	-	631
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(178)	1,241	343	1,241
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>(178)</b>	<b>1,872</b>	<b>343</b>	<b>1,872</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	720	372	720
- to improve the level of service	157	220	96	220
- to replace existing assets	124	1,261	902	1,261
Increase (decrease) in reserves	-	-	(999)	-
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding ( D )</b>	<b>281</b>	<b>2,201</b>	<b>371</b>	<b>2,201</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(459)</b>	<b>(329)</b>	<b>(28)</b>	<b>(329)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# 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:

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 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	<2/1000 connections	<5	<3/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. 7 complaints received about drinking water clarity which is less than 3 per 1000 connections based on 2645 connections.				
	Drinking water taste	<1/1000 connections	<5	<1/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. 1 complaint received about drinking water taste which is less than 1 per 1000 connections based on 2645 connections.				
	Drinking water odour	0/1000 connections	<5	<1/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. 1 complaint received about drinking water odour which is less than 1 per 1000 connections based on 2645 connections.				
	Drinking water pressure or flow	<1/1000 connections	<5	<4/1000 connections	
	<b>Commentary 2021/22:</b> Achieved. 8 complaints received about drinking water pressure or flow which is less than 4 per 1000 connections based on 2645 connections.				
	Continuity of supply	<2/1000 connections	<5	0	
	<b>Commentary 2021/22:</b> Achieved. No complaints received about drinking water continuity of supply.				
	Council's response to any of these issues	0/1000 connections	<3	0	
	<b>Commentary 2021/22:</b> Achieved. No complaints received about Council's response to any of these issues.				
	expressed per 1000 connections to Council's networked reticulation system.				



Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Failures and service requests are responded to promptly	Fault response times:	3 minutes	<4 hours	<14 minutes	
	a) Median response time to attend urgent call-outs				
	<b>Commentary 2021/22:</b> Achieved. 14 urgent requests received and median response time is 13.5 minutes.				
	b) Median response time to resolve urgent call-outs	2 hours and 3 minutes	<1 days	<4 hours	
	<b>Commentary 2021/22:</b> Achieved. 14 urgent requests received and median time to resolve is 3 hours and 49 minutes.				
	c) Median response time to attend non-urgent call-outs	7 minutes	<1 day	<1 hour	
	<b>Commentary 2021/22:</b> Achieved. 107 non-urgent requests received and median response time is 36 minutes.				
	d) Median response time to resolve non-urgent call-outs	19 hours and 41 minutes	<4 days	<1 day	
<b>Commentary 2021/22:</b> Achieved. 107 non-urgent requests received and median resolution time is 23 hours 1 minute.					
Water resources are used efficiently and sustainably	Average consumption of drinking water per day per resident	Opotiki - 386L Te Kaha - 386L Ohiwa - 235L	<400L	Te Kaha - 338L Ohiwa 349L Opotiki 348L	
	<b>Commentary 2021/22:</b> All 3 schemes complied with the target of <400 litres/resident/day. Calculations based on bulk meter readings and census data.				

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
	Percentage of real water loss from networked reticulation system:				
	Ōpōtiki	2.50%	<20%	-0.50%	
	<b>Commentary 2021/22:</b> We have used the 'LEAK S' software to calculate water losses. During the reporting period we had concerns with the reliability of the reported bulk meter volumes. The data suggested we consumed more water than was supplied. Subsequently, a new bulk meter has been installed alongside the old bulk meter. The new bulk meter indicates that the old bulk meter was recording with an error of about 4%. When we correct the old data for this error it shows the water supplied is more water than what was consumed. However, when applying default values to account for water losses (unbilled authorised consumption, unauthorised consumption and errors with customer meters) the annual real losses result is -0.5%. This suggests that the default values for those losses is conservative and that the real losses are less than what the default values imply. Therefore, we have undertaken an alternative calculation method for verification. The method involved contracting Leak Detection Services to test all Council water reticulation for leaks. All 3 schemes recorded very low leak rates. The alternative calculations took raw water take data and water losses from Leak Detection Services report of 21/02/2022. The alternative calculation result suggests we have a 0.8% water loss result which would also be a Pass on this KPI. DIA have been approached for comment on the proposed use of an alternative measure and had this to say: 'It appears that Opotiki District Council are taking their obligation seriously and is doing the best it can to comply with the rule. You have clearly noted the inaccuracy in bulk flow metering, and the steps you have taken to have the scale of losses independently verified. We therefore see no reason not to accept your council's judgement on this measure.'				
	Te Kaha	10.60%	<20%	35%	
	<b>Commentary 2021/22:</b> We have used the 'LEAK S' software to calculate water losses. The amount of water losses indicated through this calculation method is high and required further investigation. The inputs from the bulk water meter of our raw water supply have been adjusted to account for water lost through backwash processes within the treatment plant facility. Additionally, we are aware of an event on the 19-23 July 2021, we had an uncontrolled overflow from our reservoir after a lightning strike damaged our level sensors. The issue took a number of days to identify and we estimate we lost approximately 720m <sup>3</sup> of water which represents about 0.7% of the years losses. With these adjustments the volume of water supplied is considered reliable. The inputs for the billed and unbilled authorised consumption have been reviewed. Allowances have been made for tanker consumption (approx. 0.4%). Additionally, allowances have been made for agreements of free water supply which make represent approx. 2.6% of the years supplied water. We have no reason to question the assumed meter error margin of 2% which would leave only unauthorised consumption to be accounted for. Anecdotally, we are aware of unauthorised consumption in the form of illegal connections and water use from fire hydrants. However, we do not have any data to support this. Therefore, we have undertaken an alternative calculation method for verification. The method involved contracting Leak Detection Services to test all Council water reticulation for leaks. All 3 schemes recorded very low leak rates. The alternative calculations took raw water take data and water losses from Leak Detection Services report of 21/02/2022. The alternative calculation result suggests we have a 7.2% water loss result which would be a Pass on this KPI. DIA have been approached for comment on the proposed use of an alternative measure and had this to say: 'It appears that Opotiki District Council are taking their obligation seriously and is doing the best it can to comply with the rule. You have clearly noted the inaccuracy in bulk flow metering, and the steps you have taken to have the scale of losses independently verified. We therefore see no reason not to accept your council's judgement on this measure.'				

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
	Ohiwa	2.4%	No target set. Reported for transparency only.	N/A	

Measure of success						
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	2020/21 Result	Target 2021/22	2021/22 Result	Status
	Ōpōtiki	Bacterial	100%	100%	Non-compliant	●
	Ōpōtiki	Protozoal	100%	100%	Non-compliant	●
	Te Kaha	Bacterial	100%	100%	Non-compliant	●
	Te Kaha	Protozoal	Non-compliant	100%	Non-compliant	●
	Ōhiwa	Bacterial	100%	100%	Compliant	●
	Ōhiwa	Protozoal	Awaiting verification	100%	Compliant	●
<b>Commentary 2021/22</b> <b>Opotiki Water Supply:</b> The ongoing secure bore water compliance requirements for the Hedley Bores has elapsed. A decision has since been made to install an UV disinfection barrier as an alternative protozoal compliance pathway for the future. The Water Treatment Plant (WTP) and distribution zone bacterial sampling did not achieve the required frequency. The maximum days between samples was exceeded on two occasions at the WTP and on three occasions for the distribution zone. The Ōpōtiki Town distribution zone bacterial sampling did not meet the allowable E. coli transgression event frequency requirements, with a single E. coli result of 1 MPN/100 ml which is greater than allowed. The total number of bacterial samples in the Hukutaia distribution zone was insufficient, 1 less than the 13 samples required to achieve compliance. <b>Te Kaha Water Supply:</b> The WTP does not have sufficient evidence to demonstrate compliance with UV disinfection requirements. The UV intensity is compromised due to the turbidity of the water entering the UV reactor. The distribution zone bacterial sampling did not meet the allowable E. coli transgression event frequency requirements, with a single E. coli result of 9 MPN/100 ml which is greater than allowed.						

## Internal Borrowing

	Opening Balance 1/07/2021	Borrowed	Repaid	Balance 30/06/2022	Interest 2022
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Ohiwa Water	49	-	1	48	2
Opotiki/Hikutaia Water	4,900	129	63	4,966	193
Te Kaha Water	448	-	3	445	17
	<b>5,397</b>	<b>129</b>	<b>67</b>	<b>5,459</b>	<b>212</b>

## Capital Expenditure

	LTP 2022 000's	Actuals 2022 000's
<b>- to improve the level of service</b>		
WaterS Condition & Performance	5	3
Opotiki Water Treatment UV	150	53
Te Kaha Water - New Water Source	190	-
Opotiki Water - Reticulation Improvements	165	-
Te Kaha Water - Pressure Monitoring Equipment	20	-
<b>- to improve the level of service Total</b>	<b>530</b>	<b>56</b>
<b>- to replace existing assets</b>		
Dip Rd Replacement 2km	350	-
Te Kaha Water - Valves, Hydrants, Meters, Pumps	15	-
Te Kaha Water - Treatment renewals	18	-
Te Kaha Water - Reticulation Renewals	20	-
Opotiki Water - Consent Renewals	30	-
Opotiki Water - Valves, Hydrants and Meters	20	-
Otara Booster Station Renewals and Pumps	21	-
Hukutaia Reticulation Replacement and Upgrade	30	-
Water Treatment Renewals Opo	50	2
Water Retic Renewals Opotiki	60	38
Hukutaia Booster Station Electrical Control	6	-
Ohiwa Water - Treatment renewals	2	-
Opotiki Water - Treatment Plant renewals	85	-
3 Waters Reform - Water Supply	-	533
<b>- to replace existing assets Total</b>	<b>707</b>	<b>573</b>
<b>Total capital expenditure</b>	<b>1,237</b>	<b>629</b>

# 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

Targeted rates

Subsidies and grants for operating purposes

Fees and charges

Internal charges and overheads recovered

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

#### Total operating funding ( A )

#### Applications of operating funding

Payment to staff and suppliers

Finance costs

Internal charges and overheads applied

Other operating funding applications

#### Total applications of operating funding ( B )

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

#### Sources of capital funding

Subsidies and grants for capital expenditure

Development and financial contributions

Increase (decrease) in debt

Gross proceeds from sale of assets

Lump sum contributions

Other dedicated capital funding

#### Total sources of capital funding ( C )

#### Application of capital funding

Capital expenditure

- to meet additional demand

- to improve the level of service

- to replace existing assets

Increase (decrease) in reserves

Increase (decrease) in investments

#### Total applications of capital funding ( D )

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

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

	2021 Long- term plan (\$000)	2022 Long- term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charge, rates penalties	170	117	119	117
Targeted rates	1,272	1,214	1,050	1,214
Subsidies and grants for operating purposes	-	110	12	110
Fees and charges	8	4	5	4
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	40	-
<b>Total operating funding ( A )</b>	<b>1,450</b>	<b>1,445</b>	<b>1,226</b>	<b>1,445</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	635	794	740	794
Finance costs	114	60	212	60
Internal charges and overheads applied	264	248	324	248
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>1,013</b>	<b>1,102</b>	<b>1,276</b>	<b>1,102</b>
<b>Surplus (deficit) of operating funding ( A - B )</b>	<b>437</b>	<b>343</b>	<b>(50)</b>	<b>343</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	603	2,691	603
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	194	290	129	290
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>194</b>	<b>893</b>	<b>2,820</b>	<b>893</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	472	530	138	530
- to replace existing assets	157	706	491	706
Increase (decrease) in reserves	-	-	2,141	-
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding ( D )</b>	<b>629</b>	<b>1,236</b>	<b>2,770</b>	<b>1,236</b>
<b>Surplus (deficit) of capital funding ( C - D )</b>	<b>(435)</b>	<b>(343)</b>	<b>50</b>	<b>(343)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>

# 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:**

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 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%	91%	
	<b>Commentary 2021/22:</b> Not achieved. 24 urgent requests received and 22 responded to within 1 day.				
	- Non-urgent requests within 4 days	87%	90%	75%	
	<b>Commentary 2021/22:</b> Not achieved 151 non-urgent requests received and 114 responded to within 4 days.				
	Percentage of sealed road network resurfaced	>8%	>5%	6.71%	
Ensure roads and transport networks are appropriate to requirements and district growth needs	<b>Commentary 2021/22:</b> Achieved. 11.927km resealed out of total 177.864km of total sealed roads				
	Percentage of persons who as users rate the safety of the District's roads as good or excellent	88%	>80%	41%	
	<b>Commentary 2021/22:</b> Not achieved. *See commentary on result variances between 2021/21 and 2021/22.				
	The average quality of a ride on a sealed local road network, measured by the smooth travel exposure	71%	91-95% - measured every other year	92%	
	<b>Commentary 2021/22:</b> Achieved.				
	Change from previous year in number of fatalities and serious injury crashes on Council maintained roads	No increase in result when compared to amended results for 2019/20 year. Consists of: Serious crash = 3 Fatal crash = 1	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	
	<b>Commentary 2021/22:</b> Achieved. Total deaths or serious injuries (DSI) for 2021/22 is 4 which is neither a decrease nor increase in DSI from previous year. DSI total for 2020/21 was 4.				
	<b>Additional reporting:</b> Please note these results include crashes on both the state highway and local highway network.				

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
	The number of users who agree the standard of footpaths is good or excellent	78%	>70%	63%	
	<b>Commentary 2021/22:</b> Not achieved. As Council has recently upgraded or built many new footpaths we believe this rating is primarily due to the change in survey methodology this period. *See commentary on result variances between 2020/21 and 2021/22.				
	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	N/A – condition surveys not completed due to covid-19 lockdown	90% of qualifying footpath faults scheduled for repair	100%	
	<b>Commentary 2021/22:</b> Achieved. All faults programmed for repair in Contract 244.				

#### Internal Borrowing

	Opening Balance 1/07/2021	Borrowed	Repaid	Balance 30/06/2022	Interest 2022
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Subsidised Roding	1,872	366	55	2,183	80
Non-Subsidised Roding	811	83	22	872	33
	<b>2,683</b>	<b>449</b>	<b>77</b>	<b>3,055</b>	<b>113</b>



**Capital Expenditure**

	<b>LTP</b>	<b>Actuals</b>
	<b>2022</b>	<b>2022</b>
	<b>000's</b>	<b>000's</b>
<b>- to improve the level of service</b>		
Minor Improvements	546	508
Wainui Road Safety Improvement	-	214
Harbour Access Road	400	-
<b>- to improve the level of service Total</b>	<b>946</b>	<b>722</b>
<b>- to replace existing assets</b>		
Drainage Renewals	112	42
Footpath	33	79
Traffic Services Renewals	42	46
Sealed road resurfacing	482	480
Sealed road pavement rehabilitation	294	20
Structures Component Replace	47	27
Major Emergency Reinstatement	86	543
Council site access roads	15	4
Urban Kerb & Channel	32	-
Unsealed Road Metalling	160	-
<b>- to replace existing assets Total</b>	<b>1,303</b>	<b>1,241</b>
<b>Total capital expenditure</b>	<b>2,249</b>	<b>1,963</b>

## Funding Impact Statement

### Ōpōtiki District Council - Land Transport Activity

#### Funding Impact Statement for 30 June 2021

#### Sources of operating funding

	2021 Long-term plan (\$000)	2022 Long-term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	1,502	1,930	1,963	1,930
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1,679	1,847	1,814	1,847
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	77	84	76	84
<b>Total operating funding ( A )</b>	<b>3,258</b>	<b>3,861</b>	<b>3,853</b>	<b>3,861</b>

#### Applications of operating funding

Payment to staff and suppliers	2,397	2,780	3,090	2,780
Finance costs	42	19	113	19
Internal charges and overheads applied	598	673	792	673
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>3,037</b>	<b>3,472</b>	<b>3,995</b>	<b>3,472</b>

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

<b>221</b>	<b>389</b>	<b>(142)</b>	<b>389</b>
------------	------------	--------------	------------

#### Sources of capital funding

Subsidies and grants for capital expenditure	1,378	1,651	1,876	1,651
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	658	212	449	212
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>2,036</b>	<b>1,863</b>	<b>2,325</b>	<b>1,863</b>

#### Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,170	946	722	946
- to replace existing assets	1,087	1,303	1,241	1,303
Increase (decrease) in reserves	-	4	220	4
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding ( D )</b>	<b>2,257</b>	<b>2,253</b>	<b>2,183</b>	<b>2,253</b>

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

<b>(221)</b>	<b>(390)</b>	<b>142</b>	<b>(390)</b>
--------------	--------------	------------	--------------

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

<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>
----------	------------	----------	------------

# Investments

## What we do and why:

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

## This significant activity includes:

### BOP LASS Ltd

Established in 2007/08 BOP LASS was created to foster shared services between participating Council's. It provides a vehicle to investigate, procure, develop and deliver shared services where a clear benefit (in terms of quality of service or cost) exists for member local authorities.

### TOI-EDA

Toi-EDA is the Eastern Bay of Plenty regional Economic Development Agency established by the three territorial authorities (Kawerau, Ōpōtiki and Whakatāne) working together with local Iwi. Toi-EDA has a strong focus on its vision of enhancing the Eastern Bay of Plenty's economic growth and resultant social and economic wealth for its communities.



### Evolution Networks Limited

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

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

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

#### Levels of service:

Outcome or priority for action	Measure of success	2020/21 Result	Target 2021/22	2021/22 Result	Status
Help agencies and organisations identify our specific needs	Investigate new joint procurement initiatives for goods and services for BOPLASS councils	7	Minimum of 4	9	
	<b>Commentary 2021/22:</b> Achieved. 9 new joint procurement initiatives investigated in the areas of postal services, courier services, infrastructure insurance, wellbeing, GIS, high-volume print, cyber insurance, aerial imagery. You can read full details under Note 17 of the Notes to Financial Statements section of this document.				
Support local and regional business growth and workforce development / Immediate focus on the district's economic recovery from COVID	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%	90%	100%	
	<b>Commentary 2021/22:</b> 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 website here: <a href="https://www.odc.govt.nz/our-council/reports-studies/reports">https://www.odc.govt.nz/our-council/reports-studies/reports</a> Our onus now is participating in the development of the Eastern Bay of Plenty Spatial Plan.				

## Funding Impact Statement

### Ōpōtiki District Council - Investments Activity

#### Funding Impact Statement for 30 June 2021

#### Sources of operating funding

	2021 Long- term plan (\$000)	2022 Long- term plan (\$000)	2022 Actual (\$000)	2022 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	74	54	55	54
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	-	-	-	-
<b>Total operating funding ( A )</b>	<b>74</b>	<b>54</b>	<b>55</b>	<b>54</b>

#### Applications of operating funding

Payment to staff and suppliers	61	42	26	42
Finance costs	-	-	-	-
Internal charges and overheads applied	13	12	14	12
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>74</b>	<b>54</b>	<b>40</b>	<b>54</b>

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

-	-	15	-
---	---	----	---

#### 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	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	137	-
Increase (decrease) in investments	-	-	(122)	-
<b>Total applications of capital funding ( D )</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>

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

-	-	(15)	-
---	---	------	---

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

-	-	-	-
---	---	---	---

# Progress towards community outcomes

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



Here's a real example of this in action:

Community Outcome	<b>Services and facilities meet our needs</b> Provide facilities and services that meet current and future needs and are accessible to all.
District strategy	<b>The quality of life for Ōpōtiki residents will be underpinned by Council's core services</b> such as water, stormwater, sewerage, roads and solid waste management.
Well-being focus area	<b>Social well being</b>
Priority for Council action	<b>Provide infrastructure</b> e.g. roads and footpaths, water, stormwater, sewerage, waste management, extension of Ōpōtiki Township wastewater reticulation network
Significant activity group	<b>Environmental sustainability</b>
Significant activity	<b>Wastewater</b>
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 effective community spirit.**

#### How this activity contributes

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.

#### Work programme and performance measure progress

- The 2020/21 Annual Report was adopted
- We complied with all statutory requirements and adopted the 2022/23 Annual Plan
- We held 23 open public meetings
- Public meetings were livestreamed
- Satisfaction with Council leadership was measured through our annual community survey
- Residents were 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 Iwi and Hapū
- 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
- The Mayor provided regular updates to the community during Covid lockdowns
- Community engagement took place on plans, projects and initiatives
- Council met and/or worked with key agencies to progress strategic direction priorities
- The 2022 Local Government Elections were undertaken
- Council continued to voice opposition to the Three Waters bill and urged a solution that was above politics and took a consensus and inclusive approach to water management.



## 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 were measured through our community survey
- Play equipment compliance is in line with relevant standards
- The build of Te Tāhuhu o Te Rangi was completed and our new Library, Research and Technology centre, and community hub opened
- Our library facilitated over 15 events and programmes
- Library overdue fines were scrapped
- The build of the new dog pound was completed
- Council continues to support the Motu Trails Cycleway and continued work on cycleway extensions
- The new Pumptrack and revamped Skatepark was opened and work continued on further enhancements
- Funding from Trust Horizon enabled the skatepark to have new lighting and CCTV
- New public toilet facilities were installed at the Rawinia Rangi Reserve and Whiti kau Park.

## 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 continued 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
- Council continued to support a driver mentoring programme for the community
- Events were held to encourage community activity and participation
- Council worked in conjunction with local providers to help deliver and support Covid vaccination and testing opportunities.

## 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

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

#### Work programme and performance measure progress

- 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 into meaningful employment
- A number of cadetship opportunities were offered by Council with some resulting in full time positions
- 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 and further cycleway extension work took place
- Employment opportunities and local business growth was generated as PGF funding continued to enable many long-planned projects to be completed
- Council continues to encourage development of Maori land via rates remission policies
- The Town Centre Development Plan was created and implemented.

## 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 is reviewed in accordance with the RMA as required. Council made changes to the District Plan to support growth in the Hukutaia
- Bylaws are reviewed within legislative timeframes to ensure they remain relevant. Changes were made to Ōpōtiki district bylaws to address health and safety issues caused by roaming horses in the town area.

## 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"> <li>• 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</li> <li>• Council worked to maintain its building accreditation and continued to encourage and support the use of its online services portal</li> <li>• Council employed a Performance Manager to the building team to improve outcomes</li> <li>• Council continued its successful free microchipping and dangerous dog de-sexing programmes</li> <li>• Council rehomed over 50 dogs</li> <li>• Council ran food safety courses for local businesses</li> <li>• Changes were made to Ōpōtiki district bylaws to address health and safety issues caused by roaming horses in the town area</li> <li>• Training for civil defence staff continued and civil defence education for/in the community ran in conjunction with Emergency Management Bay of Plenty and local interest groups</li> <li>• Research on coastal erosion and other hazards continues to be run in partnership with Bay of Plenty Regional Council.</li> </ul>

## Stormwater

### Contribution to Community Outcomes:

**Development and protection of the natural environment. Services and Facilities meet our needs.**

**Development supports the community.**

How this activity contributes	Work programme and performance measure progress
<p>To protect the environment from the adverse effects of stormwater.</p> <p>To protect public health and property.</p> <p>Facilities and services that meet the expectations of the community for quality of life.</p>	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• Council completed its programmed works to maintain and upgrade its assets including various stormwater plant components to ensure optimal operation</li> <li>• Progress was made towards completing a Comprehensive Stormwater Consent Submission to BOPRC</li> <li>• Extensive works began on the Richard Street Stormwater pipeline.</li> </ul>

## 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) are recorded during our quarterly satisfaction surveys
- Waste minimisation and recycling initiatives and programmes were promoted through social media
- Council continued to support waste education through sponsorship in school workbooks
- Council continues to issue litter infringements to combat the issue of fly-tipping and illegal dumping
- Council responds promptly to requests received through our service request system and this year received the lowest number of complaints regarding the kerbside refuse and recycling collection service in the last five years
- Council achieved its target for completing actions for the year identified in the Waste Management and Minimisation Plan.

## 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
- 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
- Concept design completed for new screens at the treatment pond and installation of aerators to improve treatment process
- Planning took place for future replacement of effluent disposal consent
- Options and concept design assessment for Hukutaia area growth.

## 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
- Council completed its programmed works to maintain and upgrade its assets including various water supply plant components to ensure optimal operation
- Upgrade of Hukutaia Dip Road area watermain and hydrants completed
- Upgrade of watermain from Otara Road to Te Rere Pa Road completed
- Planning underway to install UV treatment at Opotiki treatment plant to bring in to line with new drinking water standards
- Exploring options of additional supply sources for Ta Kaha system.

## 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 Waka Kotahi NZ Transport Agency for safety improvements to its network within the district
- Council completed the infill street lighting project in Ōpōtiki township with plans to complete Hukutaia/Woodlands area in 2022/23
- Council's contractors repaired roads after major storm damage occurred in November 2021 and February 2022.

## 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

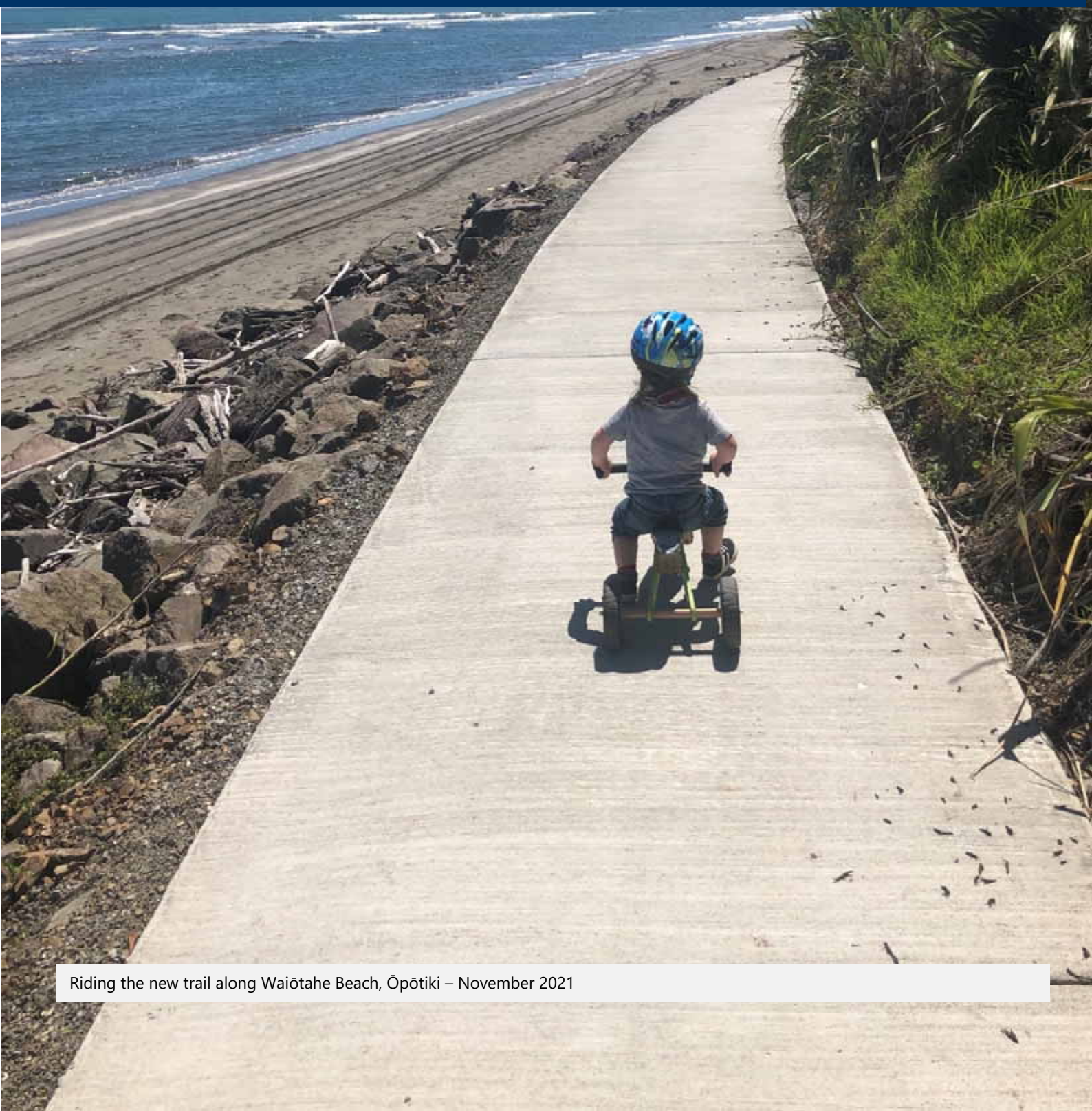
Council's investments contribute to the social and economic well-being of the district.

#### 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



Riding the new trail along Waiōtahe Beach, Ōpōtiki – November 2021

# Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2022

	Note	Actual 2022 000's	Budget 2022 000's	Actual 2021 000's
<b>Revenue</b>				
Rates	2	11,779	12,046	11,739
Subsidies and Grants	4	13,181	17,761	11,266
Fees and Charges	3	1,533	1,622	1,282
Interest Revenue	5	33	46	55
Other Revenue	7	1,118	372	540
Development and financial contributions	*	1,236	-	-
<b>Total Revenue</b>		<b>28,880</b>	<b>31,847</b>	<b>24,882</b>
<b>Expenditure</b>				
Other Expenses	9	12,744	8,802	14,695
Depreciation and Amortisation	14,15	4,292	3,562	3,762
Personnel Costs	8	5,527	5,077	4,701
Finance Costs	5	285	314	291
<b>Total Expenditure</b>		<b>22,848</b>	<b>17,755</b>	<b>23,449</b>
Share of associate's surplus/(deficit)	13	(22)	-	32
<b>Surplus / (Deficit)</b>		<b>6,010</b>	<b>14,092</b>	<b>1,465</b>
<b>Other Comprehensive Revenue and Expense</b>				
Property, plant, and equipment revaluation		70,729	-	8,595
<b>Total Other Comprehensive Revenue and Expense</b>		<b>70,729</b>	<b>-</b>	<b>8,595</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>76,739</b>	<b>14,092</b>	<b>10,060</b>

\* Financial contributions were received towards future harbour maintenance.

The accompanying notes form an integrated part of these financial statements  
 Explanations of significant variances against budget are detailed in note 31



# Statement of Changes in Equity

For the Year Ended 30 June 2022

		Actual 2022 000's	Budget 2022 000's	Actual 2021 000's
	Note			
Equity balance at 1 July		251,997	245,870	241,873
Comprehensive revenue and expense for year	22	76,739	14,092	10,060
Transfers	22	1	-	64
<b>Equity Balance 30 June</b>		<b>328,737</b>	<b>259,962</b>	<b>251,997</b>
<b>Components of Equity</b>				
Accumulated Funds at 1 July		139,609	146,729	138,249
Net Surplus/(Deficit)		6,010	14,092	1,465
Transfers to / (from) equity		1,296	(446)	(105)
Accumulated Funds 30 June		146,915	160,375	139,609
Asset Revaluation Reserves at 1 July		110,718	98,037	102,123
Transfers to / (from) reserves		(1,437)	-	-
Revaluation Gains/(Losses)		70,729	-	8,595
Revaluation Reserves 30 June		180,010	98,037	110,718
Council Created Reserves at 1 July		1,670	1,104	1,501
Transfers to / (from) reserves		142	446	169
Council created Reserves 30 June		1,812	1,550	1,670
<b>Equity at 30 June</b>		<b>328,737</b>	<b>259,962</b>	<b>251,997</b>

The accompanying notes form an integrated part of these financial statements  
 Explanations of significant variances against budget are detailed in note 31

# Statement of Financial Position

As at 30 June 2022

		Actual 2022 000's	Budget 2022 000's	Actual 2021 000's
	Note			
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	10	6,152	5,926	5,258
Debtors & Other Receivables	11	3,397	3,198	4,893
Other Financial Assets	12	-	53	4,000
Inventory		49	-	54
Prepayments		208	227	204
<b>Total Current Assets</b>		<b>9,806</b>	<b>9,404</b>	<b>14,409</b>
<b>Non-Current Assets</b>				
Investment Property	16	3,209	2,700	2,678
Investment in Associate	13	32	266	139
- Investments in CCO's and Other Similar Entities	12	135	-	159
Property, Plant & Equipment	14	331,413	263,675	257,132
Intangible Assets	15	76	85	113
<b>Total Non-Current Assets</b>		<b>334,865</b>	<b>266,726</b>	<b>260,221</b>
<b>TOTAL ASSETS</b>		<b>344,671</b>	<b>276,130</b>	<b>274,630</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables and Deferred Revenue	18	8,357	5,038	13,696
Borrowings	21	1,500	-	1,500
Employee Benefit Liabilities	20	509	342	361
Provisions	19	9	-	9
<b>Total Current Liabilities</b>		<b>10,375</b>	<b>5,380</b>	<b>15,566</b>
<b>Non-Current Liabilities</b>				
Borrowings	21	5,500	10,710	7,000
Provisions	19	59	79	67
<b>Total Non-Current Liabilities</b>		<b>5,559</b>	<b>10,789</b>	<b>7,067</b>
<b>TOTAL LIABILITIES</b>		<b>15,934</b>	<b>16,169</b>	<b>22,633</b>
<b>NET ASSETS (assets minus liabilities)</b>		<b>328,737</b>	<b>259,962</b>	<b>251,997</b>
<b>EQUITY</b>				
Retained Earnings	22	146,915	160,375	139,609
Asset Revaluation Reserves	22	180,010	98,037	110,718
Council Created Reserves	22	1,812	1,550	1,670
<b>TOTAL EQUITY</b>		<b>328,737</b>	<b>259,962</b>	<b>251,997</b>

The accompanying notes form an integrated part of these financial statements.  
Explanations of significant variances against budget are detailed in note 31.



David Moore  
**MAYOR**  
Date: 14 June 2023



Stace Lower  
**CHIEF EXECUTIVE**  
Date: 14 June 2023

# Statement of Cashflows

For the Year Ended 30 June 2022

	Actual 2022 000's	Budget 2022 000's	Actual 2021 000's
<b>Cashflow from Operating Activities</b>			
Receipts from rates revenue	12,474	11,875	11,817
Subsidies and grants received	9,675	18,118	10,285
Fees and charges received	1,533	1,637	1,282
Interest and dividends from investments	33	46	55
Other revenue	3,219	-	395
Payments to suppliers and employees	(16,395)	(13,540)	(14,957)
Finance costs	(285)	(314)	(291)
Payments to/on behalf of other authorities*	(179)	-	113
Goods and services tax (net)	(206)	-	(1,160)
Net cashflow from operating activities	<b>9,869</b>	<b>17,822</b>	<b>7,539</b>
<b>Cashflow from Investing Activities</b>			
Receipts from sale of property, plant and equipment	-	-	422
Receipts from sale of investment property	-	-	354
Purchases of property, plant and equipment	(10,597)	(21,865)	(13,061)
Purchases of investment property	-	-	(115)
Acquisition of investments	210	-	(800)
Capital grants received	2,945	-	6,451
Purchases of intangible assets	(33)	-	(90)
Net cashflow from investing Activities	<b>(7,475)</b>	<b>(21,865)</b>	<b>(6,839)</b>
<b>Cashflow from Financing Activities</b>			
Proceeds from borrowings	-	2,210	-
Repayment of borrowings	(1,500)	-	-
Net cashflow from financing activities	<b>(1,500)</b>	<b>2,210</b>	<b>-</b>
Net Increase / (Decrease) in Cash and cash equivalents	894	(1,833)	700
Opening Cash and cash equivalents	5,258	7,758	4,558
<b>Closing Cash and cash equivalents</b>	<b>6,152</b>	<b>5,925</b>	<b>5,258</b>

\* Any residual 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 an integrated part of these financial statements  
 Explanations of significant variances against budget are detailed in note 31

# Funding Impact Statement

## Ōpōtiki District Council - Whole of Council

Funding Impact Statement for 30 June 2022

	2021 LTP (\$000)	2021 Annual report (\$000)	2022 Annual Plan (\$000)	2022 Actual (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charge, rates penalties	8,813	8,585	9,076	8,528
Targeted rates	3,026	3,154	2,970	3,250
Subsidies and grants for operating purposes	1,787	2,568	2,147	2,551
Fees and charges	1,389	1,282	1,637	1,533
Interest and dividends from investments	104	55	46	33
Local authorities fuel tax, fines, infringement fees, and other receipts	230	323	357	497
<b>Total operating funding ( A )</b>	<b>15,349</b>	<b>15,967</b>	<b>16,233</b>	<b>16,392</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	12,255	19,363	13,877	18,307
Finance costs	945	291	314	285
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding ( B )</b>	<b>13,200</b>	<b>19,654</b>	<b>14,191</b>	<b>18,592</b>
<b>Surplus (deficit) of operating funding ( A - B )</b>	<b>2,149</b>	<b>(3,687)</b>	<b>2,042</b>	<b>(2,200)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	18,767	8,698	15,614	10,630
Development and financial contributions	-	-	-	1,236
Increase (decrease) in debt	4,988	-	2,210	(1,500)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding ( C )</b>	<b>23,755</b>	<b>8,698</b>	<b>17,824</b>	<b>10,366</b>
<b>Application of capital funding</b>				
Capital expenditure				
- to meet additional demand	19,687	1,077	2,228	2,087
- to improve the level of service	4,434	7,206	10,814	5,097
- to replace existing assets	1,783	7,625	8,823	3,676
Increase (decrease) in reserves	-	(10,692)	-	142
Increase (decrease) in investments	-	(205)	(2,000)	(2,836)
<b>Total applications of capital funding ( D )</b>	<b>25,904</b>	<b>5,011</b>	<b>19,865</b>	<b>8,166</b>
<b>Surplus (deficit) of capital funding ( C - D )</b>	<b>(2,149)</b>	<b>3,687</b>	<b>(2,041)</b>	<b>2,200</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>

# Notes to Financial Statements

## NOTE 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022

### 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 2021 through to 30 June 2022.

### 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 newly effective and which have been adopted

Standards and amendments which are newly effective and which are relevant to the Council are:

#### *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 ended 30 June 2022. This amendment will result in additional disclosures.

The Council has adopted the new standard in preparing these financial statements; there have been no material effects in doing so.

## **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 Council are:

### **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 2023 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 has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

## **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 if title is eventually transferred.

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

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term of its useful life.

### *Operating Leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

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

### **Cash and Cash Equivalents**

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

### **Receivables**

Receivables are recorded at their face value, less 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 2022 in accordance with the accounting policies set out on pages 114 to 125. On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

High level guidance has been issued that outlines which assets would transfer to the new entity, however there is not yet enough clarity to be able to quantify the financial impacts on asset values, revenue and associated debt with any certainty. Not all of these assets may transfer, particularly assets that are used by other parts of the Council. Other non-infrastructure assets may also transfer. The fair values of these assets have not been adjusted to reflect the transfer of assets. Once the transfer has been legislated and details around the mechanism for the transfer of the water assets and any compensation has been established, the values of these assets may require adjustment.

### **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 2022 \$000	Actual 2021 \$000
<b>General rate</b>	9,682	9,309
<b>Targeted rates attributable to activities</b>		
Communities of Interest	430	288
Sewerage	819	911
Urban Refuse Collection	520	449
Water Supplies	584	686
Metered Water	466	536
Rate penalties	172	143
Rates Remissions	(894)	(583)
<b>Total rates income</b>	<b>11,779</b>	<b>11,739</b>

### 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

	2022	2021
Number of rating units within the district	5,448	5,687
Total capital value of rating units within the district	2,700,448,750	2,683,298,362
Total land value of rating units within the district	1,384,189,300	1,352,614,207

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

**Note 3: Fees and Charges**

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

Actual 2022 \$000	Actual 2021 \$000
768	614
742	631
24	38
(1)	(1)
1,533	1,282

**Note 4: Subsidies and grants**

New Zealand Transport Rooding Subsidies
Grants towards Harbour Development
Grant for Opotiki Regional Digital hub
Grants for Summer festival
Grants towards parks and reserves
Grant for Driver Licensing Programme
MBIE Shovel ready projects
Grants for Cycleway
Taskforce for Jobs (MBIE and MTJF)
DIA Three Waters Reform
Grant for Waste Minimisation
Te Tahuu (Library) / Technology Centre MBIE
Other

Actual 2022 \$000	Actual 2021 \$000
3,690	5,314
496	289
189	111
-	29
18	850
-	40
5,437	(1,340)
3	321
294	181
2,691	349
51	33
265	5,089
47	-
13,181	11,266

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

**Note 5: Finance revenue and finance costs**

Interest revenue
- term deposits
Total finance revenue

Actual 2022 \$000	Actual 2021 \$000
33	55
33	55

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

285	291
285	291
252	236

**Note 6: Exchange and non-exchange revenue**

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

Actual 2022 \$000	Actual 2021 \$000
271	273
33	55
304	328

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

1,262	1,337
11,779	11,739
13,181	11,266
2,354	540
28,576	24,882

**Note 7: Other revenue**

	Actual 2022 \$000	Actual 2021 \$000
Petrol tax	67	67
Gain (Loss) on changes in fair value of investment property (note 16)	621	216
Other Revenue	430	257
	<u>1,118</u>	<u>540</u>

**Note 8: Personnel costs**

	Actual 2022 \$000	Actual 2021 \$000
Salaries & wages	5,133	4,404
Defined contribution plan employer contributions	156	137
Increase/ (decrease) in employee benefit liabilities	113	(2)
Direct Personnel Overheads	125	162
Total employee benefit expenses	<u>5,527</u>	<u>4,701</u>

**Note 9: Other expenses**

	Actual 2022 \$000	Actual 2021 \$000
Fees paid to principal auditor:		
- for audit of Long Term Plan	-	125
- for audit of Annual Report	118	112
Audit fees for Debenture Trust Deed assurance engagement	5	5
Council grants and contributions	172	138
Impairment of receivables (note 11)	(248)	(29)
Impairment of investment in associate (note 13)	85	-
Loss on disposal of property, plant and equipment (note 14)	3,265	4,465
Elected member remuneration (note 26)	338	330
Advertising and event promotion	29	173
IT systems costs	682	651
Subscription and license fees	152	126
Telephony	118	91
Consultants	809	901
Contractors and agency staff	3,210	3,222
Energy	53	54
Book Purchases	42	47
Sanitation, Cleaning and litter	211	301
Leases	55	73
Postage, printing and stationary	109	113
Repairs, maintenance & materials	914	1,306
Resource Recovery Centre- expenses	779	673
Legal costs	123	77
Rates on Council property	215	194
Insurance	244	190
Other operating expenses	1,264	1,357
Total Other Operating Expenses	<u>12,744</u>	<u>14,695</u>

**Note 10: Cash and cash equivalents**

	Actual 2022 \$000	Actual 2021 \$000
Cash at bank and in hand	6,152	706
Short term deposits maturing three months or less from date of acquisition	-	4,552
Total cash and cash equivalents	6,152	5,258

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 2022 \$000	Actual 2021 \$000
Rates receivable	3,671	4,136
Other receivables	2,119	3,413
Sundry debtors	53	38
	5,843	7,587
Less provision for impairment of receivables	(2,446)	(2,694)
Total debtors and other receivables	3,397	4,893

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

	Actual 2022 \$000	Actual 2021 \$000
At 1 July	2,694	2,723
Additional provisions made during the year	28	381
Receivables written off during the period	(276)	(410)
At 30 June	2,446	2,694
Total receivables comprise:		
Exchange transactions	31	35
Non-exchange transactions	3,366	4,858
	3,397	4,893

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

- Section 90A: \$261,446 (2021: \$354,397)
- Section 90B: \$Nil (2021: \$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 2022 \$000	Actual 2021 \$000
<b>Current portion</b>		
Short term deposits with maturities of 4 -12 month	-	4,000
<i>Held to maturity</i>		
Total current	-	4,000
<b>Non-current portion</b>		
<i>Other Investments</i>		
Unlisted shares in Civic Financial Services Ltd	18	18
Local Government Funding Authority Borrowing Notes	112	136
Total Investments in other entities	130	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	135	159
Total Other Financial Assets	135	4,159

### 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. (2021 : nil)

## Note 13: Investment in Associate

	2022 \$000	2021 \$000
Investment in Evolution Networks Limited	120	120
Equity accounted carrying amount	5	112
Loan to Evolution Networks	27	27
	32	139
<i>Summarised financial information of associate presented on a gross basis</i>		
Assets	396	474
Liabilities	365	284
Revenues	274	373
Surplus/(deficit)	(81)	108
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 30 June 2022.

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

Sewerage, water, drainage, and roading infrastructural assets are valued using the depreciated replacement cost method. The most recent valuation has been performed as at 30 June 2022 by Beca Projects NZ Limited.

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 Roading Network has been valued as at 30th June 2022 by Beca Projects NZ Limited.

Land and Buildings, including Parks and Reserves assets, have been valued by Aon New Zealand Limited as at 30 June 2022.

#### *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 \$6,378,727 (2021 \$8,126,181)

### **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 (2021 \$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
<b>2022</b>				
Roading network	211,227	2,274	-	261,434
Water systems				
- Treatment Plants & Facilities	2,902	5	-	4,709
- Other	29,049	540	-	44,437
Sewerage system				
- Treatment Plants & Facilities	2,671	3	-	4,455
- Other	14,871	33	-	25,941
Stormwater	21,766	333	-	32,215
<b>2021</b>				
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
<b>Insurance</b>			<b>Actual 2022 \$000</b>	<b>Actual 2021 \$000</b>
The total value of all assets that are covered by insurance contracts			198,780	155,809
The maximum amount to which they are insured			73,810	59,083
The total value of all assets that are covered by financial risk-sharing arrangements			143,191	114,981
The maximum amount available under this arrangement			85,915	68,989
The total value of assets that are self insured			-	-
- there is no fund maintained for this purpose				
<b>DEPRECIATION AND AMORTISATION BY GROUP OF ACTIVITY</b>			<b>Actual 2022 \$000's</b>	<b>Actual 2021 \$000's</b>
Community Facilities			556	329
Economic Development			-	-
Land Transport			1,760	1,470
Regulation & Safety			2	3
Solid Waste Management			32	28
Stormwater			326	325
Support Services			577	521
Wastewater			334	374
Water Supplies			705	714
Community Development			-	-
<b>Total depreciation</b>			<b>4,292</b>	<b>3,762</b>



Note 14: Property, plant and equipment continued...

2022	Cost/ revaluation	Accumulated depreciation	Carrying amount	Additions	Reclassified	Additions	Impairment	Disposals	Depreciation	Depreciation Write Back	Revaluation surplus	Cost/ revaluation	Accumulated depreciation	Carrying amount
	2021	and impairment charges 2021	2021		assets	Vested	charges					2022	and impairment charges 2022	2022
			265											
<b>Operational assets</b>														
Land	868	-	868	-	-	-	-	-	-	-	823	1,691	-	1,691
Buildings	3,409	440	2,969	4	6	-	-	-	151	-	720	3,548	-	3,548
Site Improvements	347	82	265	-	(6)	-	-	-	20	-	50	289	-	289
Plant, machinery and vehicles	1,980	1,380	600	30	-	-	-	50	135	17	-	1,960	1,546	414
Fixtures, fittings and equipment	1,541	1,116	425	436	-	-	-	-	250	-	-	1,976	1,318	659
Library collections	836	663	173	-	-	-	-	-	-	-	-	836	663	173
Total operational assets	8,981	3,681	5,300	470	-	-	-	50	556	17	1,593	10,300	3,527	6,774
<b>Infrastructural assets</b>														
Roads & footpaths	167,932	1,470	166,462	2,274	-	-	-	700	1,760	24	44,855	211,227	-	211,227
Water systems	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Treatment Plants & Facilities	2,956	130	2,826	5	-	-	-	333	122	9	388	2,902	-	2,902
- Other	24,498	584	23,914	540	-	-	-	371	582	4	5,377	29,049	-	29,049
Sewerage system	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Treatment Plants & Facilities	2,619	72	2,547	3	-	-	-	188	71	3	377	2,671	-	2,671
- Other	12,992	302	12,690	33	-	-	-	2,795	263	44	4,159	14,871	-	14,871
Stormwater drainage	17,638	325	17,313	333	-	-	-	112	326	1	4,503	21,766	-	21,766
Cycle Ways	1,171	59	1,112	-	-	-	-	-	16	-	210	1,307	-	1,307
Total infrastructural assets	229,806	2,942	226,864	3,188	-	-	-	4,500	3,140	84	59,868	283,792	-	283,792
<b>Restricted assets</b>														
Land	9,503	-	9,503	-	-	-	-	-	-	-	5,704	15,206	-	15,206
Buildings	3,612	552	3,060	6,081	(13)	-	-	43	213	3	2,262	11,147	-	11,147
Site Improvements	4,765	489	4,276	2,836	13	-	-	-	312	-	1,301	8,115	-	8,115
Total restricted assets	17,880	1,041	16,839	8,917	-	-	-	43	525	3	9,267	34,468	-	34,468
Commissioned property, plant and equipment	256,666	7,662	249,004	12,574	-	-	-	4,593	4,221	104	70,728	328,561	3,527	325,034
<b>WIP</b>	<b>Cost</b>		<b>Carrying Amount</b>	<b>Year Movement</b>								<b>Cost</b>		<b>Carrying Amount</b>
	<b>2021</b>		<b>2021</b>									<b>2022</b>		<b>2022</b>
Work in progress - Roads & footpaths	2,083	-	2,083	(311)								1,772		1,772
Work in progress - Water	142	-	142	105								247		247
Work in progress - Sewerage	131	-	131	1,335								1,466		1,466
Work in progress - Stormwater drainage	126	-	126	1,539								1,664		1,664
Work in Progress - Harbour	-	-	-	-								-		-
Work in Progress - Community Facilities and Property	5,644	-	5,644	(4,414)								1,230		1,230
Total work in progress	8,126	-	8,126	(1,747)	-	-	-	-	-	-	-	6,379	-	6,379
Total property, plant and equipment	264,792	7,662	257,130	10,827	-	-	-	4,593	4,221	104	70,728	334,939	3,527	331,413

The net carrying amount of PPE held under finance lease is \$0 (2021: \$0)

Note 14: Property, plant and equipment continued...

2021	Cost/ valuation 2020	Accumulated depreciation and impairment	Carrying amount 2020	Additions	Reclassified assets	Additions Vested	Impairment	Disposals	Depreciation	Write Back	Revaluation surplus	Cost/ valuation 2021	Accumulated depreciation and impairment	Carrying amount 2021
	2020													2021
<b>Operational assets</b>														
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
<b>Infrastructural assets</b>														
Roads & 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	229,806	2,941	226,865
<b>Restricted assets</b>														
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	1,040	16,839
Commissioned property, plant and equipment	240,408	4,079	236,328	12,682	-	-	-	5,017	3,700	117	8,595	256,666	7,662	249,004
<b>WIP</b>	<b>Cost 2020</b>		<b>Carrying Amount 2020</b>	<b>Year Movement</b>									<b>Cost 2021</b>	<b>Carrying Amount 2021</b>
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	15,757.04	-	-	-	5,017	3,700	117	8,595	264,792	7,662	257,130

## Note 15 Intangible assets

	Computer software	Easement	Total
<b>Cost</b>			
Balance at 1 July 2021	723	16	739
Additions	33	-	33
Disposals	-	-	-
Balance 30 June 2022	756	16	772
Balance at 1 July 2020	633	16	649
Balance at 30 June 2021	723	16	739
<b>Accumulated amortisation and impairment</b>			
Balance at 1 July 2021	621	5	626
Amortisation charge	69	1	70
Disposals	-	-	-
Balance 30 June 2022	690	6	696
Balance at 1 July 2020	560	4	564
Balance at 30 June 2021	621	5	626
<b>Carrying amounts</b>			
Balance at 1 July 2021	102	11	113
Balance 30 June 2022	66	10	76
Balance at 1 July 2020	73	12	85
Balance at 30 June 2021	102	11	113

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

### Impairment

#### Easements

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

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

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

## Note 16 Investment property

	Actual 2022 \$000	Actual 2021 \$000
Balance 1 July	2,678	2,700
Additions	-	115
Disposals	(90)	(354)
Transfer to PPE	-	-
Fair value gains/( losses ) on valuation ( note 7 )	621	217
Balance 30 June	3,209	2,678

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, financially feasible, and which results in the highest value.

**Note 17 Council Controlled Organisations**

Council makes 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>2021/22</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>Zoom Video Conferencing 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>GIS software and services</u> –</p> <p>FME</p> <p>Geocortex Essentials &amp; Geocortex Analytics</p> <p>X-Tools</p> <p>NZ Archaeological Association</p> <p>RetroLens</p> <p><i>Contracts renegotiated and renewed – no alternative suppliers</i></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>Health &amp; Safety Management Software</u> – BOPLASS manages a collective agreement for H&amp;SMS across BOPLASS and Waikato councils. A change of ownership with the incumbent supplier saw a decline in service levels and BOPLASS engaged with the supplier to address the service shortfalls or seek an alternative supplier. Given the number of councils under the collective agreement, improvements were quickly undertaken by the vendor and improved service levels established. <i>Project still ongoing.</i></p> <p><u>Media Monitoring Services</u> – BOPLASS continues to manage a collective media monitoring service with Isentia that provides automatic monitoring and reporting of 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.</p> <p><i>Service to be put to tender in 2022-23.</i></p>

		<p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed at no increase in cost to councils.</p> <p><i>No alternative provider in NZ.</i></p> <p><u>n3 (previously known as GSB)</u> – 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>Health and Safety Training provider</u> – BOPLASS renewed the collective agreement with Vertical Horizonz for H&amp;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>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><u>Inter-Council Network (ICN)</u> – Review, redesign and renegotiation of suppliers and services – the ICN is a shared service high-capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken to deliver further cost reductions, along with the addition of new links for councils. Kordia were appointed to replace Vocus. The resultant contract will provide an improvement in service levels and financial savings for all participating councils. Migration of services to Kordia has been initiated.</p> <p><u>MFDs (Photocopier/printers)</u> – Due to the variable print volumes through Covid lockdowns and the subsequent high level of working from home, BOPLASS negotiated with our incumbent provider to extend the current agreement for a further 16 months. The Variation Agreement included benefits such as retaining existing equipment, providing flexibility through the pandemic disruption, and further discounts to print rates.</p> <p><i>A full tender will be undertaken in 2022 when councils should have an improved understanding of volumes and requirements.</i></p>
--	--	--



		<p><u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2021 to provide a single BOPLASS portal to allow all constituent 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><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>Postal Services</u> – Joint procurement for councils' mail services resulted in DX Mail being appointed as preferred supplier. The BOPLASS-led process covered BOPLASS, Co-Lab, MW LASS and Hawke's Bay councils. Savings for all councils will be substantial, particularly for councils with high volumes of urban mail. The contract also provides sustainability and efficiency benefits for councils.</p> <p><u>Courier Services</u> – In conjunction with the Postal services tender a process was managed to identify opportunities for savings with courier services across the BOPLASS, Co-Lab and MW LASS councils. BOPLASS engaged with DIA and ACC to facilitate access to the ACC syndicated contract for courier services. This provides a substantial saving for all councils over their incumbent providers and the alignment with the mail provider offers efficiencies within council mailrooms.</p> <p><u>Infrastructure Insurance</u> – Given the current restricted capacity in the international insurance markets, councils' insurance is only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through different insurers. Negotiations for councils' infrastructure insurance were undertaken in late 2021 through direct engagement with London underwriters and Lloyds syndicates. Very good outcomes were achieved for all councils – both in insurance rates and the cover achieved. Insurance markets remain cautious about the risk they are prepared to write but have confidence in the BOPLASS programme due to the quality of information provided and our historical relationship.</p>

		<p><u>My Everyday Wellbeing</u> – Staff online wellbeing platform used extensively across local government. Negotiated for BOPLASS councils to be treated as a single entity. Added Co-Lab and MW LASS councils into same enterprise membership. Negotiated 12-month subscription providing savings to the collective group.</p> <p><u>Rapid Antigen Tests (RATs)</u> – BOPLASS engaged with other LASS and CCOs to aggregate volumes to leverage improved pricing. Several RATs orders were placed on behalf of BOPLASS, Co-Lab, MW LASS and council CCOs. The volume of the collective order resulted in heavily discounted pricing and priority service.</p> <p><u>GIS Training</u> – BOPLASS coordinated specialised GIS ArcPro training across the BOPLASS councils, providing substantial savings through the collective training and also helping to bring all councils up to similar skill levels.</p> <p><u>High-Volume Print</u> – The benefits of councils collaborating in high-volume print services are being investigated. Councils currently use a variety of solutions ranging from in-house commercial print equipment/print rooms to outsourced models.</p> <p><i>Investigation still under action.</i></p> <p><u>Cyber Insurance</u> – The renewal of councils' cyber insurance policies was facilitated by BOPLASS through a collective programme. Insurers have become much more selective in their placements and local government are viewed as a high-risk client. BOPLASS were able to bring Berkshire Hathaway Specialty Insurance onto the programme who thoroughly analysed councils' IT systems and security. Despite an initial rejection of cover for some councils, BOPLASS was able to provide further information to the insurers, resulting in the collective approach being reinstated and all councils able to secure cover at a reduced cost.</p> <p><i>Cyber cover is an annual agreement that requires going to market every year.</i></p> <p><u>Aerial Imagery</u> – As part of the BOPLASS regional imagery programme, three tenders were run for orthophotography services this year. Separate contracts were awarded to AAM NZ for the eastern BOP region and TCC interim flying programmes. The flying and imagery for TCC included specific requirements for the capture of high growth areas. A separate procurement process was undertaken for Gisborne District Council with the contract awarded to Aerial Surveys.</p>
--	--	--



<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>BOPLASS has led several interLASS projects this year or worked together with other LASS to develop inter-regional benefits:</p> <ul style="list-style-type: none"> <li>• Waste Operator Licencing Data System</li> <li>• Courier Services</li> <li>• Mail Services</li> <li>• H&amp;S Management System</li> <li>• H&amp;S training providers</li> <li>• Occupational Health Services</li> <li>• Rapid Antigen Tests purchasing</li> <li>• Staff Wellbeing Portal</li> <li>• Regional Contractor Database</li> <li>• Risk Management Practices</li> <li>• Collaborative Policy Development</li> <li>• Insurance Renewals Standardisation</li> <li>• Debt Recovery Services</li> </ul> <p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads aiming to meet on a quarterly basis. Several joint procurement projects have been completed and further opportunities identified.</p> <p>Projects being undertaken by other LASS are offered to BOPLASS councils on a commercial basis.</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 5% per year.</p> <p>Number of active users to increase by 10% per year.</p>	<p>Achieved</p>	<p>Projects continue to be added to the MahiTahi Collaboration Portal, increasing from 53 to 88 this year.</p> <p>Continued promotion of the MahiTahi Collaboration Portal has seen a 10.5% increase in registered users with numbers increasing from 388 to 429.</p> <p>On-boarding and training material has been helpful in creating a smooth transition for any new members.</p> <p>Working with the DIA, the MahiTahi Collaboration Portal now includes secure areas to support Local Transition Groups working collectively on the Three Waters project.</p> <p>Regional Software Holdings Limited are migrating the regional sector Special Interest Groups to be hosted in a similar collaborative environment as the MahiTahi Collaboration Portal. Technical aspects of the migration are being supported by BOPLASS.</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>	<p>Not achieved</p>	<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>Formal meetings with all council executive teams were unable to be completed this year. Staff absences, travel</p>

		<p>restrictions and increased workloads meant not all councils could be covered.</p> <p>See Covid Disclosure p. 47.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2022: \$6,244 surplus.</p>

## Note 18 Payables and Deferred Revenue

### Payables and deferred revenue under exchange transactions

	Actual 2022 \$000	Actual 2021 \$000
Trade payables	2,301	4,217
Retained contract monies	711	703
Accrued expenses	198	194
Rates in advance	839	609
Total	4,049	5,723

### Payables and deferred revenue under non-exchange transactions

Rates due to Bay of Plenty Regional Council	1,237	1,417
Deposits and bonds	126	105
Other grants and bequests received subject to substantive conditions not yet met	2,945	6,451
Total	4,308	7,973
Total payables and deferred revenue	8,357	13,696

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	9
	9	9

### Non-current provisions are represented by:

Landfill aftercare provision	59	67
	59	67

	Landfill Aftercare \$000
Balance at 1 July 2020	79
Additional provisions made during the year	2
Amounts used during the year	(3)
Unused amounts reversed during the year	-
Discount unwinding	(2)
Balance as at 30 June 2021	76
Additional provisions made during the year	2
Amounts used during the year	(3)
Unused amounts reversed during the year	-
Discount unwinding	(7)
Balance as at 30 June 2022	68

### 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 3.27% (2021 3.02%).

**Note 20 Employee benefit liabilities**

	Actual 2022	Actual 2021
Annual leave	421	308
Accrued pay	87	53
Total employee benefit liabilities	508	361
Comprising		
Current	508	361
Non-current	-	-
Total employee benefit liabilities	508	361

**Note 21 Borrowings**

	Actual 2022 \$000	Actual 2021 \$000
<b>Current</b>		
Secured loans	1,500	1,500
Total current borrowings	1,500	1,500
<b>Non-current</b>		
Secured loans	5,500	7,000
Total non-current borrowings	5,500	7,000

**Secured loans**

ODC's secured debt is \$7,000,000 (2021 \$8,500,000). Of this, \$nil (2021: \$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 \$7,000,000 (2021 \$8,500,000) is issued at fixed rates of interest.

**Security**

There is a bank overdraft facility available, with no balance outstanding at 30 June 2022 (2021: Nil).

The maximum amount that can be drawn down against the overdraft facility is \$400,000.

There are no restrictions on the use of this facility.

ODC's loans are secured over either separate of 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 46 to 92 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 2022 \$000	Actual 2021 \$000
<b>Accumulated Funds</b>		
As at 1 July	139,609	138,249
Transfers to:	-	-
Council created reserves	(769)	(169)
Transfers from:		
Council created reserves	627	-
Asset revaluation reserve	1,438	64
Surplus/ ( deficit ) for year	6,010	1,465
As at 30 June	146,915	139,609
Council created reserves		
As at 1 July	1,670	1,501
Transfers to:		
Accumulated funds	(627)	
Transfers from:		
Accumulated funds	769	169
As at 30 June	1,812	1,670
Asset revaluation reserve		
As at 1 July	110,718	102,123
Revaluation gains/ ( losses )	70,728	8,659
Transfer to Equity	(1,436)	(64)
As at 30 June	180,010	110,718
<b>Total Equity</b>	328,737	251,997
Asset revaluation reserve consists of:		
Operational assets		
Land and Buildings	2,745	1,055
	-	-
Infrastructural Assets		
Roading	107,728	62,945
Water systems	26,131	20,663
Sewerage systems	12,226	8,694
Stormwater system	20,552	16,102
Cycle Ways	661	452
Restricted assets		
Land and buildings	9,967	807
	180,010	110,718

**Note 22 : Council Created Reserve Funds - continued**

<b>Special Reserves</b>	<b>Activity</b>	<b>Purpose</b>	<b>Balance 01-Jul-21 \$000</b>	<b>Deposits \$000</b>	<b>Withdrawals \$000</b>	<b>Balance 30-Jun-22 \$000</b>
Cash in Lieu of Reserves	Economic Development	For general purpose funding	205	10	-	215
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	5	-	-	5
General Purposes (Electricity Proceeds)	Economic Development	For general purpose funding	44	1	-	45
Development Contributions - Facilities	Community Facilities	For development of recreational facilities	473	-	-	473
CBD Development Reserve	Community Development	For development of the town CBD	43	-	-	43
Road Upgrade Reserve	Land Transport	For upgrading of roading	131	-	-	131
Destination Playground	Community Facilities	For Development of Playground	3	-	-	3
Elections Reserve	Leadership	For Funding Triennial Elections	59	(1)	(27)	31
Coast Community Board Reserve	Community Development	For Funding CCB Projects	189	50	(111)	128
Library Redevelopment Reserve	Community Facilities	For the Library Development Project	445	42	(487)	-
Whakaari Taonga Management Reserve	Community Facilities	For the development of reserves	28	3	-	31
Waste Minimisation Reserve	Solid Waste Management	For waste minimisation initiatives	46	51	(3)	94
Harbour Dev Maint Reserve	Economic Development	For Harbour maintenance	-	613	-	613
			1,670	769	(628)	1,812

<b>Special Reserves</b>	<b>Activity</b>	<b>Purpose</b>	<b>Balance 1-Jul-20 \$000</b>	<b>Deposits \$000</b>	<b>Withdrawals \$000</b>	<b>Balance 30-Jun-21 \$000</b>
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 23: Capital commitments and operating leases

	Actual 2022 \$000	Actual 2021 \$000
<b>Capital commitments</b>		
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	3,476	1,169
	<u>3,476</u>	<u>1,169</u>
Comprising		
Water systems	1,340	159
Wastewater systems	1,444	-
Roading network	691	664
Buildings	1	346
<b>Total capital commitments</b>	<u>3,476</u>	<u>1,169</u>

	Actual 2022 \$000	Actual 2021 \$000
<b>Operating commitments</b>		
Operating expenditure for future years contracted on non-cancellable contracts at balance date but not yet incurred	11,036	13,905
Not later than one year	5,584	4,036
Later than one year and not later than five year	5,452	9,869
Later than five years	-	-
	<u>11,036</u>	<u>13,905</u>

### Operating leases as lessor

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

	Actual 2022 \$000	Actual 2021 \$000
<b>Non-cancellable operating leases as lessor</b>		
Not later than one year	286	286
Later than one year and not later than five years	383	598
Later than five years	1,238	1,308
<b>Total non -cancellable operating leases</b>	<u>1,907</u>	<u>2,192</u>

### Non-cancellable operating leases as lessee

ODC leases property plant and equipment in the normal course of business. These leases have a non-cancellable term of 48 to 60 months:

The future aggregate minimum lease payment under non-cancellable operating leases are as follows:

	Actual 2022 \$000	Actual 2021 \$000
<b>Non-cancellable operating leases as lessee</b>		
Not later than one year	20	58
Later than one year and not later than five years	69	16
Later than five years	-	-
<b>Total non -cancellable operating leases</b>	<u>89</u>	<u>74</u>

## **Note 24 Contingencies**

### **Contingent liabilities**

There are no Contingent Liabilities.

### **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 2022 \$000	Actual 2021 \$000
<b>BOPLASS</b>		
Annual contribution	14	14
Services Provided	33	24

	Actual 2022 \$000	Actual 2021 \$000
<b>Toi EDA</b>		
Annual contribution	33	38
Services Provided	15	-

### 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 2022 \$000	Actual 2021 \$000
<i>Councillors:</i>		
Remuneration	318	310
Full time equivalent members	7	7
<i>Senior Management Team:</i>		
Remuneration	882	589
Full time equivalent members	5	3
<b>Total key management personnel remuneration</b>	<b>1,200</b>	<b>899</b>
<b>Total full-time equivalent personnel</b>	<b>12</b>	<b>10</b>

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.

The Chief Executive received the following remuneration:

	2022	2021
Salary	250,610	244,200
Vehicle (including FBT)	15,092	15,092
	265,702	259,292
Other Benefits:		
Professional Association Fees	-	275
Total Remuneration	265,702	259,567

### Elected Representatives

#### Council:

	Actual 2022	Actual 2021
Mayor - Lyn Riesterer (Including salary plus car plus FBT)	102,786	98,000
Councillor / Deputy Mayor - Shona Browne	53,001	52,218
Councillor - Barry Howe	29,181	28,750
Councillor - Steve Nelson	29,181	28,750
Councillor - Debi Hocart	29,181	28,750
Councillor - David Moore	29,181	28,750
Councillor - Coast Community Board Chair - Louis Rāpihana	45,421	44,750
	317,932	309,968

#### Coast Community Board:

Member - Michael Collier	5,064	4,989
Member - Gail Keepa	5,064	4,989
Member - Jack Parata	5,064	4,989
Member - Allen Waenga	5,064	4,989
	20,256	19,956

### Total Elected Representative Remuneration

	338,188	329,924
--	---------	---------

### Staff

	Actual 2022
Number of full time employees	65
Number of full time equivalent of all other employees	11
Number of employees receiving less than \$60,000	57
Number of employees receiving between \$60,000 and \$79,999	14
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	88

### 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 \$259,999	2
Total number of Employees	82

## Note 27 Severance Payments

For the year ended 30 June 2022 the Council made one severance payment of \$7,500 (2021: no severance payments were made).

## Note 28 Reconciliation of net surplus (deficit) after tax with net cash flows from operating activities

	Actual 2022 \$000	Actual 2021 \$000
<b>Net surplus (deficit) after tax</b>	<b>5,995</b>	<b>1,465</b>
<b>Plus (minus) non-cash items</b>		
Depreciation, amortisation and asset write-off	4,292	3,762
Vested and found assets	-	-
(Gains) losses on fair value of investment property	(621)	(216)
(Gains) losses on derivative financial instruments	-	-
Capitalised internal charges	-	-
(Gains) losses on revaluation of landfill	-	-
<b>Plus (minus) items classified as investing or financing activities</b>		
(Gains) losses on disposal of property, plant and equipment	3,265	4,465
(Gains) losses on investments	0	-
Disposal of non-current assets held for sale	-	-
Decrease (increase) in creditors for capital expenditure	1,770	(2,944)
<b>Plus (minus) movements in working capital items</b>		
Receivables and recoverables	1,496	1,857
Prepayments	(4)	(14)
Payables, taxes and transfers	(6,464)	(852)
Changes in provision	(8)	(3)
Employee entitlements	148	19
<b>Net cash inflow (outflow) from operating activities</b>	<b>9,869</b>	<b>7,539</b>

**Note 29 Reconciliation of movements in liabilities arising from financing activities**

	Financial Guarantees \$000	Financial Leases \$000	Debentures & Other Loans \$000
<b>Balance at 1 July 2021</b>	-	-	<b>8,500</b>
Cash inflows	-	-	-
Cash outflows	-	-	(1,500)
Non-cash changes	-	-	-
<b>Balance at 30 June 2022</b>	-	-	<b>7,000</b>

**Note 30 Events after balance sheet****Impact of Weather Events**

During July and October 2022, the district experienced severe weather events, which affected some of the Council's infrastructure, particularly roading. This caused debris, and damage to roads. The cost of the clean-up, repairs and permanent reinstatement is ongoing but estimated to total \$1.4m once complete.

Council is claiming subsidy through Waka Kotahi NZTA as applicable, which will reduce the overall cost to ratepayers.

**Water Service Reform Programme**

In October 2021, the Government confirmed that it will introduce legislation to create four publicly owned water entities, and that the group's participation in the proposed reform will be mandatory. These entities will own and operate drinking water, wastewater and stormwater (three waters) services across New Zealand. The Department of Internal Affairs is tasked with the successful implementation of these reforms, and will work with the local government sector, iwi, water industry and other stakeholders to ensure a smooth transition to the new arrangements.

Subsequently, on 2 June 2022, the government introduced the Water Services Entities Bill in the House of Representatives.

On the 14th of December 2022, the Bill received its Royal Assent which will see the Water Services Entities Bill create four publicly owned water services from 1 July 2024. Two further bills, The Water Services Legislation Bill and The Water Services Economic Efficiency and Consumer Protection Bill were introduced into Parliament on 8 December 2022. These Bills set out the detailed functions and powers of the new entities and establishes the economic regulation and consumer protection regime, respectively.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

High level guidance has been issued that outlines which assets would transfer to the new entity, however there is not yet enough clarity to be able to quantify the financial impacts on asset values, revenue and associated debt with any certainty.

Not all of these assets may transfer, particularly assets that are used by other parts of the Council. Other non-infrastructure assets may also transfer.

The fair values of these assets have not been adjusted to reflect the transfer of assets. Once the transfer has been legislated and details around the mechanism for the transfer of the water assets and any compensation has been established, the values of these assets may require adjustment.

**Future for Local Government Review**

A Ministerial Inquiry into the Future for Local Government has been established. The overall purpose of the review is to identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership. The review will focus on the roles, functions, and relationships on local government, representation and governance, funding and financing. The draft report and recommendations are set to be issued for public consultation on 30 September 2022. The final report is expected to be presented to the Minister and Local Government New Zealand in June 2023. Council will continue to pro-actively explore opportunities and participate in shared services to provide such services cost-effectively. There is the potential of changes within local government that results in a change to the structure and/or services provided by our organisation. While the review could recommend significant change to what local government is and does, there is no information available on the likely direction for the review at this time.

## Note 31 Explanation of major variances against budget

Explanations for major variations from ODC's estimated figures in the 2021-31 Long Term Plan are as follows:

		2022	
		\$000	
<b>Statement of Comprehensive Income</b>			
<b>Actual surplus of \$6,010 million versus budget surplus of \$14,092 million</b>			
<b>An unfavourable variance of -\$8,082 million.</b>			
<b>Total revenue of \$28,880 million was \$2,967 million less than budget, made up as follows:</b>			
Rates Revenue	a	(267)	Unfavourable
Subsidies and grants	b	(4,580)	Unfavourable
Fees and charges	c	(89)	Unfavourable
Financial Income	d	(13)	Unfavourable
Other Revenue	c	746	Favourable
Development and financial contributions	c	1,236	Favourable
		<b>(2,967)</b>	
<b>Total expenditure of \$22,848 million was \$5,093 million over budget made up as follows:</b>			
Personnel costs	e	(450)	Unfavourable
Depreciation and Amortisation	f	(730)	Unfavourable
Finance costs	g	29	Favourable
Other Expenditure	h	(3,942)	Unfavourable
		<b>(5,093)</b>	
Share of associate's surplus/(deficit)	i	(22)	Unfavourable
<b>Net Operating Surplus</b>		<b>(8,082)</b>	
Property Plant & Equipment Revaluation		70,728	
		<b>62,646</b>	

a. Rates revenue is lower than budget due to a 2021 Amendment to the Local Government (Rating) Act 2002 requiring entire Maori freehold land rating units that are unused to be non-rateable.

b. Subsidies and grants are lower than budget due to delays in the timing and/or deferral of some capital projects, including those where external funding was unable to be sourced. Some delays were also due to Covid-19 induced lockdowns and restriction of movement.

c. Fees and charges revenue is slightly down with the closure of some services during lockdown. Other revenue is higher than budget due mostly to the fair value gain on revaluation of investment property \$621k. Council also received funding from Bay of Plenty DHB towards the Opotiki Covid-19 response Programme. Development and financial contributions are also higher than budget due to financial contributions received towards future harbour maintenance.

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

e. Personnel costs are higher than budget due to a combination of: ongoing disruption Covid-19 has had on some operations; less unfilled positions than anticipated; unbudgeted positions which were externally-funded, and some non-direct costs (training/recruitment) included here but budgeted under other expenditure.

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

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

h. Other expenditure is unfavourable mostly due to losses on disposal of plant, property and equipment (\$3.3m). Other cost variations relate to contracting and consultancy costs relating to infrastructure projects (but not capitalisable) and costs which were either partially or fully externally funded (eg three waters reform, Covid-19 health response, Mana in Mahi Cadetship programme, Mayor's Taskforce for Jobs programme).

i. This represents the write-down of Council's investment in Evolution Networks Limited.

## Note 31 Explanation of major variances against budget - continued

### Statement of Financial Position

**Actual net equity of \$328,737 million versus budget of \$259,962 million, variance of -\$68,775 million.**

An analysis of the major variances are set out below:

An increase in cash and cash equivalents	j	226	Favourable
An increase in debtors and other receivables	k	199	Favourable
An increase in inventory		49	Favourable
An increase in other financial assets	l	82	Favourable
An increase in Property, Plant and Equipment	m	67,738	Favourable
An increase in Investment Property	n	509	Favourable
A decrease in intangible assets		(9)	Unfavourable
A decrease in prepayments		(19)	Unfavourable
A decrease in investments in associates	l	(234)	Unfavourable
An increase in payables and deferred revenue	o	(3,319)	Unfavourable
A decrease in borrowings	p	3,710	Favourable
A decrease in Provisions		11	Favourable
An increase in employee benefit liabilities	q	(167)	Unfavourable
		<u>68,776</u>	

j. The favourable variance in cash and cash equivalents is mostly due to some grant funding received being held in advance of their projects being completed.

k. The increase in debtors and other receivables is reflective generally of the uptick in post Covid-19 activity, than originally anticipated in the budget.

l. The increase in other financial assets is reflective of the recognition of borrowing notes not budgeted. The decrease in investments in associates reflects Council's write-down of it's investment in Evolution Networks Limited.

m. The increase in Property, Plant and Equipment is mainly as a result of a movement up in the asset revaluations performed on Council's waters, roading, parks, reserves, land and building assets, than had been budgeted. This is partially offset by projects that have either been delayed, deferred or were still in progress by year-end. These include Opotiki-Ohiwa Cycleway, redevelopment of Lots 9 and 10 Church Street, and Coastal Reserves Tourism Infrastructure projects.

n. The increase in investment property is due to the market valuation increase performed this year.

o. The increase in payables and deferred revenue is reflective of Covid-19 induced disruption in the earlier part of the year, resulting in delays in timing of progress of a number of projects into year-end.

p. The decrease in borrowings is due to the postponement and timing of some debt-funded capital projects, largely due to Covid-19 induced disruption.

q. The increase in employment benefit liabilities is due to Covid-19 disruption (resulting in lockdowns and restrictions on travel).

## **Note 31 Explanation of major variances against budget - continued**

### **Statement of Cash Flows**

**2022 actual movement was an \$0,894 million increase in cash held versus a budgeted decrease in cash of \$1,833k.**

**Net cash flow from operating activities was \$9,869 million against a budget of \$17,822 million.**

The unfavourable variance is due to the lower operating receipts from subsidy revenue, and higher payments to suppliers and employees than budgeted.

**Net cash flow from investing activities was -\$7,475 million against a budget of -\$21,865 million.**

This variance is driven by the delays and deferrals to capital expenditure as outlined earlier in the report. Some projects were also co-dependent on external funding which was unable to be sourced.

**Net cash flow from financing activities was -\$1,500 million against a budget of \$2,210 million.**

Council did not draw down on additional borrowings due to various projects not progressing at the rate envisaged.

## **Note 32 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 and restrictions on travel.

# Statement of Compliance and Responsibility

**For the Year Ending 30 June 2022.**

## **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 2022, fairly reflect the financial position and operations of the Ōpōtiki District Council.



David Moore

**MAYOR**

Date: 14 June 2023



Stace Lewer

**CHIEF EXECUTIVE**

Date: 14 June 2023



# Report from Audit New Zealand

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of Ōpōtiki District Council's annual report for the year ended 30 June 2022

The Auditor-General is the auditor of Ōpōtiki District Council (the District Council). The Auditor-General has appointed me, David Walker, 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

We completed our work on 14 June 2023. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by Section 98(7) 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 107 to 155:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2022; and
    - 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 113, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the Council Activities and Performance on pages 37 to 97:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 47, 51, 57, 68, 73, 81, 88, and 93, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 42, 48, 52, 58, 63, 69, 74, 77, 82, 89, 94 and 97, 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 23 to 27, 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.

The basis for our opinion is explained below and we draw attention to uncertainty over the water services reform programme. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

## **Emphasis of matter - uncertainty over the water services reform programme**

Without modifying our opinion, we draw attention to Note 30 on page 152 which outlines developments in the Government's water services reform programme which will affect the District Council in future years.

Legislation passed in December 2022 established four publicly owned water services entities to carry out responsibilities for the delivery of three water services and related assets and liabilities currently controlled by local authorities. A water services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the District Council, remains uncertain.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

## **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 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 auditor's 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.

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 22, 28 to 36, 98 to 106, and 163 but does not include the audited information and 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, and we do not express any form of audit opinion or assurance conclusion thereon.

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

### Independence

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

In addition to our audit and our report on the disclosure requirements, we carried out a limited assurance engagement related to the District Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council.

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

David Walker  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

