



Ōpōtiki District Council

2022/23 Annual Report

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Directory

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Cover photo: Our Town Proud clean-up team doing the hard mahi for the community - October 2022

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Your representatives 2022/23



Mayor David Moore
Ward – District

Coast Community Board



Deputy Mayor Shona Browne
Ward – Ōpōtiki

Chairperson
Maxie Kemara
(Ward Councillor)

Deputy Chairperson Allen
Waenga



Councillor Barry Howe
Ward – Ōpōtiki

Michael (Spike) Collier

Linda Steel

Tiaki (Jack) Parata



Councillor Tom Brooks
Ward – Ōpōtiki



Councillor Steve Nelson
Ward - Waioeka-Waiōtahe-Otara



Councillor Dean Petersen
Ward - Waioeka-Waiōtahe-Otara



Councillor Maxie Kemara
Ward – Coast

Introduction



Graeme making use of improved access along the Dunes Trail, Ōpōtiki

From the Mayor and CE

The past 12 months has been full of challenges for the community. The impact of Covid was still felt however thankfully this subsided throughout the year, as the world and country, moved forward following the global pandemic. Inflation and the cost of business-as-usual activities were significantly impacted. Cyclone Gabrielle impacted parts of the district however we were lucky in comparison to other parts of the country. We were prepared for the event with our emergency response team and key stakeholders; Iwi, hapu, emergency services, army and local leadership all playing a part. Although we had our challenges throughout the year, 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 early 2024. Council commissioned a "Benefits Realisation Report" which highlighted the benefit the project is providing the community at the 80% completion point. Significant job creation has been a great result. Numerous projects were delivered including improvements to the CBD with lots 9 and 10 progressing well and other buildings in the precinct being upgraded. The Rose Garden Cottage renovations at Rawinia Reserve are complete with a new roof and a total fit-out. Extension to the Motu Trails from Ōpōtiki to the pipi beds is now complete. A major stormwater upgrade along Richard Street was completed and has improved stormwater management within the catchment. Road reseals were completed to improve the condition of our roads. Street lighting improvements were made with infill lighting around the town.

Forming stronger relationships with key partners, Whakatōhea, Ngai Tai and Te Whanau a Apanui has been and will continue to be a focus. Council signed the Reorua agreement with Whakatōhea.

There was a significant lift in building consents and new houses being built within the district over the year and this reflects growth and confidence within the district.

We continued to engage with central government and their reform agenda, including Affordable Waters, RMA and Future for Local Government.

Local Government elections were held in October, and we welcomed a new Mayor and three new councillors along with three returning councillors. The Coastal Community Board also welcomed two new members. Council recruited a new Chief Executive after long-time Chief Executive Aileen Lawrie resigned to take up a new challenge as CE of Thames-Coromandel District Council. Recognition for the contribution made by the previous Mayor, councillors, community board members and ex-CE is noted. Our thoughts and prayers also go out to former Councillor Louis Rapihana's whanau after his passing.



Mayor David Moore



CEO Stace Lewer

Highlights and significant events

Ōpōtiki Harbour Development Project

In February 2020 government confirmed its investment in the long awaited Ōpōtiki Harbour and construction started in September that year.

In August 2022 Hinewai, the amphibious excavator, commenced dredging the river and channel. With the walls nearing completion, and Hanbar casting completed in October 2022, the focus moved to stockpiling sufficient sand to close the river and construct a new dune on the western side.

We are now on the last year of construction and aiming for an early 2024 public opening.

In the last week of July 2023, HEB opened the channel between the new walls and closed off the old river channel. The work has been assisted by generally calm seas and low river flows.

In the coming months contractors will continue to dredge the new channel to the required depth, complete the closing of the old river mouth and finish the top of the walls, they will then need time to demobilise with council completing the upgrade of Snell road for public access.



Image: Water flowing between the seawalls 4 August 2023.

Te Tāhuhu o Te Rangi

Te Tāhuhu o Te Rangi has become the true community hub it was hoped to be. A fantastic place for out-of-town visitors to view the beautiful building and admire the locals' artworks. The library continues to provide an amazing physical collection, has curated a fantastic selection of eBooks, eMagazines, Audios and online movies, all free to access, ensuring the removal of barriers to reading and entertainment. Librarians are available for those seeking digital help and trustworthy assistance with accessing central government services and any online information. The printing and scanning service is well utilised and the business suite in the Makerspace is consistently busy with the 3D printer and Lazer Cutter/Emblaser being the most popular learning tools. With initial projects having no cost it ensures that customers are all welcome to experience this technology. The meeting rooms continue to be popular and remain free to study groups and non-profit organisations. As intended, this community facility allows for groups to regularly meet at their local library in the evenings and has been noted for its picturesque setting and high-quality service. The evening setting has also made a great backdrop for special events such as Matariki and a time to invite the community to share memories of the year past and speak of hopes and wishes for the future using storytelling to unite us.



Image: Leevana (one of our stars here at Council) and her boys joined the Great Kiwi Bookathon raising money for Blind Low Vision New Zealand.

Property

Council's new commercial build at 103 Church Street is near completion. Two tenants have been approved and will occupy 75% of the building with one ground floor front tenancy area still available for lease.



Images: Council's new commercial build at 103 Church Street.

101A Church St has been fully renovated which includes a new roof and this premise is now tenanted.



Images: 101A Church Street interiors.

We will be re-roofing 101B Church St later this year, the building had an internal renovation 2 years ago. These renovations mean Council owned buildings from 101 Church St (Te Tāhuhu o Te Rangi) through to 103 Church St (new commercial build) have all been renovated or rebuilt to a high tenantable standard all with new verandas. This massive project has been possible thanks to assistance from PGF funding.



The Rose Garden Cottage renovations at Rawinia Reserve are complete with a new roof and a total fit out. We currently have this premise out for hire, while we look for a permanent tenant to occupy the unique space.

A new roof has been installed on the Showgrounds clubrooms, and both pavilions have been re-carpeted due to wear and tear in these high use facilities.

Whitikau Reserve playground

Ōpōtiki District Council staff developed a concept design for Whitikau Reserve playground based on input from the public for a range of desired play activities. The Contract was awarded to develop detailed design and installation of the play activities identified in the concept plan. The installation of the playground was completed ahead of schedule and in time for the 2023 Matariki Celebration.



Image: Whitikau Reserve playground.

Water Supply

Major works this year:

- UV treatment at the Ōpōtiki Water Treatment Plant has been completed. This is required under the new drinking water standards to disinfect the treated water before it goes into the reticulation system.

Asset Renewal

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

- Annual road surfacing renewals work, resealing roads (9.5km of rural and urban streets) 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 2023/24 year to achieve cost efficiencies, these were pavement and footpath renewals
- Various stormwater, wastewater and water supply plant components.

Stormwater

Council has completed a major stormwater project along Richard Street from Goring Street to the Tarawa Creek outlet structure with 210m of 750mm diameter pipe and 375m of 1200mm pipe with associated manholes. Further pipe was laid along St John Street at the Richard Street/St John Street intersection with 125m of 900mm diameter pipe used with associated manholes.



Image: Laying stormwater pipe Richard Street, Ōpōtiki.

Solid Waste

Council has progressed with the supply and installation of two weighbridges capable of weighing up to 40 tons. This project includes an access road to the incoming and outgoing vehicles to the weighbridges and a kiosk to serve customers. The project will be completed in 2023.



Image: Weighbridges being installed at the Ōpōtiki Resource Recovery Centre.

Wastewater

Council has completed the installation of a new screen and aerators to improve the treatment process in the Opotiki Wastewater Treatment Pond.



Image: Treatment processor at the Ōpōtiki Wastewater Treatment Pond.

Other work this year involved the refurbishment of several manholes. This involved sealing of cracks with fibre reinforced cement lines to prevent infiltration of groundwater.

Lighting Programme

An additional 25 LED Luminaries in Ōpōtiki Township and 48 LED Luminaries in Woodland /Hukutaia were installed this year. 42 street lights were retrofitted with LED luminaries in the Church Street CBD area. A Total of 726 LED Luminaries have been installed in the Ōpōtiki District street light programme.



Image: Street lights on Church Street, Ōpōtiki that have been retrofitted with LED Luminaries.

Land Transport



Image: New kerb and channel at the corner of Princess and St John Streets, Ōpōtiki

Our contractor has proceeded with the Urban Street upgrades. St John Street from Kelly Street to Albert Street has received widening of the road and flushed kerbs. Victoria Street and Princess Street (between St John Street to Church Street) have also received kerbing, new vehicle entrances, improved drainage and intersection improvements.

Verralls Road pavement rehabilitation, near the Waiotahi Valley Back Road intersection, has also been completed. The work included road safety improvements including pavement construction, road widening, earth works, kerb & channel, drainage improvements, chip sealing and reinstatement.

The 2022/23 year began with more rainfall than usual. In July 2022 the rainfall did not come in a single storm event but rather a sustained period of constant rain which exacerbated already saturated ground conditions and swollen rivers, causing damage at multiple locations across the district. Areas most affected were roads alongside the Otara River and its tributaries Tutaetoko and Pakihi streams, as well as Waiotahi Valley, Ōpape, and Whangaparaoa.



The Initial response and then the permanent reinstatement were carried out as Emergency Works which received a 95% contribution of funding from Waka Kotahi. An example of the work included Ōpape Beach Rd where storm weather had taken away portions of the road restricting access to homes. The project was delivered with close support from Bay of Plenty Regional Council who provided technical advice and Delta Contracting who carried out the work over a very short period of time to stabilise and protect the area and restore access.



One of the sites was a road dropout along Ohiwa Harbour Road. Council planned, designed, and constructed a retaining wall, ensuring that the road remains in place.

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 enable housing development through zoning, and careful infrastructure planning for growth coming online through many central-government funded projects such as the harbour development.

Kāinga Ora clearly understood the challenges we are facing around affordable and social housing and they committed to a net increase of 50 additional houses within the next 24 months on top of an upgrade to existing housing stock.



Image: Aerial view of Ōpōtiki township

Building Control Authority

A total of 203 building consent applications were received in 2022/23. This is a 18% increase in application numbers compared to the previous financial year, and a 50% increase when compared to 2018/19. This increase in consent numbers, has placed a strain on the service, however we now have more permanent staff in place who are supported by a team of consultants brought in to assist as and when required. We have also invested heavily in updating and improving the software packages used by staff to process consents and carry out inspections. Alongside the improvements to our software packages 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.

Reforms

Central Government initiated several reforms which have had an effect on local government and local communities. The very rapid pace at which the latest raft of central government reforms has moved is similar to the reforms of the 1980s – and the effects of such a large package of reform will have an impact on the organisation, and the local communities we serve.

Affordable Waters

Since our 2021/22 Annual Report, the current government updated the *Three Waters* policy. The reform package is now called *Affordable Waters* and requires the establishment of ten publicly owned water services entities, as opposed to the original four. The ten entities will be based on regional boundaries; regional representative groups will be established and they will include representation from every territorial authority.

There will be a “staggered” approach to introduce the water services entities with all ten entities to “go live” between 1 July 2024 and 1 July 2026. The Water Services Entity Act 2022 was passed in December 2022, and the Water Services Entities Amendment Act 2023 was given effect to in July this year, to require the ten water services entities include representation from every territorial authority, alongside an equal number of mana whenua representatives.

We will continue our approach of working alongside our iwi and hapū, partner agencies, other local councils and stakeholder groups to continue advocating for an inclusive, local approach to water management.

Resource Management Reform

In August 2023, the Resource Management Act 1991 (RMA) was repealed. It was replaced by two new pieces of legislation designed to create a new resource management system for Aotearoa New Zealand – the Natural and Built Environment Act 2023 (NBA) and the Spatial Planning Act 2023 (SPA).

The NBA is the main replacement legislation for the RMA and, in time, it will require our planning tools, such as the District Plan, meet new national and regional standards and frameworks. The SPA requires territorial authorities to contribute toward regional spatial strategies in an integrated way and ensure their planning tools are geared toward achieving the outcomes of the regional spatial strategy.

The new resource management system will take several years to implement. During this time, it will be very important for council to work closely alongside iwi and hapū, industry and stakeholders, other local councils, and central government to ensure true local representation is a part of the decision making process in implementing the new system.

Future for Local Government

In June 2023, the final report from the Review in the Future for Local Government was released by the Panel: *He piki tūranga, he piki kotuku*.

The report contained 17 recommendations by the Panel to both central and local government which, if implemented, would work toward addressing the five key themes of the report: *embedding local government's purpose and wellbeing focus; growing authentic Te Tiriti-based partnerships; system renewal; strengthening local democracy and leadership, and increasing funding*.

The Panel made the recommendations to central government, but also to local councils to encourage a proactive and joined-up approach. The current government has indicated the final report recommendations would not form part of their current agenda, and any changes would be considered in a new term. For ŌDC, this means keeping a close eye on any signals central government provides to the local government sector to ensure we can respond appropriately. We will continue our approach of working closely with iwi and hapū, the local government sector and community stakeholders.

Resource Consents

A total of 63 resource consent applications were received, the same as number as the previous years. 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 2022/23 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.

Animal Control

This year 1,447 dogs were registered, a slight decrease on the previous year. In terms of dogs impounded, this is significantly increased from the previous financial year with 307 dogs being impounded which represents 6 dogs being impounded each week. The number of infringement notices issued was the highest recorded in reporting year, the largest portion of infringements issued being for failure to register a dog and failure to keep a dog under control. We are actively encouraging the public to report when they observe dogs roaming within the township in particular and to use our Antenno app to do so.



Antenno
Be informed. Get involved.

Get Antenno to report issues, as well as, receive alerts and notifications.

GET IT ON
Google Play

Download on the
App Store

www.odc.govt.nz

Online 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 2022/23 year we completed the roll-out of our updated contact and service request system which strengthens our commitment of keeping the customer at the heart of what we do. The new solution greatly increases two-way communication between Council and our customers. This upgrade will be followed by a new online portal experience for customers in October 2023.

Over 3,000 applications, payments and requests were entered through our online services systems in 2022/23 and we expect that number to continue to grow as we implement further solutions that enable our customers to engage and transact with council online 24/7.

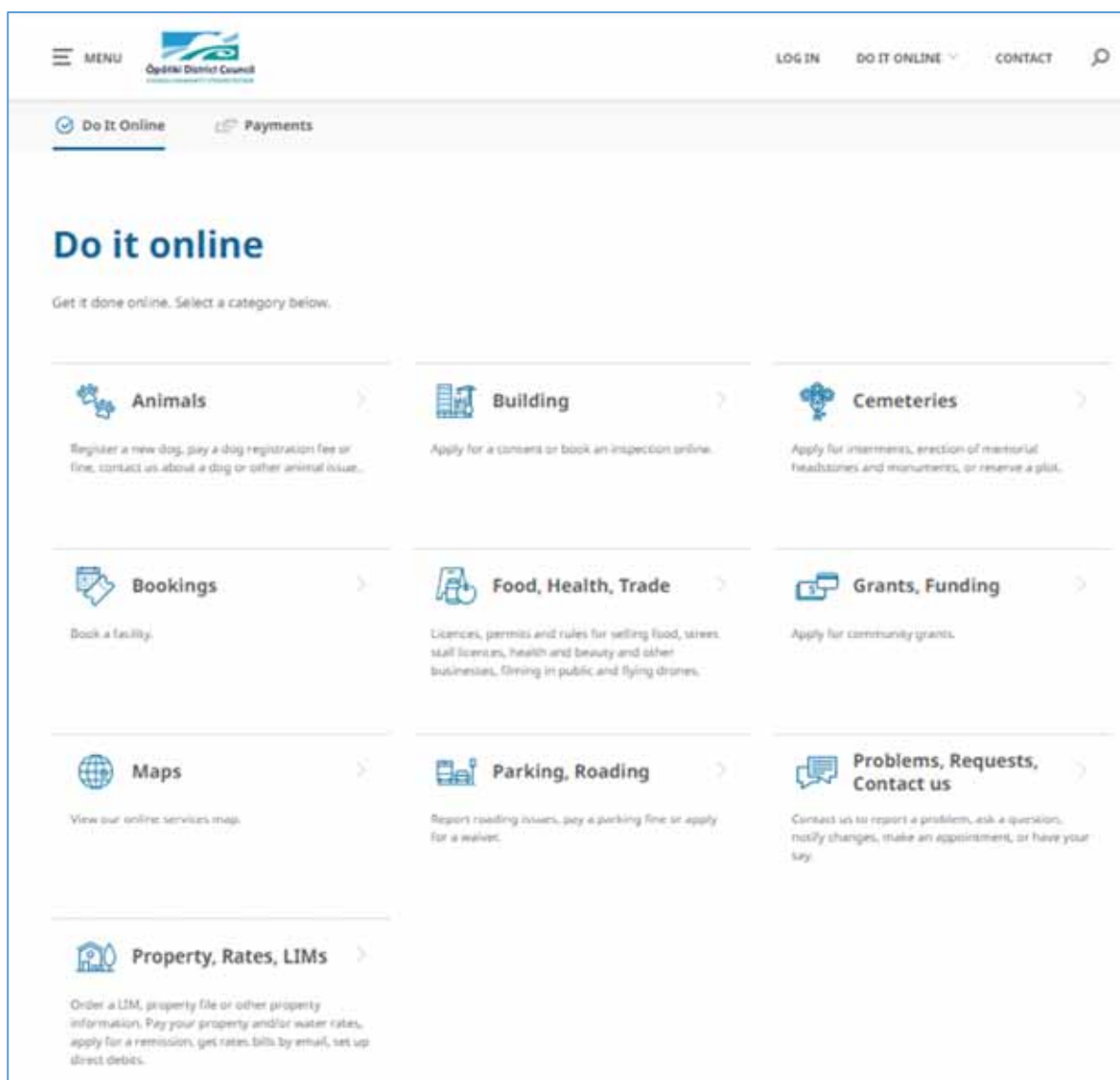


Image: Council's new customer portal

Events

We tried a few new events in 2022/23 including the community blood drive. An opportunity was identified to bring the Community Blood Drive back to Ōpōtiki. isite staff promoted the event, sourced a venue (Ōpōtiki RSA), and got local people to register and signed up. The New Zealand Blood Service were thrilled with the response and will be making repeat visits to Ōpōtiki. Enough blood was collected to save 132 lives!

Ōpōtiki isite coordinated its 4th annual Keep NZ Beautiful Clean Up Week. Great support was received from Nukutere Kohanga, Ōpōtiki District Council staff, Ray White Ōpōtiki, Ōpōtiki Lions, other individuals and groups.

After the previous summer of events being cancelled, we decided to kick the summer season off with something new to bring the community together. The isite team put on a Christmas Summer Market. There were 20 different food stalls and markets, live music, a lolly scramble and of course Santa and his sleigh were there taking photos with all the kids.

Despite a wet summer full of cancelled events across the nation, Ōpōtiki pushed through and delivered a jam packed Summer Festival for locals and visitors alike. The festival ran from 27 December 2022 to 18 February 2023 and included some fantastic highlights, like the introduction of our first coasty beach dig in Te Kaha, sack races and mussel shucking at the Gourmet Food Marke. Despite bad weather in the lead up to the festival the team were still able to deliver a knockout Lantern Festival show complete with the very talented Rob Ruha and American based kiwi, Gin Wigmore.

In total 10 events were delivered by the isite staff and over 20 community events were supported.

Thanks to all our sponsors, funders, and the whole community for continuing to get behind and support local events.



Image: Gin Wigmore plays at the Ōpōtiki Lantern Festival 2023

5 Year Financial Summary

For the year to 30 June:

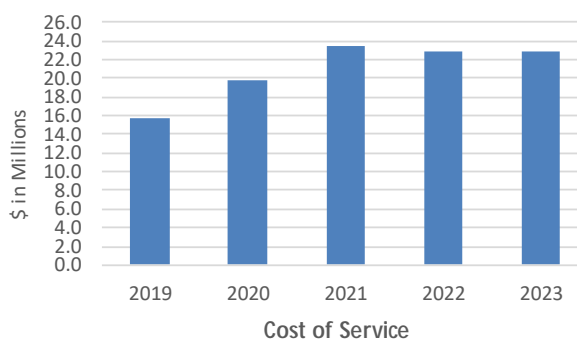
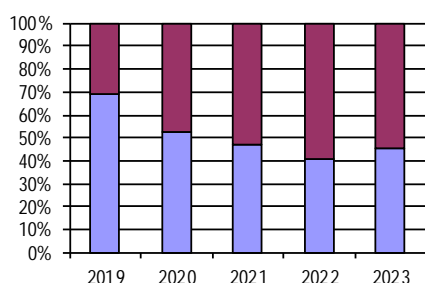
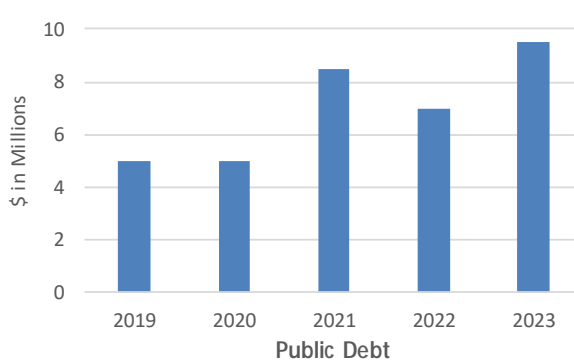
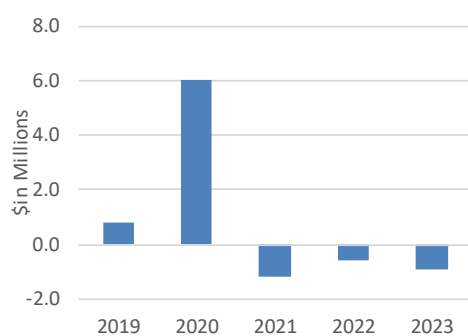
	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000
Income Statement					
Rates (including penalties)	10,998	11,256	11,739	11,779	12,913
Other income	5,011	10,123	13,143	17,101	15,278
	16,009	21,379	24,882	28,880	28,191
Cost of services	15,732	19,827	23,417	22,870	22,901
Net surplus/(deficit)	277	1,552	1,465	6,010	5,290

Financial Position

Current assets	4,816	11,065	14,409	9,806	6,735
Current liabilities	4,046	5,050	15,566	10,375	7,667
Working capital	770	6,015	-1,157	-569	-932
Non current assets	207,661	244,429	260,221	334,865	348,368
	208,431	250,444	259,064	334,296	347,436
Non current liabilities	5,095	8,571	7,067	5,559	9,551
Net assets	203,336	241,873	251,997	328,737	337,885

Financed by:

Ratepayers equity	135,596	138,249	139,609	146,915	153,007
Reserves	67,740	103,624	112,388	181,822	184,878
	203,336	241,873	251,997	328,737	337,885



* 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 \$9.5 million as we have completed 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 has been delivered by central government over the last three years, there is still 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.

2022/23 Performance Overview

Overall Council has achieved an operating surplus of \$5.29 million for the year against a budgeted surplus of \$3.03 million.

Subsidies and Grants are \$2.4 million higher than budgeted for the year due mostly to additional subsidy received from NZTA Waka Kotahi towards emergency works, and the progressing of MBIE funded Shovel Ready and PGF projects which had been affected by Covid related disruption.

Fees and charges revenue is slightly higher than budget due to a resurgence of activity generally post the affects to services during Covid related disruption. This includes development and financial contributions.

Other revenue is higher than budget mostly as a result of vested assets.

Finance revenue is favourable due to the resurgence of interest rates as a result of increasing inflation and resulting monetary policy measures taken by the Reserve Bank.

Other operating expenditure is \$2.2 million higher than budget due to losses on disposal of plant property and equipment \$1.1m. 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 (including three waters reform, Mana in Mahi cadetship programme, Mayor's Taskforce for Jobs and Workforce Development programmes). 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 \$1,437k as a result of assets revaluations performed in the previous year being higher than expected.

Personnel costs are higher than budget \$555k due to a combination of 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.

Other comprehensive revenue is \$4.9 million less than budget. This is because all asset classes were revalued in the previous year, whereas the budget assumed some would be revalued this year.

Financial Reporting and Prudence

Annual report disclosure statement for year ending 30 June 2023

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.

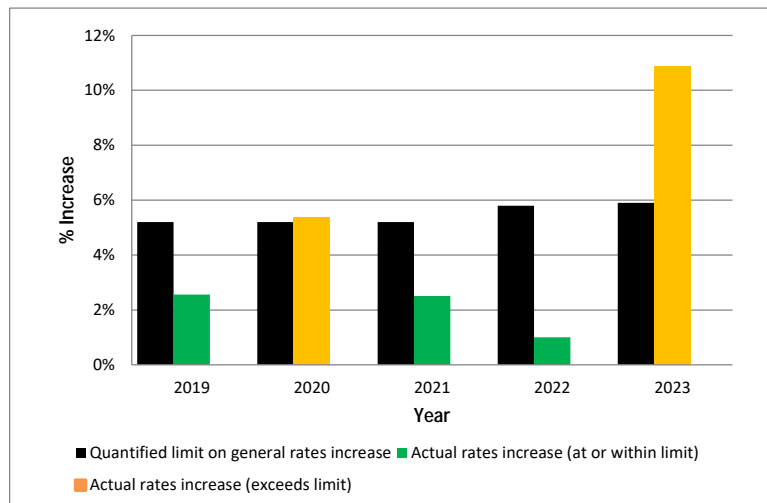
Rates Affordability Benchmark

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.

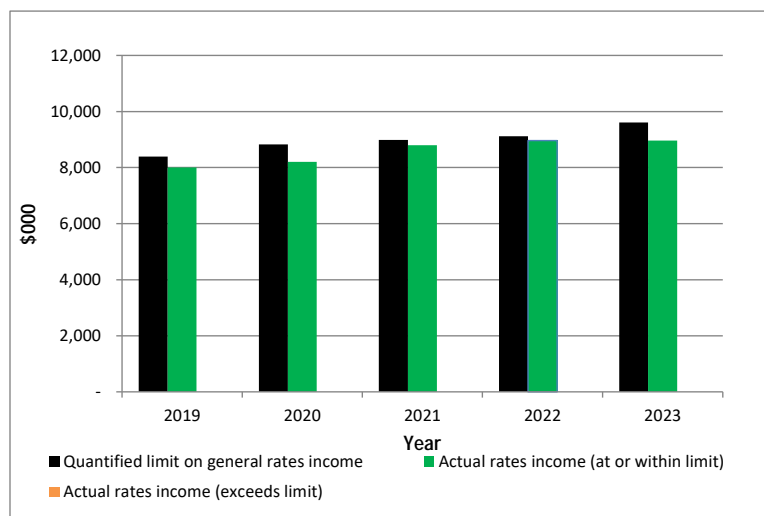
Rates (increases) Affordability Benchmark – General Rates

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

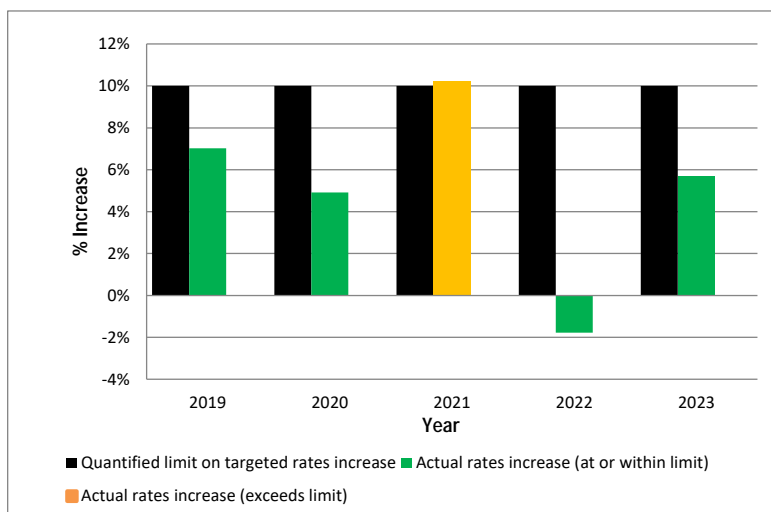
This graph compares the council's actual general rates income with a quantified limit on general rates contained in the financial strategy included in the council's long-term plan. The quantified limit is prior year general rates plus (LGCI plus 3%).



Rates (increases)

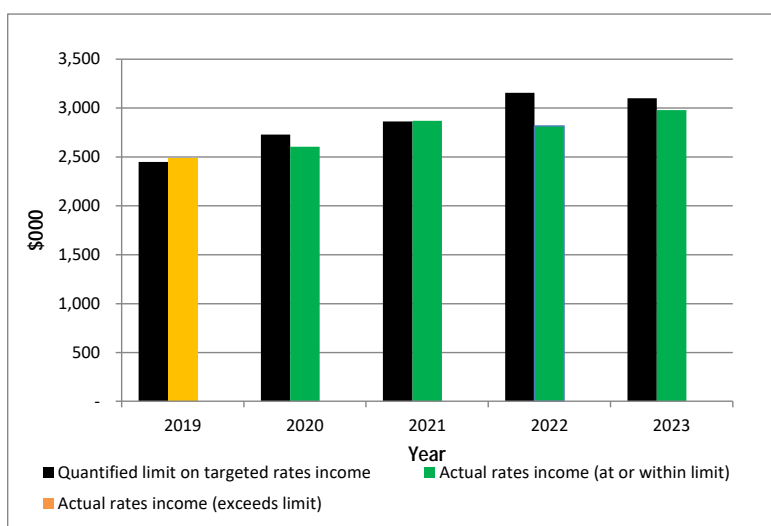
Affordability Benchmark – Targeted Rates

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

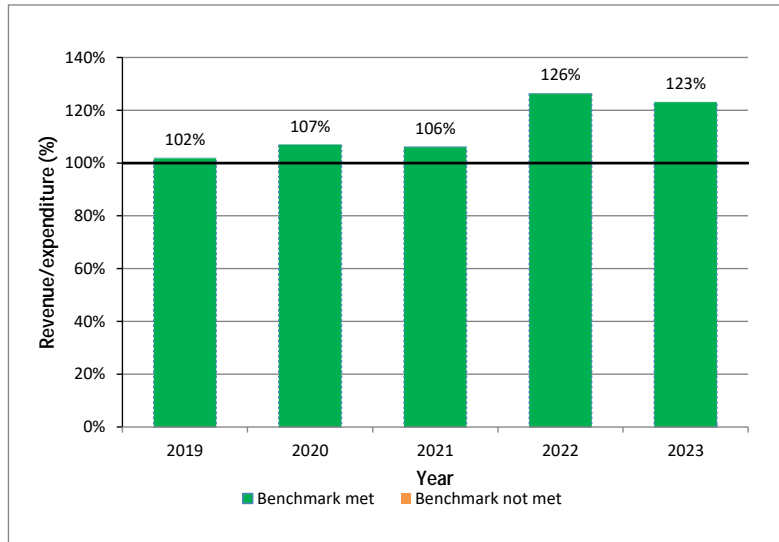
This graph compares the council's actual targeted rates income with a quantified limit on targeted rates income contained in the financial strategy included in the council's long-term plan. The quantified limit is prior year targeted rates plus 10%.



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).

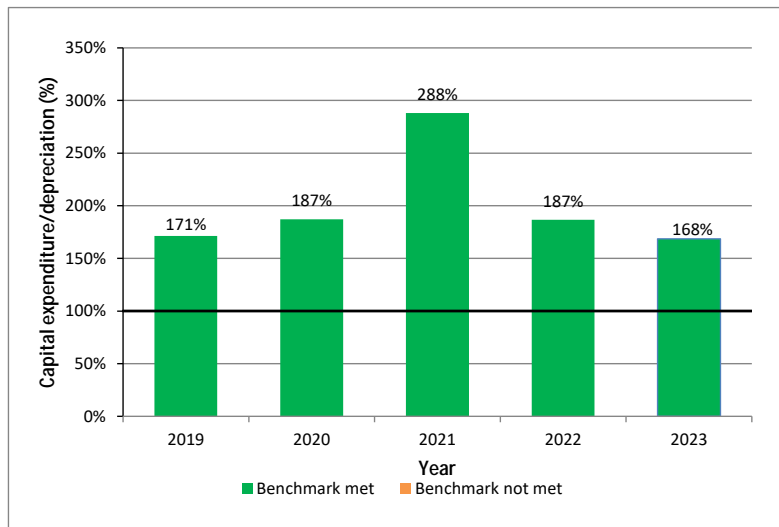
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services Benchmark

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

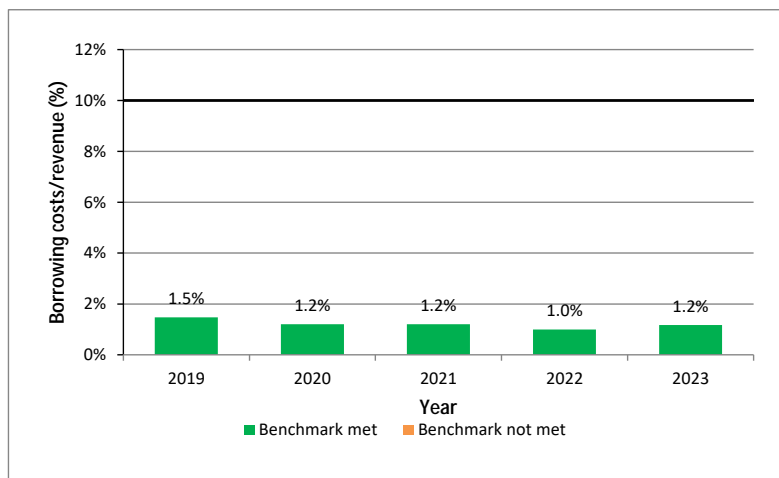
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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.

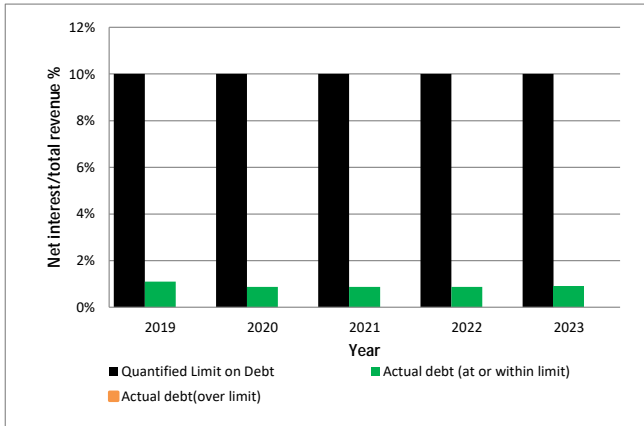


Debt Affordability Benchmark

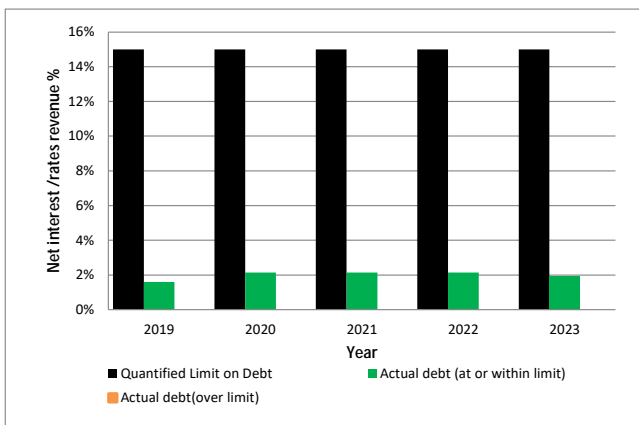
The Council meets the debt affordability benchmark if its borrowing is within each quantified limit on borrowing. The following graphs compare the Council's actual borrowing with the quantified limits on borrowing stated in the financial strategy included in the council's long term plan.

The quantified limits are:

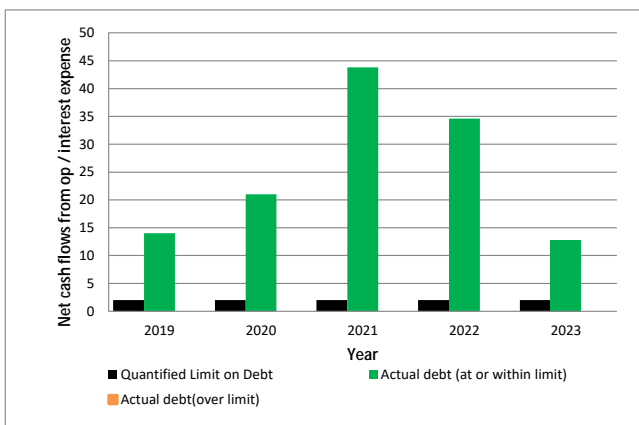
Net interest expense/total revenue less than or equal to 10%



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



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

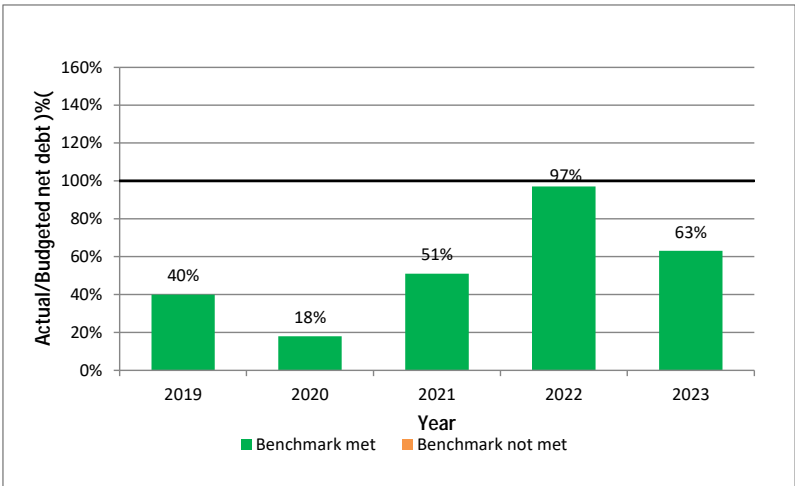


Debt Control Benchmark

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).

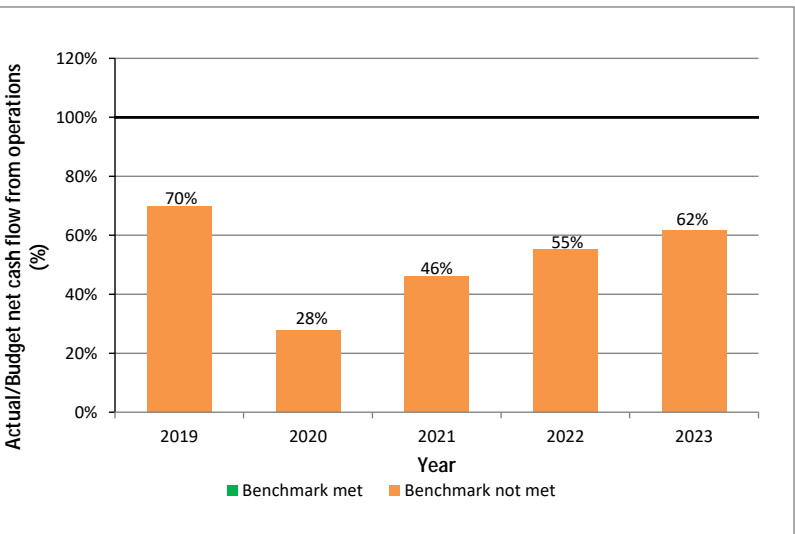
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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.

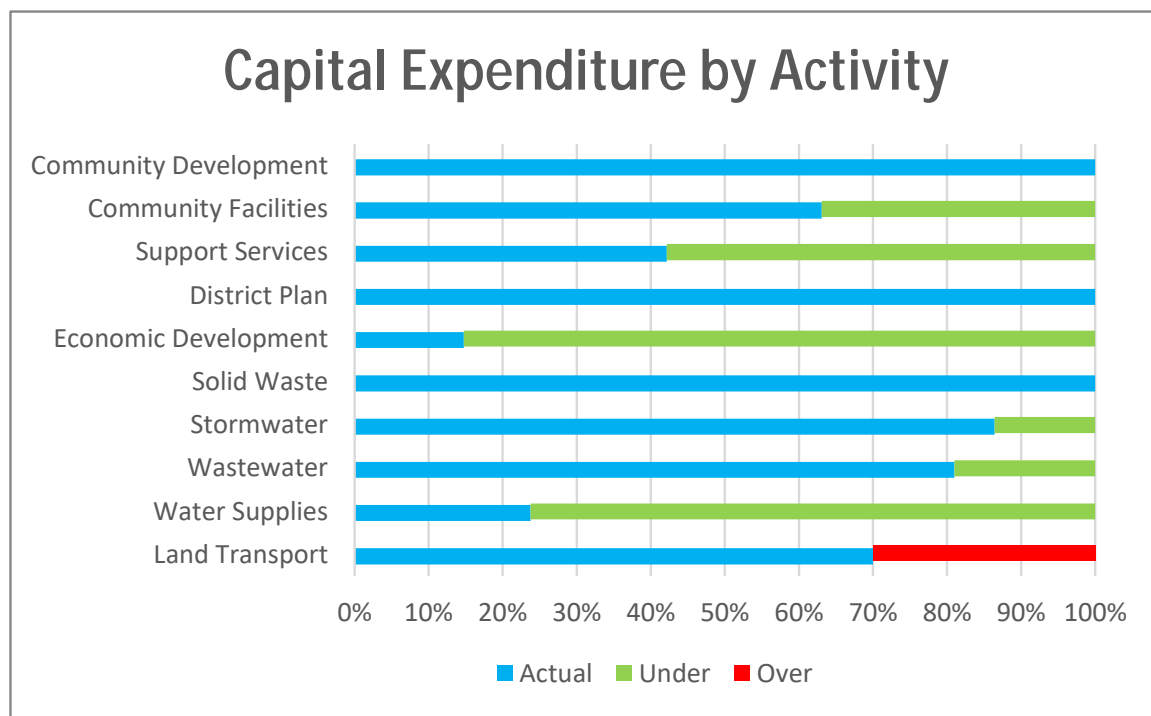


Benchmarks not met

Operations Control Benchmark

This benchmark was not met this year, nor has it been for the past 5 years. The previous few years was 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 2023



Community Development – This expenditure relates to the renewals of the town centres CCTV network, of which renewals of \$6,000 was completed during the year.

Community Facilities - This activity is underspent mostly due to the Marine Precinct and Wharf Redevelopment which has been delayed. The mobile services library project is being reviewed to ensure it meets the needs of the community. Projects completed this year include: Whitikau Reserve playground and carpark toilets, completion of 101 Church Street building, the Waiotahi cycleway extensions, Rose Garden cottage fit-out and re-roof, and a number of other playground renewals. The coastal reserves tourism infrastructure project is reliant on external funding.

Support Services – Renovations to the Council administration building remain on hold pending further review of options. The ERP replacement project is also deferred pending the outcome of Central Government's review on the future of local government, while fleet replacement was progressed this year after supply chain issues last year.

District Plan – The Waihou Bay Masterplan was consulted on during the year. It is being used to inform the Council of the aspirations of the Waihou Bay community and will ensure a future-proof and enduring plan is articulated in its planning policies, strategies, and associated budgeting.

Economic Development – The event storage shed facility has progressed into the 2023-24 year.

Solid Waste Management – The installation of a weighbridge at the Opotiki resource recovery centre was still in progress at year-end. Some operations renewals were also completed this year.

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 – Installation of the treatment plant inlet works upgrade was completed. The balance of any unused funding will be used towards engineering consultancy services for the new wastewater treatment plant consent and upgrade. A number of reticulation renewals were completed this year.

Water Supplies – Te Kaha Treatment Plant Relocation - a new water resource borehole location is being explored, subject to resource consent approval and easement agreement. A number of reticulation renewals and improvements were completed during the year, including Dip Rd water main and Terere Pa Rd water main upgrades. UV treatment at the Ōpōtiki Water Treatment Plant was completed. Various projects were impacted by Covid-19 and its effects on resources, supply chain and logistics. Opotiki UV treatment was also progressed during the year.

Land Transport – The upgrade of Snell Road is a three year project which is planned to be completed by the 2023-24 year. Major emergency reinstatement works needed to be carried out due to damage caused by severe weather events. Roading budget was reallocated to give priority to these reinstatement works. Some renewal works were deferred to the 2023/24 year to achieve cost efficiencies; these were pavement and footpath renewals.

Other projects completed during the year include drainage renewals, minor roading improvements, additional LED streetlight luminaries, rehabilitation and resurfacing.

Council Organisation



Council staff join in Te Wiki o Te Reo Māori 2022 activities at Te Tāhuhu o Te Rangi

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

Organisational Structure 2022/23

Council



Stace Lewer - CEO

The chief executive appoints a range of skilled staff to carry out the activities the council undertakes on behalf of the community. This is the organisational arm of local government. Through the chief executive they implement the decisions of Council, provide advice to Council on managing the activities of the organisation effectively and efficiently, plan and provide accurate reports of the financial and service performance of Council and employ and provide leadership.



Peter Bridgwater, Group Manager Finance and Corporate Services

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



Gerard McCormack, Group Manager Planning and Regulatory

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



Anna Hayward, Group Manager Community Services and Development

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



Nathan Hughes, 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 are held at the following intervals:

Council meetings – six weekly

Risk and Assurance Committee – quarterly

Strategy, Planning and Regulatory Committee – six weekly

Performance and Delivery Committee – Six weekly

Regulatory Appeals Committee – as required

Chief Executive Performance Committee – No less than 2 times per year

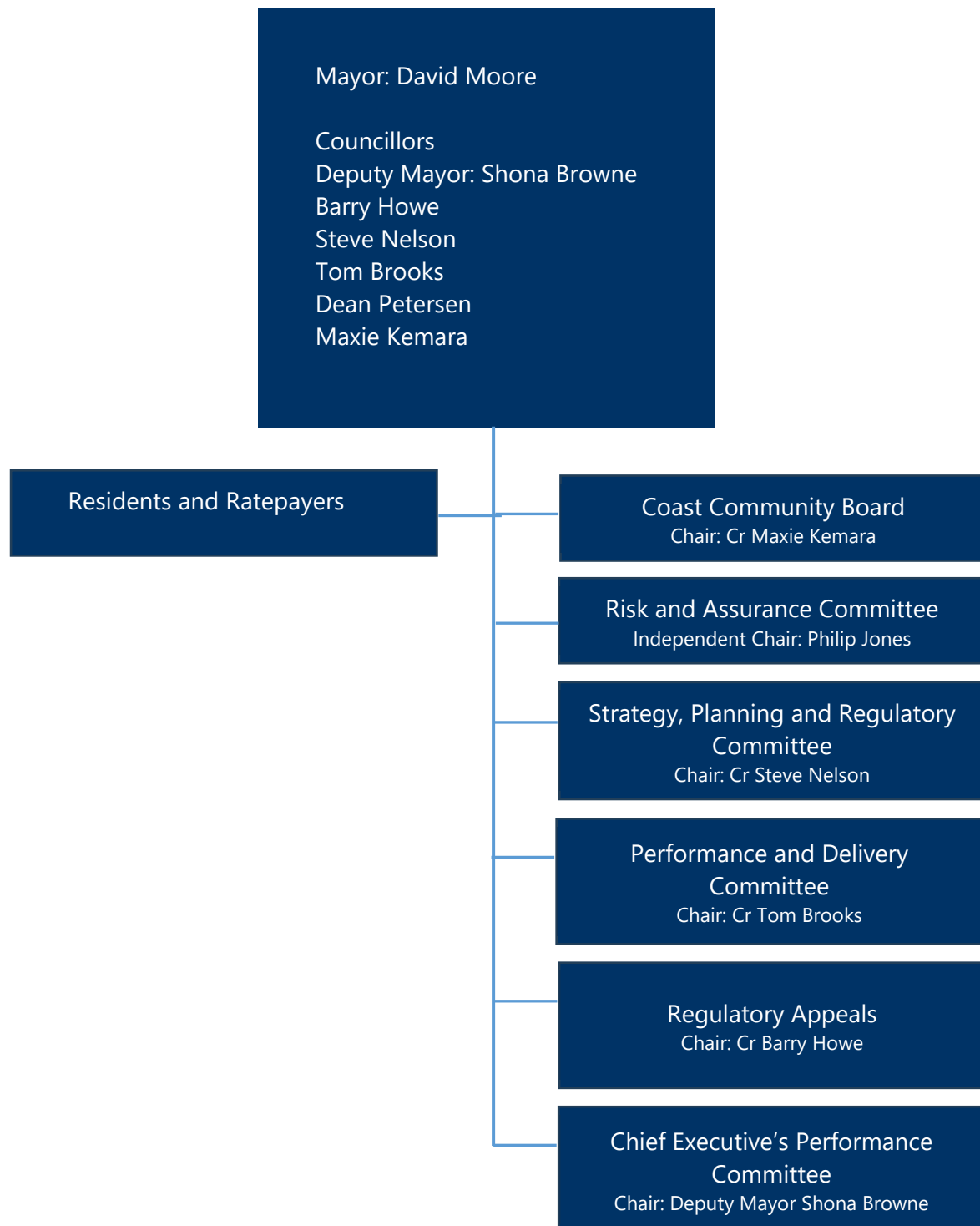
Coast Community Board – six weekly

A copy of Council's meeting calendar is always available on our website both as a Google calendar (click on any meeting for more details such as start time and location), or as a downloadable PDF at odc.govt.nz/meetingcalendar

A full list of all Council and Committee appointments is available on Council's website.

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:

- a. To represent, and act as an advocate for, the interests of its community
- b. 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
- c. To maintain an overview of services provided by the territorial authority within the community
- d. To prepare an annual submission to the territorial authority for expenditure within the community
- e. To undertake any other responsibilities that is delegated to it by the territorial authority.

Coast Community Board Members for 2022-2025 Triennium

Chairperson, Maxie Kemara
Deputy Chairperson, Allen Waenga
Michael (Spike) Collier
Linda Steel
Tiaki (Jack) Parata

At the Inaugural Ordinary Council Meeting 26 October 2022, the following Committee Appointments for the 2022-2025 Triennium were approved by resolution:

Council Committees	2022-2025 Triennium
Risk and Assurance	Members: Crs Nelson, Petersen, Brooks Mayor Moore Ex Officio Independent Chair: Philip Jones
Strategy, Planning and Regulatory	Members: Crs Brooks, Browne Mayor Moore Ex Officio Chair: Cr Nelson
Performance and Delivery	Members: Crs Nelson, Petersen Mayor Moore Ex Officio Chair: Tom Brooks
Regulatory Appeals	Members: Crs Browne, Brooks Chair: Cr Howe
Chief Executive Performance Committee	Members: Mayor Moore Crs Petersen, Brooks Chair: Deputy Mayor Browne

Advisory Groups	
Tohe Ora - Social Development Advisory Group	Members: 3x Iwi Representatives 3x Community representatives 2x Rangatahi/youth representatives Chair: Cr Kemara Deputy Chair: Cr Brooks
Property Advisory Committee	Members: Cr Nelson, Deputy Mayor Browne Mayor Moore Ex Officio
Joint Committees	
Eastern Bay of Plenty Joint Committee	Mayor Moore Cr Nelson
Regional Transport Committee	Mayor Moore Alternative: Cr Brooks
Civil Defence Emergency Management Group Joint Committee	Mayor Moore Alternative: Cr Brooks
Eastern Bay of Plenty Road Safety Operations Group	Cr Brooks Alternative: Mayor Moore
Eastern Bay District Licencing Committee	Deputy Mayor Browne Alternative: Mayor Moore
External Organisation/Group appointments	
Creative Communities New Zealand	Mayor David Moore Deputy Mayor Shona Browne
Waioeka-Otara Flood Scheme Liaison Group	Crs Nelson, Petersen
Ōhiwa Harbour Implementation Forum	Crs Petersen, Nelson
Ōpōtiki Marine Advisory Group (OMAG)	Mayor Moore Cr Petersen Chair: Cr Howe
Ōpōtiki Theatre Trust	Cr Browne
Sport NZ Rural Travel Fund	Cr Howe

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



Image: Mayor Moore congratulates Ōpōtiki's newest citizens at a ceremony in their honour - January 2023



Council Activities and Performance



Te Kaha Resource Recovery Centre

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 2022/23 year

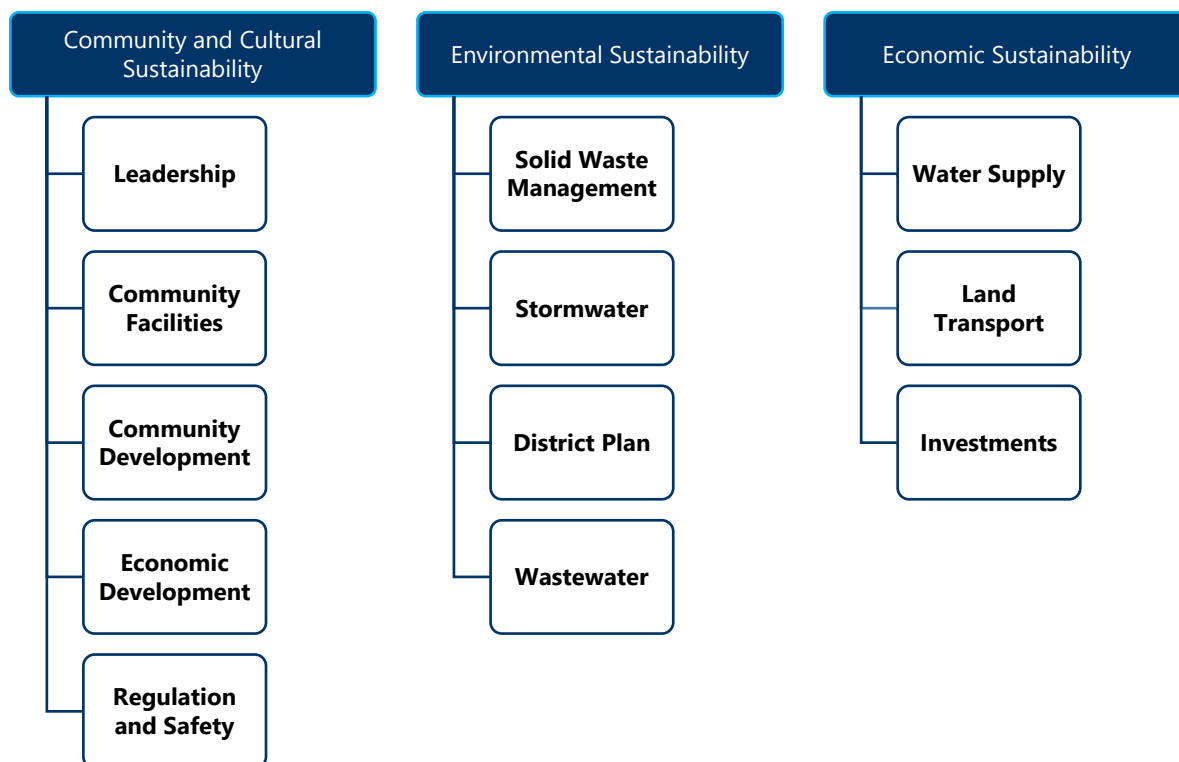
Council has prepared its statement of service performance information in alignment with its financial statements spanning 1 July 2022 to 30 June 2023, the service performance information is found on pages 42 to 99.

This Statement of Service Performance has been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). This Statement of Service Performance has been prepared in accordance with Tier 2 RDR PBE financial reporting standards, which have been applied consistently throughout the period, and complies with PBE financial reporting standards.

The Council's strategic direction was set by Council in the Long Term Plan 2021-2031. For each of the activities required to deliver on the strategic direction key levels of service have been identified with performance measures and targets to monitor council achievement over the 10 years of the LTP.

The LTP 2021-2031 was adopted by Council in June 2021 after consultation with our communities. Achievement against those performance measures and targets are provided in the Annual Report.

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.

Statement of service performance:

Contextual information - Community and customer satisfaction information is taken from the quarterly customer satisfaction surveys and this is considered the most appropriate and readily available information to assess these measures of performance. This survey has a sample size of 300 responses with a maximum margin of error +/- 5.5.

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Council will provide leadership that is visionary, community focused, efficient and representative	Community satisfaction with Council leadership	44%	75%	55%	
	Commentary 2022/23: Not achieved but showed a significant improvement with an increase of 11% from the 2021-22 year.				
	Level of community satisfaction with the opportunities to participate in decision making	34%	60%	47%	
	Commentary 2022/23: Not achieved but showed a significant improvement with an increase of 13% from the 2021-22 year.				

Funding Impact Statement

Ōpōtiki District Council - Leadership Activity

For the year ended 30 June 2023

	2022 Long- term plan (\$000)	2023 Long- term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	1,299	1,329	1,361	1,355
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	441	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	32	-
Total operating funding (A)	1,299	1,329	1,834	1,355
Applications of operating funding				
Payment to staff and suppliers	995	1,023	1,689	1,023
Finance costs	-	-	-	-
Internal charges and overheads applied	304	306	240	332
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,299	1,329	1,929	1,355
Surplus (deficit) of operating funding (A - B)	-	-	(95)	-
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	-	-	(95)	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	-	(95)	-
Surplus (deficit) of capital funding (C - D)	-	-	95	-
Funding balance ((A - B) + (C - D))	-	-	-	-

Community Facilities

What we do and why:

This activity includes the provision of Parks and other recreation/amenity services to the people of the Ōpōtiki District. These services provide lifestyle opportunities to residents and visitors. They provide opportunities for recreation, beautification, conservation of the natural environment and public access. Such facilities promote a range of public good outcomes around health and wellbeing which are becoming increasingly desirable to New Zealanders and visitors alike.

This significant activity includes:



Parks and Recreation (Airport, Cemeteries, Public Toilets, Parks and Reserves, Playgrounds, District Library and Cycle Way).





Community Outcomes	How This Activity Contributes
Development and protection of the natural environment	<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.

Statement of service performance:

Contextual information - Community and customer satisfaction information is taken from the quarterly customer satisfaction surveys and this is considered the most appropriate and readily available information to assess these measures of performance. This survey has a sample size of 300 responses with a maximum margin of error +/- 5.5.

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 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	73%	75%	81%	
Commentary 2022/23: Achieved. There was an increase of 8% in satisfaction recorded over the 2021-22 year.					
Playgrounds comply with NZS 5828 (2015)	% of play equipment compliant with NZS 5828 or relevant standard. N.B The NZS 5828 standard is intended to promote and encourage the provision and use of playgrounds that are well designed, well-constructed, well maintained, innovative and challenging	91%	85%	87%	
Commentary 2022/23: Achieved. This did not include the new Whitikau playground as this was not completed until after the independent audit which was undertaken on 25/06/2023. If it had been included the overall compliance would have increased to 91%.					

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Provide facilities for community use	% of customer satisfaction with cleanliness and quality of toilet facilities	38%	60%	44%	
Commentary 2022/23: Not achieved but showed an improvement of 6% over the 2021-22 year.					
Provide facilities and services that meet current and future needs, and are accessible to all	% of community satisfied with maintenance and tidiness of cemeteries	77%	75%	82%	
Commentary 2022/23: Achieved.					
	% of the community satisfied with the library facility and service	69%	85%	92%	
Commentary 2022/23: Achieved. Collectively, library services were the highest rated in 2023. Satisfaction improved significantly to a new peak after the new Te Tāhuhu o Te Rangi facility was opened at the end of 2021; 29% of respondents provided the highest rating, 10-out-of-10, in 2023.					
	Number of library facilitated programmes per year	>15	8	>8	
<p>Commentary 2022/23: Achieved. Digital Literacy sessions continue to be a much sort after service. This ranges from simple issues with accessing emails to helping customers to navigate many services that are only available online. Sessions to help patrons build their skills on using their own devices is also in high demand so we have continued to provide 1:1 sessions, especially for sensitive matters such as Internet Banking. In response to an increasing need for assistance in relation to scams and mis- and disinformation and the library being a place of trust and an expectation for a high standard of service. Although we reduced the number of Arts on Tour events this year due to budget restrictions the few events we put on were supported by the community very well.</p> <p>The connections made through our newly appointed Whatutōhea role included the introduction of a full immersion te reo Māori speaker events that ran throughout the Māhuru Māori (September) period. The Whatutōhea contractor also allowed for weekly attendance from kōhanga reo and early childhood groups, then onto various schools and lastly a full day of college students were attended throughout the year.</p> <p>The library continues to be a community hub and a place to feel welcomed and safe without expectation to spend to have the privilege of being in the space. After hours meeting spaces continue to be utilised as the local community groups see the benefits of using the centralised location. The wifi service continues to be a much appreciated and integral part of a modern library. The MakerSpace arena is growing and growing with more examples of the importance of having shared resources that are accessible to all.</p>					

Internal Borrowing

Internal Loans Summary

	Opening Balance	Borrowed	Repaid	Balance	Interest
	1/07/2022			30/06/2023	2023
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Cemeteries	13	6	1	19	1
Cycle Way	1,557	245	3	1,800	65
Library	99	-	3	96	4
Parks	455	21	13	462	18
Playgrounds	11	410	6	416	8
Public Toilets	371	-	2	369	14
Property	5,658	394	42	6,010	227
	8,166	1,075	70	9,171	338

Capital Expenditure

	AP 2023 000's	Actuals 2023 000's
- to meet additional demand		
PGF Skate Park & Pump track		24
PGF - Cycle trail entrance		83
Coastal Reserves Tourism Infrastructure	514	
Opo - Whakatane Cycleway		4
Motu Cycleway Extension - Opo to Whk	2,056	
Marine Precint and Wharf Redevelopmei	5,140	74
- to meet additional demand Total	7,710	186
- to improve the level of service		
Cemetery Upgrades and Enhancement	26	5
Mobile Library Services on the Coast - Op	154	-
Skatepark Reserve Upgrade	5	-
Play Equipment		410
Motu Cycleway Extensions MBIE		229
Redevelop of Mechanics Inst		(2)
PGF CBD Pavements and Verandas		16
- to improve the level of service Total	185	658
- to replace existing assets		
Cemetery Renewals	10	1
Cycleway renewals	31	25
Airport Renewals	2	-
PGF Rose Garden Upgrade		14
Parks & Reserves - Planned Renewals	51	21
Parks and Reserves Equipment		21
PGF CBD Pavements and Verandas		208
PGF Redevelopment of lots 9&10		3,595
PGF 101A Church		294
Property Renewals	180	183
Earthquake Strengthening	103	14
- to replace existing assets Total	377	4,375
Total capital expenditure	8,272	5,219

Funding Impact Statement
Ōpōtiki District Council - Community Facilities Activity
For the year ended 30 June 2023
Sources of operating funding

	2022 Long-term plan (\$000)	2023 Long-term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	2,159	2,484	2,538	2,528
Targeted rates	104	115	103	102
Subsidies and grants for operating purposes	19	19	152	19
Fees and charges	466	484	350	484
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	67	144	41	68
Total operating funding (A)	2,815	3,246	3,184	3,201

Applications of operating funding

Payment to staff and suppliers	1,685	1,991	1,856	1,992
Finance costs	60	72	338	172
Internal charges and overheads applied	675	679	1,014	726
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,420	2,742	3,208	2,890

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

395	504	(24)	311
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Sources of capital funding

Subsidies and grants for capital expenditure	11,410	2,282	2,414	2,282
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(44)	272	1,005	5,708
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	11,366	2,554	3,419	7,990

Application of capital funding

Capital expenditure				
- to meet additional demand	1,500	2,673	186	7,710
- to improve the level of service	5,250	185	658	185
- to replace existing assets	4,982	95	4,375	377
Increase (decrease) in reserves	29	29	2,071	29
Increase (decrease) in investments	-	76	(3,895)	-
Total applications of capital funding (D)	11,761	3,058	3,395	8,301

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

(395)	(504)	24	(311)
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Funding balance ((A - B) + (C - D))

-	-	-	-
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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.

Statement of service performance:

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 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	0%	100%	100%	
Commentary 2022/23: Achieved. Grants paid 20 December 2022.					
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	3	3 per year	6	
Commentary 2022/23: Achieved. There have been a number of engagements in relation to the Toirawhiti health strategy, as well as informal engagements between Council and Iwi Chairs.					
Support and encourage positive community activities where people work and play together	Provide community grants	3	3	3	
Commentary 2022/23: 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	2	2	0	
Commentary 2022/23: Not achieved. During the previous year the CCTV network in the Opotiki town was replaced in full. Further work is required to understand the target areas for expansion of the network.					

Internal Borrowing

Internal Loans Summary

	Opening Balance 1/07/2022	Borrowed	Repaid	Balance 30/06/2023	Interest 2023
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Community Development	40	8	40	8	2
	40	8	40	8	2
	22	6	12	16	1

Capital Expenditure

	AP 2023 000's	Actuals 2023 000's
- to replace existing assets		
CCTV camera and internet expansion	0	6
- to replace existing assets Total	-	6
Total capital expenditure	-	6

Funding Impact Statement
Ōpōtiki District Council - Community Development Activity
For the year ended 30 June 2023
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))

	2022 Long- term plan (\$000)	2023 Long- term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	317	344	347	346
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	2	2	-	2
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	5	(44)	5
Total operating funding (A)	324	351	303	353
Applications of operating funding				
Payment to staff and suppliers	267	295	304	295
Finance costs	1	1	1	1
Internal charges and overheads applied	51	50	58	52
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	319	346	363	348
Surplus (deficit) of operating funding (A - B)	5	5	(60)	5
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	100	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	(6)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	94	-
Application of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	6	-
Increase (decrease) in reserves	5	5	28	5
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	5	5	34	5
Surplus (deficit) of capital funding (C - D)	(5)	(5)	60	(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 to 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.



Statement of service performance:

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Development that enables industry growth and meaningful employment for the community	Communicate regularly with the community on Ōpōtiki Harbour Development project progress	> 3 public communications per year	3 public communications per year	>3 public communications per year	
	Commentary 2022/23: Achieved. Post every Friday on Facebook. Harbour team part of OMAG and presenting updates every 2 months, with update report then going forward to Ordinary Council Meeting. Updates in Council's Panui. Opotiki news: Hanbar manufacture complete, regular updates on river closure for dredging works also on 1XX, closing of the Western side to public and several smaller updates on progress. Update articles regularly in "Dredging today" magazine. Harbour team representative presented the Harbour and rock use at the annual Quarry convention.				

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 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	Achieved	4 council or community actions/ programmes supported	<p>4 council or community actions/ programmes supported</p> <ul style="list-style-type: none"> • Keeping MBIE and the Harbour project informed of workforce progress, • Increased numbers of employers and jobseekers became involved in our programmes, and we delivered a significant number of new industry training opportunities • Increased partnering along the Coast with three employers now engaged, and more training opportunities provided • Active support for Te Pou Oranga ō Whakatōhea to operationalise and continue Ringa Raupa (pretrade construction training), new apprenticeships in construction, and a new L4 Business Studies programme. Continued support to Whakatōhea for their Class 1 driver training aspirations, and PTE led courses under development for Aquaculture and Horticulture • New partnerships with Outward Bound and EMA which offered new opportunities for locals recently in training or work, and businesses. 	

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
	<p>Commentary 2022/23: Achieved.</p> <p>1. Delivery of the Mayors' Taskforce for Jobs programme within a tighter budget: From 1 July 2022 we assisted 55 under 30-year-old locals into sustainable employment including 26 Apprenticeships. We supported 55 new MTFJ subsidies. Overall our retention rate is 71%.</p> <p>2. We supported 94 Class 1 Driver Licencing progressions via various programmes including the Ōpōtiki Community Driver Mentoring Programme and Defensive Driving Courses.</p> <p>3. We delivered a training 'menu' for Ōpōtiki employers and youth to employment support services (e.g., Whakatōhea Y2 Hub, Whakaatu Whanaunga Trust, etc, and employers, and delivered 201 individual training outcomes across various industries. This year in addition to courses for employees our partnership with EMA meant we were also helping employers grow their supervision and relationship management skills.</p> <p>4. We managed and produced the "Te Ara Moana a Toi - Benefits Realisation to October 2022 Study" to reflect Ōpōtiki's achievements, including workforce outcomes resulting from the Harbour Project.</p>				

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Support the aspirations of Māori to develop their land	Development Remissions applied	100%	5 development remissions applied to Māori Titled land blocks	>5	
Commentary 2022/23: Achieved. A number of economic development remissions on Maori land were applied as part of a current ongoing significant development.					
Promote and support community events / Support opportunities for artistic and cultural expression	Facilitate community events	10 events organised and another 23 supported	5 events	10 events organised and delivered by the i-SITE team and over 20 community events supported and promoted by the i-SITE.	
<p>Commentary 2022/23: Achieved.</p> <p>Blood Drive - An opportunity was identified by i-SITE to bring the community blood drive back to Ōpōtiki. I-SITE staff promoted the event and sourced a set up venue at the Ōpōtiki RSA. The New Zealand Blood Service were thrilled with the response by Ōpōtiki locals and very impressed with the initiative shown by i-SITE. 44 units of blood were collected, equalling 132 lives saved. Even more impressive was that 20 of the donors were first timers, adding to the pool of potential future donors.</p> <p>Clean up Week 2022 – For the fourth time the Ōpōtiki i-SITE coordinated a district wide clean up week to coincide with the Keep NZ Beautiful Clean Up Week. Nukutere Kohanga, Ōpōtiki District Council, Ray White Ōpōtiki and Ōpōtiki Lions Club were some of the groups that signed up to take part.</p> <p>Christmas Summer Market - After missing a summer with no events, the i-SITE team wanted to pull the community together with a free event before kicking off the Summer Festival. 20 different food and market stalls, live music, lolly scramble with Santa and Santa Sleigh photo booth were all part of the event held in the carpark next to the skate park. Food and market stalls were all very happy with the trade, estimating a crowd of 1,000 people over the evening.</p> <p>Ōpōtiki Summer Festival - After a cancelled year of summer events the community were very thankful to see a full calendar of events return for the 2022-23 summer. Staff planned and pulled together an exciting programme of events to promote then run from 27 December 2022 to 18 February 2023. Despite many events across New Zealand being cancelled due to weather conditions, Ōpōtiki still turned it on and delivered all the planned events. Some of the highlights included the introduction of our first beach dig in Te Kaha, a very fun and well attended O-Mazing Race, introducing sack races and a mussel sucking contest to the Gourmet Food Market, and of course still being able to deliver our well known and loved Lantern Festival headlined by American based kiwi singer, Gin Wigmore and the very talented Rob Ruha.</p>					

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Promote tourism and develop infrastructure to grow the visitor economy	Communicate regularly with tourism contacts	Weekly bulletins posted	4 bulletins posted	Weekly bulletins posted and regular updates shared on Facebook	
Commentary 2022/23: Achieved. The What's On weekly listing of regular upcoming events and activities was distributed every Thursday to our contacts list. Regular updates went out through our opotikin's Facebook page. Attendance at NZMCA Motorhome, Caravan & Leisure show to promote the district. Destination Management Plan finalised and Tourism, Events and Community Engagement Strategy created.					
Develop and maintain a vibrant town centre as an enjoyable meeting place for all people	Town centre development plan created and implemented	Town centre development plan created and implemented	Action the plan	Plan in action and nearing completion	
Commentary 2022/23: Achieved. Lots 9 and 10, laneway, verandah will be completed October. The remaining PGF funding will be spent across street enhancement works to Church Street, Elliott Street and behind lots 9 and 10. These works are expected to be completed by July 2024.					

Internal Borrowing

Internal Loans Summary					
	Opening Balance 1/07/2022	Borrowed	Repaid	Balance 30/06/2023	Interest 2023
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Tourism Promotion/Visitor Information Centre	22	9	1	30	1
Harbour Development	922	-	1	921	36
	944	9	2	951	37

Capital Expenditure

	AP Actuals	
	2023	2023
	000's	000's
- to replace existing assets		
Tourism Promotion/VIC Equipmen		9
- to replace existing assets Total	-	9
- to improve the level of service		
Event Storage Shed	51	-
Event Equipment	10	-
- to improve the level of service Total	61	-
Total capital expenditure	61	9

Funding Impact Statement

Ōpōtiki District Council - Economic Development Activity

For the year ended 30 June 2023

Sources of operating funding

	2022 Long-term plan (\$000)	2023 Long-term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	505	516	539	537
Targeted rates	89	91	95	95
Subsidies and grants for operating purposes	60	62	423	62
Fees and charges	35	36	76	36
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	33	34	19	34
Total operating funding (A)	722	739	1,152	764

Applications of operating funding

Payment to staff and suppliers	594	610	1,106	611
Finance costs	6	9	37	10
Internal charges and overheads applied	281	286	223	309
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	881	905	1,366	930

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

(159)	(166)	(214)	(166)
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Sources of capital funding

Subsidies and grants for capital expenditure	-	-	28	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	168	228	(1)	228
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	168	228	27	228

Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	10	62	-	62
- to replace existing assets	-	-	9	-
Increase (decrease) in reserves	-	-	(196)	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	10	62	(187)	62

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

158	166	214	166
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Funding balance ((A - B) + (C - D))

(1)	-	-	-
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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.			✓		

Statement of service performance:

Contextual information - Community and customer satisfaction information is taken from the quarterly customer satisfaction surveys and this is considered the most appropriate and readily available information to assess these measures of performance. This survey has a sample size of 300 responses with a maximum margin of error +/- 5.5.

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 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	The statutory processing times in 2021/22 have been: Liquor licenses - 94% Building Consents - 89.20% Food premises - 100% Resource Consents - 100%	100%	The statutory processing times in 2022/23 have been: Food premises - 100%, Liquor licenses - 94%, Building Consents - 84.5%, Resource Consents - 100%	
	Commentary 2022/23: Food Premises - Achieved, continued improvement in processes and systems which helps Environmental Health meets the 100% achievement. Liquor - 94.0% - Achieved. Building Consents – 84.5% Not Achieved Resource Consents - 100% Achieved.				

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
	% of customer satisfaction with building control team (where customer has interacted with them in the last year)	19%	70%	38%	
	Commentary 2022/23: Not achieved but showed a large increase in satisfaction of 19% over the 2021/22 year.				
Community where people feel safe	Number of patrols undertaken in the Ōpōtiki urban area by Animal Control team	2 per day	2 per day	2 per day	
	Commentary 2022/23: Achieved. Urban areas continue to be patrolled twice per day, 5 days a week. 520 patrols have been carried out this year.				
	All animal control complaints of an aggressive or threatening nature are responded to within 2 hours from receipt of complaint	66%	80%	91%	
	Commentary 2022/23: Achieved. 47 requests received with 43 responded to within 2 hours. This result is a 25% improvement on the previous year.				

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Support the provision of emergency management services	% of roles identified and staffed for 24 hours operation of the Emergency Coordination Centre	56% fully trained	85%	68%	
	Commentary 2022/23: Not achieved. On 1 July 2023 there were 34 staff rostered in the Emergency Operating Centre (EOC) and of those 23 were fully trained.				
	Minimum number of council delivered initiatives to promote community resilience and safety	> 4 initiatives delivered	4 initiatives delivered	>4 initiatives delivered	
	Commentary 2022/23: Achieved. Work includes: <ul style="list-style-type: none"> • Shakeout week activities • Events in partnership with Iwi • Engagement with Opeke Marae including development of training programme • Hosting debrief following Cyclone Gabrielle • Continued work to formalise local volunteer plan • Carrying out weekly RT Radio checks • Represented and provided feedback to the Group Tsunami Ready Programme. 				

Funding Impact Statement
Ōpōtiki District Council - Regulation & Safety Activity
For the year ended 30 June 2023
Sources of operating funding

	2022 Long- term plan (\$000)	2023 Long- term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	628	603	653	650
Targeted rates	95	95	104	103
Subsidies and grants for operating purposes	-	-	22	-
Fees and charges	841	868	967	868
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	67	69	4	69
Total operating funding (A)	1,631	1,635	1,750	1,690

Applications of operating funding

Payment to staff and suppliers	1,196	1,194	1,352	1,194
Finance costs	-	-	-	-
Internal charges and overheads applied	434	440	406	495
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,630	1,634	1,758	1,689

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

1	1	(8)	1
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Sources of capital funding

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

Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	(8)	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	-	(8)	-

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

(1)	(1)	8	(1)
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Funding balance ((A - B) + (C - D))

-	-	-	-
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Environmental Sustainability

Why we provide this group of activities:

The Environmental Sustainability Group of Activities works towards those community outcomes that promote environmental well-being. Communities have an impact on our natural environment in many ways. This group of activities works towards mitigating and managing those impacts so that future generations can enjoy our Districts' pristine natural environment.

Significant Activities Comprised in this Group:

Solid Waste Management, Stormwater, Resource Management and Wastewater.

Solid Waste Management

What we do and Why:

This Significant Activity provides for the minimisation, collection, management and disposal of Solid Waste in the Ōpōtiki District. The provision of solid waste services is vital to both environmental and public health.

This significant activity includes:

Solid Waste and Recyclables Collection (Kerbside Collection).

Solid Waste Management (Resource Recovery Facilities, Waste Minimisation, Litter Control and the management and monitoring of closed landfills within the District).

Council is responsible under the Waste Minimisation Act 2008 for preparing and implementing a waste management and minimisation plan and for overseeing and promoting effective and efficient waste minimisation and management. The following minimisation and management hierarchy drives Council's philosophical approach to Solid Waste Management and provides context for the Resource Recovery Facilities within the District:



- Reduction
- Reuse
- Recycling
- Recovery
- Treatment
- Disposal


Community Outcomes	How This Activity Contributes
Development and protection of natural environment	Ensure the environmentally safe collection and disposal of waste. Minimise the creation of waste within the District.
Development supports the community	
Services and facilities meets our needs	

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

Statement of service performance:

Contextual information - Community and customer satisfaction information is taken from the quarterly customer satisfaction surveys and this is considered the most appropriate and readily available information to assess these measures of performance. This survey has a sample size of 300 responses with a maximum margin of error +/- 5.5.

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 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)	9	<20	7	
	Commentary 2022/23: Achieved. This is the lowest level of complaints received in the last 6 years.				
	Customer satisfaction rating of waste transfer stations good or better	63%	>80%	77%	
	Commentary 2022/23: Not achieved but showed an increase in satisfaction of 14% from the previous year.				

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
	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	75%	70%	75%	
<p>Commentary 2022/23: Achieved. Following the successful accomplishment of 75% of the WMMP action plan last year:</p> <p>Council staff has been actively engaging with and supporting volunteers who launched the Ōpōtiki Repair Cafe. This remarkable initiative is geared towards preserving repairable items within our economy, thus diverting them from landfills.</p> <p>The construction of a dual weighbridge at the Ōpōtiki RRC site has commenced with financial support from the Ministry for the Environment. This significant development will enhance data collection processes for materials transported to and from the site, encompassing kerbside and coastal RRCs.</p> <p>In a collaborative effort, Council has embarked on a food waste collection modelling project alongside neighbouring councils. This endeavour will facilitate the assessment of various options and associated costs for implementing a food waste collection service. While the mandate for food waste collection is set for all councils by 2030, our Council is aspiring to accelerate this timeline to 2027, aligning with neighbouring council requirements. This not only demonstrates our commitment but also positions us to capitalize on potential cost-saving benefits through joint efforts.</p>					

Internal Borrowing

Internal Loans Summary

	Opening Balance	Borrowed	Repaid	Balance	Interest
	1/07/2022			30/06/2023	2023
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Solid Waste Management	131	234	25	340	10
Refuse Collection	94	-	20	75	4
	225	234	45	415	14

Capital Expenditure

	AP Actuals	
	2023	2023
	000's	000's
- to improve the level of service		
Waste Min Projects - Weighbridge		178
- to improve the level of service Total	-	178
- to replace existing assets		
Opotiki RRC Renewals	36	56
Waihau Bay RRC renewals	15	
Te Kaha RRC renewals	26	
- to replace existing assets Total	77	56
Total capital expenditure	77	234

Funding Impact Statement

Ōpōtiki District Council - Solid Waste Management Activity

For the year ended 30 June 2023

Sources of operating funding

	2022 Long- term plan (\$000)	2023 Long- term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	1,245	1,232	1,267	1,262
Targeted rates	514	515	518	517
Subsidies and grants for operating purposes	-	-	75	-
Fees and charges	272	280	313	280
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	2,031	2,027	2,173	2,059

Applications of operating funding

Payment to staff and suppliers	1,589	1,579	2,042	1,579
Finance costs	4	5	14	6
Internal charges and overheads applied	413	413	369	444
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,006	1,997	2,425	2,029

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

25	30	(252)	30
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Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	165	47	179	47
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	165	47	179	47

Application of capital funding

Capital expenditure				
- to meet additional demand	8	-	-	-
- to improve the level of service	60	-	178	-
- to replace existing assets	120	77	56	77
Increase (decrease) in reserves	-	-	(307)	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	188	77	(73)	77

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

(23)	(30)	252	(30)
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Funding balance ((A - B) + (C - D))

2	-	-	-
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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>

Statement of service performance:

*Contextual information - Our levels of service considerations are not limited to houses physically connected but include all other houses in the urban area. A number of properties in the urban area do not have a physical connection to the reticulation (i.e. from roof through to pipes in the road reserve however the house is still being served by the stormwater channels, pipes and other downstream infrastructure outside of the properties boundary. If a house that is not physically connected to the infrastructure is flooded, and was not counted as a connection, it would be overrepresented in the KPI measure. To represent the number of stormwater connections we adopt the number used for number of wastewater connections.

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
The urban stormwater activity is managed to protect people and property from the impacts of flooding	The number of flooding events that occur in the District. N.B. The Department of Internal Affairs describes a flooding event as an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor	0	0	0	
	Commentary 2022/23: Achieved. No flooding events recorded.				
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system)	0/1000 connections	0/1000 connections	0/1000 connections	
	Commentary 2022/23: Achieved. No flooding events recorded.				
Service requests and complaints are processed as they come in	Median response time to attend a flooding event, from notification to personnel on site. 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	0/1000 connections	<4 hours	0	
	Commentary 2022/23: Achieved. No flooding events recorded.				

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Service requests and complaints are processed as they come in	Number of complaints received about the performance of the stormwater system per 1000 connections to the Council's stormwater system	<13/1000 connections	<10/1000 connections	<7/1000 connections	
	Commentary 2021/22: Achieved. 12 complaints received which is less than 7 per 1000 connections based on 1772 connections.				
Stormwater water quality will be managed effectively for 365 days of the year	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of:				
	a) abatement notices	0	0	0	
	Commentary 2022/23: Achieved. No abatement notices received.				
	b) infringement notices	0	0	0	
	Commentary 2022/23: Achieved. No infringement notices received.				
	c) enforcement orders	0	0	0	
	Commentary 2022/23: Achieved. No enforcement orders received.				
	d) convictions	0	0	0	
	Commentary 2022/23: Achieved. No convictions received.				
	received by Council in relation to those resource consents				

Internal Borrowing

Internal Loans Summary

	Opening Balance 1/07/2022	Borrowed	Repaid	Balance 30/06/2023	Interest 2023
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Stormwater	2,236	1,188	6	3,418	110
	2,236	1,188	6	3,418	110

Capital Expenditure

	AP	Actuals
	2023	2023
	000's	000's
- to meet additional demand		
Hukutaia Growth - Option 1	21	
3 Waters Reform - Stormwater		60
- to meet additional demand Total	21	60
- to improve the level of service		
3 Waters Reform - Stormwater		262
SW Reticulation Replacements		9
Wellington/Brabant St Pump Station	207	
Wellington/Union St Storage Basin	284	
SW Storage Basins		36
Second Pump at Tarawa Creek	392	
SW Opotiki Gravity Main New		350
Stormwater - King Street Culvert	52	
New Richard St Gravity Main	243	
Upgrade Richard Street		459
Memorial Park Pump Station	31	
Comprehensive Discharge Resource Consent	58	13
Duke St Stop Bank	52	27
- to improve the level of service Total	1,317	1,155
- to replace existing assets		
3 Waters Reform - Stormwater		(33)
SW Reticulation Replacements	36	5
- to replace existing assets Total	36	(27)
Total capital expenditure	1,374	1,188

Funding Impact Statement
Ōpōtiki District Council - Stormwater Activity
For the year ended 30 June 2023
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))

	2022 Long- term plan (\$000)	2023 Long- term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	576	627	640	637
Targeted rates	144	157	160	159
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)	720	784	800	796
Applications of operating funding				
Payment to staff and suppliers	248	256	751	256
Finance costs	58	79	110	86
Internal charges and overheads applied	109	107	206	115
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	415	442	1,067	457
Surplus (deficit) of operating funding (A - B)	305	342	(267)	339
Sources of capital funding				
Subsidies and grants for capital expenditure	1,319	-	-	21
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,168	1,034	1,182	1,014
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	3,487	1,034	1,182	1,035
Application of capital funding				
Capital expenditure				
- to meet additional demand	110	21	60	21
- to improve the level of service	3,649	1,317	1,155	1,317
- to replace existing assets	35	36	(27)	36
Increase (decrease) in reserves	-	-	(273)	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	3,794	1,374	915	1,374
Surplus (deficit) of capital funding (C - D)	(307)	(340)	267	(339)
Funding balance ((A - B) + (C - D))	(2)	2	-	-

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.

Statement of service performance:

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 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	100%	100%	100%	
Commentary 2022/23: Achieved. Council is signed up to Eastern Bay Spatial Plan which is being progressed.					
Community where people feel safe	Percentage of existing bylaws that are reviewed within legislative timeframes to ensure they remain relevant	100%	100%	100%	
Commentary 2022/23: Achieved. Funding has been obtained to undertake works during 2023/24 in relation to adopting a Freedom Camping Bylaw.					

Internal Borrowing

Internal Loans Summary

	Opening Balance 1/07/2022 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2023 \$ 000's	Interest 2023 \$ 000's
District Plan	1	22	1	22	-
	1	22	1	22	-

Capital Expenditure

	AP Actuals	
	2023 000's	2023 000's
- to meet additional demand		
Waihou Bay Masterplan	-	22
- to meet additional demand Total	-	22
Total capital expenditure	-	22

Funding Impact Statement
Ōpōtiki District Council - District Plan Activity
For the year ended 30 June 2023
Sources of operating funding

	2022 Long- term plan (\$000)	2023 Long- term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	338	345	361	360
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	10	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	3	1

Total operating funding (A)
339 346 374 361
Applications of operating funding

Payment to staff and suppliers	238	244	307	244
Finance costs	-	-	-	-
Internal charges and overheads applied	100	101	94	116
Other operating funding applications	-	-	-	-

Total applications of operating funding (B)
338 345 401 360
Surplus (deficit) of operating funding (A - B)
1 1 (27) 1
Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	53	-
Increase (decrease) in debt	-	-	22	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-

Total sources of capital funding (C)
- - 75 -
Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	22	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	1	1	26	1
Increase (decrease) in investments	-	-	-	-

Total applications of capital funding (D)
1 1 48 1
Surplus (deficit) of capital funding (C - D)
(1) (1) 27 (1)
Funding balance ((A - B) + (C - D))
- - - -

Wastewater

What we do and Why:

This Significant Activity provides for the environmentally safe collection, treatment and disposal of the District's sewage wastes. Council operates two schemes. One serves the township of Ōpōtiki and the Waiotaha Drifts while the other serves a small subdivision at 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.

Statement of service performance:

*Contextual information - The number of connections is the number of properties serviced by the wastewater infrastructure through a direct connection from private property into Council infrastructure. This number is tracked by the number of properties being charged for these services.

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 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	<3/1000 connections	
	Commentary 2022/23: Achieved. 5 odour complaints received which is less than 3 per 1000 connections based on 1799 connections.				
	b) sewerage system faults	<5/1000 connections	<5/1000 connections	11/1000 connections	
	Commentary 2022/23: Not achieved. 19 complaints received which is 11 per 1000 connections based on 1799 connections.				
	c) sewerage system blockages	<4/1000 connections	<5/1000 connections	<4/1000 connections	
	Commentary 2022/23: Achieved. 7 complaints received which is less than 4 per 1000 connections based on 1799 connections.				
	d) Council's response to issues with its sewerage system	0/1000 connections	<2/1000 connections	0/1000 connections	
	Commentary 2022/23: Achieved. No complaints received about Council's response to issues.				
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system	1 hour	<4 hours	35 minutes	
Sewage is managed without risk to public health	Commentary 2022/23: Achieved. 6 overflow complaints received.				
	Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system	<2 days	<2 days	2 hours and 32 minutes	
	Commentary 2022/23: Achieved. 6 overflow complaints received.				
	Number of sewage overflows into habitable buildings due to faults in the wastewater system.	0	0	0	
	Commentary 2022/23: Achieved. No overflows in to habitable building complaints received.				
	The number of dry weather overflows from Council's sewerage system expressed per 1000 sewerage connections to that sewerage system	<2/1000 connections	<2/1000 connections	<3/1000 connections	

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
	Commentary 2022/23: Not achieved. 4 dry weather overflows reported which is less than 3 per 1000 connections based on 1799 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	1	
	Commentary 2022/23: Not achieved.				
	An Abatement Notice has been issued for the number of overflows from the Wastewater Treatment Pond into the Engineered Overflow Pond more times than allowed per year. Council wants to reassure the public that the abatement notice is specific to overflows into the overflow pond – not discharges into the river, sea or public areas. At this stage there is no indication of environmental impact but we (regional and district council) will continue to keep a very close eye on the situation.				
	Council is currently working towards compliance at the wastewater treatment plant and there is an Action Plan which has been shared with BOPRC with immediate, short-, mid- and long-term targets.				
	Over the coming year we will be undertaking further investigations and options for development for the oxidation pond and disposal field as we prepare to lodge a new consent application for effluent disposal as the existing consent expires in July 2025. As part of the consent application Council will be required to consider the long term viability of the existing oxidation pond and disposal field, assess the potential of alternative locations and consult with regional council and the community which will have an influence what the new consent levels of service will be.				
	b) infringement notices	0	0	0	
	Commentary 2022/23: Achieved. No infringements received.				
	c) enforcement orders	0	0	0	
	Commentary 2022/23: Achieved. No enforcement orders received.				
	d) convictions	0	0	0	
	Commentary 2022/23: Achieved. No convictions received				
	received by Council in relation to those resource consents				

Internal Borrowing

Internal Loans Summary

	Opening Balance 1/07/2022	Borrowed	Repaid	Balance 30/06/2023	Interest 2023
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Opotiki Sewerage	5,085	1,792	28	6,849	233
	5,085	1,792	28	6,849	233

Capital Expenditure

	AP 2023 000's	Actuals 2023 000's
- to meet additional demand		
Secondary treatment upgrade	464	
Hukutaia Growth - Option 2 Revised and funded	310	
3 Waters Reform - Wastewater		202
- to meet additional demand Total	774	202
- to improve the level of service		
3 Waters Reform - Wastewater	-	257
- to improve the level of service Total	-	257
- to replace existing assets		
3 Waters Reform - Wastewater		1,153
Wastewater Treatment Plant Inlet works	1,298	
Wastewater Rehabilitation		86
Replacement No 1 Pump Station		
Wastewater Reticulation Renewals Ōpōtiki	62	53
Wastewater Reticulation Renewals Waihou Bay	5	
WWTP Upgrade		7
Wastewater Treatment Renewals Ōpōtiki	41	26
Wastewater Treatment Renewals Waihou Bay	1	
WWTP Consent Renewal	26	5
- to replace existing assets Total	1,433	1,329
Total capital expenditure	2,207	1,789

Funding Impact Statement
Ōpōtiki District Council - Wastewater Activity
For the year ended 30 June 2023
Sources of operating funding

	2022 Long- term plan (\$000)	2023 Long- term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	347	351	356	354
Targeted rates	810	818	829	826
Subsidies and grants for operating purposes	110	-	-	-
Fees and charges	20	21	1	21
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	1,287	1,190	1,186	1,201

Applications of operating funding

Payment to staff and suppliers	642	562	1,468	561
Finance costs	106	135	233	150
Internal charges and overheads applied	210	208	544	224
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	958	905	2,245	935

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

329	285	(1,059)	266
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Sources of capital funding

Subsidies and grants for capital expenditure	631	829	-	829
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,241	1,095	1,764	1,112
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	1,872	1,924	1,764	1,941

Application of capital funding

Capital expenditure				
- to meet additional demand	720	774	202	774
- to improve the level of service	220	-	257	-
- to replace existing assets	1,261	1,433	1,329	1,433
Increase (decrease) in reserves	-	-	(1,083)	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2,201	2,207	705	2,207

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

(329)	(283)	1,059	(266)
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Funding balance ((A - B) + (C - D))

-	2	-	-
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Economic Sustainability

Why we provide this group of activities:

The Economic Sustainability Group of Activities are those that provide infrastructure that enables the community to grow and prosper. The Ōpōtiki District relies on reliable infrastructure to support business and industry development. By way of example primary industries depend on a reliable transport network to enable them to get produce to market. The developing Aquaculture Industry will need a secure and reliable potable water supply for processing its products.

Significant activities comprised in this group:

Water Supply, Land Transport and Investments.

Water Supply

What we do and why:

The Water Supply Significant Activity provides for the environmentally safe collection, treatment and reticulation of potable water supply to certain parts of the community. A reliable and safe Water Supply is provided to approximately 5,750 of the Ōpōtiki District population in Te Kaha, Ōpōtiki, Hukutaia, Waiotahe Drifts and Ōhiwa. Efficient, safe and sustainable water supplies are essential for the social, economic and environmental well-being of the District. Reliable drinking water supports public health outcomes, industry growth and development and community safety by way of providing firefighting capacity in urban areas.

This significant activity includes:

Extraction, Treatment and Reticulation of potable water.

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

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







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








Statement of service performance:

*Contextual information - WaterNZ provide publicly available information to explain water losses and ways for calculating them in the Benchmarking of Water Losses in New Zealand Manual.

https://www.waternz.org.nz/Resources/Attachment?Action=Download&Attachment_id=3676

Specifically we use the CheckCalcsNZ Software (LeaksSuite) covered in Appendix K of the document.

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 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	<3/1000 connections	<5/1000 connections	<1/1000 connections	
	Commentary 2022/23: Achieved. 1 complaint received which is less than 1 per 1000 connections based on 2694 connections.				
	Drinking water taste	<1/1000 connections	<5/1000 connections	0/1000 connections	
	Commentary 2022/23: Achieved. No complaints received.				
	Drinking water odour	<1/1000 connections	<5/1000 connections	0/1000 connections	
	Commentary 2022/23: Achieved. No complaints received.				
	Drinking water pressure or flow	<4/1000 connections	<5/1000 connections	<1/1000 connections	
	Commentary 2022/23: Achieved. 1 complaint received which is less than 1 per 1000 connections based on 2694 connections.				
	Continuity of supply	0/1000 connections	<5/1000 connections	<1/1000 connections	
	Commentary 2022/23: Achieved. 1 complaint received which is less than 1 per 1000 connections based on 2694 connections.				
	Council's response to any of these issues	0/1000 connections	<3/1000 connections	0/1000 connections	
	Commentary 2022/23: Achieved. No complaints received.				
	expressed per 1000 connections to Council's networked reticulation system.				

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Failures and service requests are responded to promptly	Fault response times: a) Median response time to attend urgent call-outs	< 14 minutes	<4 hours	54 minutes	
	Commentary 2022/23: Achieved. 11 urgent requests received and median response time was 54 minutes.				
	b) Median response time to resolve urgent call-outs	<4 hours	<1 day	<3 hours	
	Commentary 2022/23: Achieved. 11 urgent requests received and median resolution time was 2 hours and 49 minutes.				
	c) Median response time to attend non-urgent call-outs	<1 hour	<1 day	19 minutes	
	Commentary 2022/23: Achieved. 106 non urgent requests received and median response time was 19 minutes.				
	d) Median response time to resolve non-urgent call-outs	<1 day	<4 days	<2 days	
	Commentary 2022/23: Achieved. 106 non urgent requests received and median resolution time was 24 hrs and 35 minutes.				
Water resources are used efficiently and sustainably	Average consumption of drinking water per day per resident	Ōpōtiki–348L Te Kaha–338L Ohiwa–349L	<400L	Ōpōtiki <400L Te Kaha <400L Ohiwa <400L	
	Commentary 2022/23: Achieved. All 3 schemes complied with the target of <400L per resident per day. Calculations are based on domestic meter readings and census data.				
	Percentage of real water loss from networked reticulation system:				
	Ōpōtiki	-0.50%	<20%	3.35%	
	Commentary 2022/23: Achieved. A new bulk meter was installed on the town supply line at the end of April 2023. Data was recorded from both meters until the end of June 2023. A comparison of the data collected showed the old meter was recording 4.4% low. A correction factor was applied to the figures from the old meter for the period 01 July 2022 to 30 April 2023, and added to the total from the new meter for the period 01 May 2023 to 30 June 2023. This figure was used in the "LEAK S" software to calculate water losses.				
	Te Kaha	35%	<20%	4.85%	
	Commentary 2022/23: The performance target was achieved. The calculations involve taking records from the bulk water meter of our raw water supply and adjusting it to account for water lost through backwash processes within the treatment plant facility. Adjustment was also made for a reservoir level sensor issue that occurred in March 2023 with an estimated loss of 2400m ³ . With these adjustments the volume of water supplied is considered reliable and the performance target is achieved.				
	Ohiwa	N/A	No target set	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	Result 2021/22	Target 2022/23	Result 1 Jul 2022 – 31 Dec 2022	Status	Result 1 Jan 2023 – 30 Jun 2023	Status
Ōpōtiki	Bacterial	Non-compliant	100%	Compliant	●	Non-compliant	●
Ōpōtiki	Protozoal	Non-compliant	100%	Non-compliant	●	Non-compliant	●
Te Kaha	Bacterial	Non-compliant	100%	Compliant	●	Non-compliant	●
Te Kaha	Protozoal	Non-compliant	100%	Non-compliant	●	Non-compliant	●
Ōhiwa	Bacterial	Compliant	100%	Compliant	●	Non-compliant	●
Ōhiwa	Protozoal	Compliant	100%	Compliant	●	Non-compliant	●

Commentary 2022/23

The Ministry of Health Annual Report and the WINZ Database are no longer the data sources. Taumata Arowai replaced the MOH as the drinking water regulator from 1 January 2023. The Drinking Water standards for New Zealand 2005 (Revised 2018) has been replaced by the Drinking Water Quality Assurance Rules 2022. Compliance with the DWQAR is now to be reported on by an independent expert. The audit scope and methodology was conducted by Wai Comply Limited, which in summary was to assess supply performance using the DWSNZ005(18) for the period July-December 2022 and the DWQARS for the period Jan-June 2023. Whilst there was a transition of the national 'performance criteria', with the DWQAR coming into effect on the 14th November 2022, the DWQARS were not incorporated into the audit methodology until 1 January 2023. The application of the two periods (DWSNZ ending 31 Dec 2022 & DWQAR starting 1 Jan 2023) was undertaken in alignment with Taumata Arowai's water quality performance monitoring and reporting guidance provided to the water sector. As Taumata Arowai is the regulator for all drinking water quality related activities, the guidance provided by them is considered materially pivotal to the audit assessment approach.

Ōpōtiki Water Supply – Part 4 Bacterial compliance

ODC could not report that chlorination at the WTP was continuously monitored. The pathway for WTP bacterial performance using only microbiological verification was superseded in the second period by more specific DWQAR performance and reporting requirements.

Ōpōtiki Water Supply – Part 5 Protozoal compliance

For the first period (DWSNZ 2018), the demonstration requirements for meeting the ongoing protozoal secure bore water criteria had lapsed and for the second period (DWQAR) the supplier could not demonstrate protozoal performance with the rules as the UV disinfection barrier did not have any associated monitoring data to report.

Te Kaha Water Supply – Part 4 Bacterial compliance

The pathway for WTP bacterial performance using only microbiological verification was superseded in the second period by more specific DWQAR performance and reporting requirements. In May 2023 an E. coli (1 MPN/100ml) was detected in the zone. For bacterial equivalency with the Drinking Water Standards for New Zealand 2005 (Revised 2018) the zone monitoring programme did not have allowance for any exceedances.

Te Kaha Water Supply – Part 5 Protozoal compliance

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.

Ohiwa Water Supply – Part 4 and 5 Bacterial and Protozoal compliance

ODC could not demonstrate that the WTP could meet the DWQAR Level 1 UV disinfection requirements. Microbiological and turbidity monitoring at the WTP was omitted during the first quarter of the second period. The pathway for WTP bacterial and protozoal performance using the water safety plan criteria was superseded in the second period by different DWQAR performance and reporting requirements.

Internal Borrowing

Internal Loans Summary

	Opening Balance 1/07/2022	Borrowed	Repaid	Balance 30/06/2023	Interest 2023
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Ohiwa Water	48	4	1	51	2
Opotiki/Hikutaia Water	4,966	187	68	5,085	197
Te Kaha Water	445	81	3	523	19
	5,459	272	72	5,659	218

Capital Expenditure

AP Actuals

2023 2023

000's 000's

- to improve the level of service

Opotiki Water Treatment UV		85
Pressure Monitoring Equipment	41	1
Te Kaha Water - TP Relocation	867	2
3 Waters Reform - Water Supply		63
Ōpōtiki Water - Condition & Performance Assessment	5	
- to improve the level of service Total	913	151

- to replace existing assets

Opotiki Valves etc		3
Hukutaia Reticulation Replacement and Upgrade	31	
Otara Booster Station Renewals and Pumps	41	16
Ōpōtiki Water - Treatment Plant Renewals	21	8
Ōpōtiki Water - Reticulation Renewals	62	47
Ōhiwa Water - Treatment Renewals	2	
Ōpōtiki Water - Treatment Renewals	52	31
Te Kaha Water - Treatment Renewals	19	9
Te Kaha Water - Reticulation Renewals	21	7
Opotiki Water Consent Renewals		4
- to replace existing assets Total	247	125

Total capital expenditure	1,160	275
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Funding Impact Statement
Ōpōtiki District Council - Water Supplies Activity
For the year ended 30 June 2023
Sources of operating funding

	2022 Long- term plan (\$000)	2023 Long- term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	117	147	145	144
Targeted rates	1,214	1,392	1,174	1,376
Subsidies and grants for operating purposes	110	-	7	-
Fees and charges	4	4	4	4
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	6	-
Total operating funding (A)	1,445	1,543	1,336	1,524

Applications of operating funding

Payment to staff and suppliers	794	704	723	704
Finance costs	60	76	218	85
Internal charges and overheads applied	248	244	328	258
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,102	1,024	1,269	1,047

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

343	519	67	477
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Sources of capital funding

Subsidies and grants for capital expenditure	603	-	180	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	290	642	200	683
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	893	642	380	683

Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	530	913	151	913
- to replace existing assets	706	247	125	247
Increase (decrease) in reserves	-	-	171	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,236	1,160	447	1,160

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

(343)	(518)	(67)	(477)
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Funding balance ((A - B) + (C - D))

-	1	-	-
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Land Transport

What we do and why:

Council provides on-going management, development and maintenance of the District Land Transport Network. The Land Transport Network in the Ōpōtiki District enables the safe and efficient movement of people and goods and services that avoids damage to the environment. The Land Transport Network contributes to the social and economic development of the District Community.

An efficient, safe and reliable Land Transport Network is essential for the economic well - being of our District. Roads provide access to properties, the passage of traffic and the transportation of goods and services.

This significant activity includes:

Subsidised Roding, Unsubsidised Roding.

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

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






Statement of service performance:




* Contextual information - Community and customer satisfaction information is taken from the quarterly customer satisfaction surveys and this is considered the most appropriate and readily available information to assess these measures of performance. This survey has a sample size of 300 responses with a maximum margin of error +/- 5.5.

* NZTA provide publicly available information to explain Smooth Travel Exposure

<https://www.nzta.govt.nz/assets/Road-Efficiency-Group/docs/practice-overviews/REG-practice-overview-smooth-travel-exposure.pdf>

* Footpath Condition Rating for the network is determined through undertaking a visual survey of 100% of the footpath assets with the outcome being an overall grading of the footpath on a scale of 1-5 scale, 1 being excellent and 5 being very poor.

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 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	91%	95%	100%	
	Commentary 2022/23: Achieved. 36 urgent requests and all responded to within 1 day.				
	- Non-urgent requests within 4 days	75%	90%	93%	
	Commentary 2022/23: Achieved. 148 non urgent requests received with 138 responded to within 4 days. This is an 18% increase on last year's result.				
Ensure roads and transport networks are appropriate to requirements and district growth needs	Percentage of sealed road network resurfaced	6.71%	>5%	5.40%	
	Commentary 2022/23: Achieved. 9.557km 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	41%	>80%	45%	
	Commentary 2022/23: Not achieved but showed an improvement in satisfaction from the 2021/22 year.				
	The average quality of a ride on a sealed local road network, measured by the smooth travel exposure	92%	N/A	96%	
	Commentary 2022/23: Achieved.				

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Ensure roads and transport networks are appropriate to requirements and district growth needs	Change from previous year in number of fatalities and serious injury crashes on Council maintained roads	Target for reduction/no increase has been met.	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend	Target for reduction/no increase has not been met.	
	Commentary 2022/23: Not achieved. There were 4 Deaths and Serious Injuries (DSI) between 1 Jul 2022 and 30 Jun 2023 as compared to 2 DSI the previous financial year 1 Jul 2021 to 30 Jun 2022.				
	The number of users who agree the standard of footpaths is good or excellent	63%	>70%	61%	
	<p>Commentary 2022/23: Not achieved.</p> <p>Roading Logistics Consultants were commissioned to undertake a condition assessment of the Ōpōtiki District Council's footpath network in early 2022. The condition of footpaths was rated from 1 (as new condition) to 5 (very poor condition). From this data, Council staff identified faults and a renewals list based on condition, and fault severity. Minor faults were repaired under the existing road maintenance contract.</p> <p>As part of the central government "better off" 3 waters fund staff and council workshopped and agreed on what the first tranche received would be spent on. It was decided that \$550,000 would be allocated to improvements to the footpath network across the district.</p> <p>A desktop exercise was carried out to identify levels of service gaps in the footpath network, which found that approximately 21km of new footpath was needed to meet the levels of service set out in the Engineering Code of Practice. Constrained to the available budget, sites were prioritised to a list totalling around 2.6km of new footpath.</p> <p>Sites were selected considering several factors such as proximity to schools, safety risk, level of service shortfall, strategic importance, linkages to isolated communities, local knowledge, historic community requests, and sites identified in our Transport AMP that did not receive Waka Kotahi funding approval.</p> <p>Construction work is underway and due to be delivered through 2023. Any sites that are not able to be delivered due to budget constraints will remain in the works programme to be delivered in future years.</p>				
	Percentage of footpaths in Ōpōtiki district that fall within the level of service or service standard for the condition of footpaths as set in plans	100%	90% of qualifying footpath faults scheduled for repair	100%	
	Commentary 2022/23: Achieved. All faults programmed for repair in Contract 244.				

Internal Borrowing

Internal Loans Summary

	Opening Balance 1/07/2022	Balance Borrowed 1/07/2022	Repaid 1/07/2022	Balance 30/06/2023	Interest 2023
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Subsidised Rooding	2,183	633	70	2,746	97
Non-Subsidised Rooding	872	83	24	931	36
	3,055	716	94	3,677	133

Capital Expenditure

AP Actuals

2023 2023

000's 000's

- to improve the level of service

Minor Improvements - Low Cost Low Risk	573	488
Seal extensions	206	
Harbour Access Road	289	
Harbour Access - Business case		29
- to improve the level of service Total	1,068	517

- to replace existing assets

Drainage Renewals	117	60
Sealed Pavement Rehabilitation	296	563
Sealed road resurfacing	509	558
Traffic Services Renewals	45	17
Asset Management Planning		19
Structures Component Replacement	50	27
Emergency Reinstatement	89	1,482
Urban Kerb & Channel	33	64
Unsealed Road Metalling	171	
Footpath Renewals	34	19
Council site access roads	15	18
- to replace existing assets Total	1,359	2,827

Total capital expenditure	2,427	3,345
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Funding Impact Statement

Ōpōtiki District Council - Land Transport Activity

For the year ended 30 June 2023

Sources of operating funding

	2022 Long-term plan (\$000)	2023 Long-term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	1,930	1,896	1,926	1,918
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1,847	1,945	2,027	1,945
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	84	87	79	87

Total operating funding (A)

3,861 3,928 4,032 3,950

Applications of operating funding

Payment to staff and suppliers	2,780	2,910	2,367	2,911
Finance costs	19	28	133	30
Internal charges and overheads applied	673	671	846	690
Other operating funding applications	-	-	-	-

Total applications of operating funding (B)

3,472 3,609 3,346 3,631

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

389 319 686 319

Sources of capital funding

Subsidies and grants for capital expenditure	1,651	1,629	2,860	1,629
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	212	483	622	483
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-

Total sources of capital funding (C)

1,863 2,112 3,482 2,112

Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	946	1,068	517	1,068
- to replace existing assets	1,303	1,359	2,827	1,359
Increase (decrease) in reserves	4	4	824	4
Increase (decrease) in investments	-	-	-	-

Total applications of capital funding (D)

2,253 2,431 4,168 2,431

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

(390) (319) (686) (319)

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

(1) - - -

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 meet our needs	Council's investments contribute to the social and economic well-being of the district.
A strong and distinctive community	
Fair and efficient leadership	

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

Statement of service performance:

Outcome or priority for action	Measure of success	2021/22 Result	Target 2022/23	2022/23 Result	Status
Help agencies and organisations identify our specific needs	Investigate new joint procurement initiatives for goods and services for BOPLASS councils	9	Minimum of 4	12	
	Commentary 2022/23: Achieved. 12 new joint procurement initiatives investigated in the areas of Photocopiers/printers, Aerial imagery, Infrastructure insurance, social media services, 2x crime prevention initiatives, CCTV monitoring, emergency communications, inter-council network links, Waste Operator and Licensing data system, Asset Management, and Electronic document signing. 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%	
	Commentary 2022/23: 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: https://www.odc.govt.nz/our-council/reports-studies/reports Our onus now is participating in the development of the Eastern Bay of Plenty Spatial Plan. Economic Development Managers meet on a quarterly basis alongside Toi EDA to discuss progress on the plan.				

Funding Impact Statement**Ōpōtiki District Council - Investments Activity****For the year ended 30 June 2023****Sources of operating funding**

	2022 Long- term plan (\$000)	2023 Long- term plan (\$000)	2023 Actual (\$000)	2023 Annual Plan (\$000)
General rates, uniform annual general charge, rates penalties	54	55	55	55
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)	54	55	55	55

Applications of operating funding

Payment to staff and suppliers	42	43	30	43
Finance costs	-	-	-	-
Internal charges and overheads applied	12	12	14	12
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	54	55	44	55

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

-	-	11	-
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Sources of capital funding

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

Application of capital funding

Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	-	11	-
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	-	11	-

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

-	-	(11)	-
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Funding balance ((A - B) + (C - D))

-	-	-	-
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Progress towards community outcomes

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



Here's a real example of this in action:

Community Outcome	Services and facilities meet our needs Provide facilities and services that meet current and future needs and are accessible to all.
District strategy	The quality of life for Ōpōtiki residents will be underpinned by Council's core services such as water, stormwater, sewerage, roads and solid waste management.
Well-being focus area	Social well being
Priority for Council action	Provide infrastructure e.g. roads and footpaths, water, stormwater, sewerage, waste management, extension of Ōpōtiki Township wastewater reticulation network
Significant activity group	Environmental sustainability
Significant activity	Wastewater
Level of service goal	A reliable removal and treatment service is provided in areas serviced by Council operated sewerage systems.
Key performance indicator	Number of sewage overflows into habitable buildings due to faults in the wastewater system.
Performance target	0

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

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

Leadership

Contribution to Community Outcomes:

Fair and efficient Leadership. A strong and 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 2021/22 Annual Report was adopted
- We complied with all statutory requirements and adopted the 2023/24 Annual Plan
- An extensive Local Government Election campaign was run to encourage candidate nominations and voter turnout
- We held 31 open public meetings: Ordinary Council – 9, Extra Ordinary Council – 4, Risk and Assurance Committee – 4, Extra Ordinary Risk and Assurance Committee – 1, Coast Community Board – 8, Strategy Planning and Regulatory Committee – 2, Performance and Delivery Committee – 3
- Many 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
- Forming stronger relationships with key partners, Whakatōhea, Ngaitai and Te Whanau-a-Apanui has been, and will continue to be, a focus
- Council signed the Reorua agreement with Whakatōhea
- 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 through the Mayoral column
- Community engagement took place on plans, projects and initiatives
- Council met and/or worked with key agencies to progress strategic direction priorities
- Council held citizenship ceremonies to celebrate those who had decided to make New Zealand and Ōpōtiki their home
- 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
- Council decided on 21 March 2023 to join the Eastern Bay Spatial Plan (EBSP) – a project to set out a roadmap for the three districts of the Eastern Bay.

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
- Our library facilitated over 8 events and programmes. Te Tāhuhu o Te Rangi Ōpōtiki District Library provides a safe hub for the community while delivering digital support, room hire, wifi, online and physical resources, books, movies, devices, events and activities that promote digital literacy and te reo Māori
- Council continues to support the Motu Trails Cycleway and continued work on cycleway extensions
- Rose Garden Cottage renovations at Rawinia Reserve were completed
- Construction of the Whitikau Reserve Playground took place
- Council consulted on what our future community spaces should look like once the harbour is operational.

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, community group and partner initiatives
- Council promoted the Future Fit campaign to help the community look in to their carbon footprint
- 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.

Economic Development

Contribution to Community Outcomes:

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

How this activity contributes	Work programme and performance measure progress
<ul style="list-style-type: none"> To create a sustainable economic future by broadening the District's economic and therefore employment base. 	<ul style="list-style-type: none"> Maintained relationships with Ōpōtiki businesses including holding workshops and stakeholder strategy days to get planning input Maintained contact with tourism sector Council operates the Ōpōtiki isite Visitor Centre Held 10 community events and another 20 supported including a blood drive, clean up week, Christmas summer market and the Matariki and Lantern festivals 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 teamed up with Think Rural to promote our district as a great place to live, work and play 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 projects to be completed Council continues to encourage development of Māori land via rates remission policies Council continues to assist the project delivery team with the ongoing construction of the Ōpōtiki harbour development Improvements to the CBD with lots 9 and 10 progressing well and other buildings in the precinct being upgraded

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	Work programme and performance measure progress
<p>To assist the development of a safe and sustainable environment through the administration of the Ōpōtiki District Plan and the Resource Management Act 1991.</p> <p>To provide a District Plan that responds to and manages growth and development in terms of environmental sustainability.</p>	<ul style="list-style-type: none"> The District Plan is reviewed in accordance with the RMA as required Council is signed up to Eastern Bay Spatial Plan which is being progressed Bylaws are reviewed within legislative timeframes to ensure they remain relevant Council obtained funding to undertake works during 2023/24 in relation to adopting a Freedom Camping Bylaw.

Regulation and Safety

Contribution to Community Outcomes:

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

A strong and distinctive community spirit. Development supports the community.

How this activity contributes	Work programme and performance measure progress
<p>To ensure that public health and safety is protected and enhanced through the effective and efficient implementation of legislation (Environment Health, Liquor and Noise Control) and fit for purpose bylaws.</p> <p>To protect the interest of public health, safety, infrastructure and ensure the welfare of animals through the delivery of animal (particularly dog) control.</p> <p>To ensure the construction of sustainable buildings and to protect current and future users through the administration of the Building Control Act 2004 and relevant regulations.</p> <p>To ensure that the Council and the Community are prepared for a civil emergency or rural fire event and adequate systems are in place to enable recovery following a civil emergency.</p>	<ul style="list-style-type: none"> • Council continued to process liquor licence applications, inspect food premises, provide 24/7 Animal Control services, act as a Building Control Authority and issue resource consents and monitor consents for compliance • Council worked to maintain its building accreditation and continued to encourage and support the use of its online services portal • The building team utilised a Team Leader to improve outcomes • Council continued its successful free microchipping and dangerous dog de-sexing programmes • Council rehomed 29 dogs • A dog control policy and practices report is provided to council and the community yearly • Council ran food safety courses for local businesses • Training for civil defence staff continued and civil defence education for/in the community ran in conjunction with Emergency Management Bay of Plenty, local interest groups and Iwi and hapu • Council promotes and participates in the annual New Zealand Shake Out exercise • Research on coastal erosion and other hazards continues to be run in partnership with Bay of Plenty Regional Council • The Eastern Bay of Plenty Local Alcohol Policy (LAP) was reviewed.

Stormwater

Contribution to Community Outcomes:

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

Development supports the community.

How this activity contributes	Work programme and performance measure progress
<p>To protect the environment from the adverse effects of stormwater.</p> <p>To protect public health and property.</p> <p>Facilities and services that meet the expectations of the community for quality of life.</p>	<ul style="list-style-type: none"> • Council continued to record and respond to Stormwater service requests in our customer contact centre and has set ambitious targets on how quickly we will respond • All of the non-financial Key Performance Measures set in the LTP for the 2022/23 year were achieved • Council continues to maintain a high record of compliance and once again this year did not receive any abatement or infringement notices, enforcement orders or convictions • Council completed its programmed works to maintain and upgrade its assets including various stormwater plant components to ensure optimal operation • Major stormwater upgrade along Richard Street was completed.

Solid Waste Management

Contribution to Community Outcomes:

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

Development supports the community.

How this activity contributes	Work programme and performance measure progress
<p>Ensure the environmentally safe collection and disposal of waste.</p> <p>Minimise the creation of waste within the district.</p>	<ul style="list-style-type: none"> • We continue to receive and act upon service complaints or requests and seek feedback from the public during our quarterly satisfaction surveys • Customer satisfaction ratings of our Resource Recovery Centres (RRCs) are recorded during our quarterly satisfaction surveys and this year there was a 14% increase in satisfaction recorded • 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 six years • Council achieved its target for completing actions for the year identified in the Waste Management and Minimisation Plan. • Information on recycling and minimising waste is available on Council's website.

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	Work programme and performance measure progress
<p>To protect public health and property from sewage overflows.</p> <p>To enable economic growth with quality of life benefit.</p> <p>To protect the environment from the adverse effects of wastewater.</p>	<ul style="list-style-type: none"> • 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 record of compliance • Installation of a new screen and aerators to improve the treatment process in the Opotiki Wastewater Treatment Pond was completed • Several manholes were refurbished.

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
- All customer contact centre requests statement of service provision targets were achieved for both numbers of requests received and response and completion timeframes
- Installation of UV treatment at the Ōpōtiki Water Treatment Plant has been completed
- Council completed its programmed works to maintain and upgrade its assets including various water supply plant components to ensure optimal operation
- All three systems met the drinking water consumption targets set in the LTP which helps ensure water resources are used efficiently and sustainably.

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
- A 100% performance result was recorded for responding to urgent requests within timeframes set in the LTP. This helps ensure the road is in good condition and fit for purpose
- 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's contractors repaired roads after storm events
- Street upgrades progressed for St John St from Kelly to Albert Streets and Victoria and Princess Streets between St John and Church Street
- Verralls Road pavement rehabilitation was completed
- The lighting programme continued with additional new and retrofitted LED Luminaries installed.

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.

Financial Information



Whikita Reserve Playground

Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2023

	Note	Actual 2023 000's	Budget 2023 000's	Actual 2022 000's
Revenue				
Rates	2	12,913	12,965	11,779
Subsidies and Grants	4	9,175	6,788	13,181
Fees and Charges	3	1,752	1,672	1,533
Interest Revenue	5	78	47	33
Other Revenue	7	4,211	464	1,118
Development and financial contributions	*	62	-	1,236
Total Revenue		28,191	21,936	28,880
Expenditure				
Other Expenses	9	11,145	8,931	12,744
Depreciation and Amortisation	14,15	5,230	3,793	4,292
Personnel Costs	8	6,196	5,641	5,527
Finance Costs	5	330	539	285
Total Expenditure		22,901	18,904	22,848
Share of associate's surplus/(deficit)	13	-	-	(22)
Surplus / (Deficit)		5,290	3,032	6,010
Other Comprehensive Revenue and Expense				
Property, plant, and equipment revaluation		3,853	8,759	70,729
Total Other Comprehensive Revenue and Expense		3,853	8,759	70,729
Total Comprehensive Revenue and Expense		9,143	11,791	76,739

* 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 2023

	Note	Actual 2023 000's	Budget 2023 000's	Actual 2022 000's
Equity balance at 1 July		328,737	258,432	251,997
Comprehensive revenue and expense for year	22	9,143	11,791	76,739
Transfers	22	5	-	1
Equity Balance 30 June		337,885	270,223	328,737
Components of Equity				
Accumulated Funds at 1 July		146,915	146,729	139,609
Net Surplus/(Deficit)		5,290	14,092	6,010
Transfers to / (from) equity		802	(446)	1,296
Accumulated Funds 30 June		153,007	161,828	146,915
Asset Revaluation Reserves at 1 July		180,010	98,037	110,718
Transfers to / (from) reserves		(1,484)	-	(1,437)
Revaluation Gains/(Losses)		3,853	-	70,729
Revaluation Reserves 30 June		182,379	106,796	180,010
Council Created Reserves at 1 July		1,812	1,104	1,670
Transfers to / (from) reserves		687	446	142
Council created Reserves 30 June		2,499	1,599	1,812
Equity at 30 June		337,885	270,223	328,737

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 2023

	Note	Actual 2023 000's	Budget 2023 000's	Actual 2022 000's
ASSETS				
Current Assets				
Cash & Cash Equivalents	10	3,091	5,508	6,152
Debtors & Other Receivables	11	3,458	3,374	3,397
Other Financial Assets	12	-	53	-
Inventory		51	-	49
Prepayments		135	236	208
Total Current Assets		6,735	9,171	9,806
Non-Current Assets				
Investment Property	16	4,769	2,776	3,209
Investment in Associate	13	33	266	32
- Investments in CCO's and Other Similar Entities	12	211	-	135
Property, Plant & Equipment	14, 15	343,319	285,766	331,413
Intangible Assets	15	36	85	76
Total Non-Current Assets		348,368	288,893	334,865
TOTAL ASSETS		355,103	298,064	344,671
LIABILITIES				
Current Liabilities				
Payables and Deferred Revenue	18	7,103	5,321	8,357
Borrowings	21	-	-	1,500
Employee Benefit Liabilities	20	555	342	509
Provisions	19	9	-	9
Total Current Liabilities		7,667	5,663	10,375
Non-Current Liabilities				
Borrowings	21	9,500	22,100	5,500
Provisions	19	51	79	59
Total Non-Current Liabilities		9,551	22,179	5,559
TOTAL LIABILITIES		17,218	27,842	15,934
NET ASSETS (assets minus liabilities)		337,885	270,223	328,737
EQUITY				
Retained Earnings	22	153,007	161,828	146,915
Asset Revaluation Reserves	22	182,379	106,796	180,010
Council Created Reserves	22	2,499	1,599	1,812
TOTAL EQUITY		337,885	270,223	328,737

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



MAYOR David Moore
Date: 20 November 2023



CHIEF EXECUTIVE Stace Lower
Date: 20 November 2023

Statement of Cashflows

For the Year Ended 30 June 2023

	Actual 2023 000's	Budget 2023 000's	Actual 2022 000's
Cashflow from Operating Activities			
Receipts from rates revenue	13,361	12,789	12,474
Subsidies and grants received	7,611	8,848	9,675
Fees and charges received	1,752	-	1,533
Interest and dividends from investments	78	47	33
Other revenue	304	-	3,219
Payments to suppliers and employees	(13,676)	(14,292)	(16,395)
Finance costs	(330)	(539)	(285)
Payments to/on behalf of other authorities*	(948)	-	(179)
Goods and services tax (net)	(78)	-	(206)
Net cashflow from operating activities	8,074	6,853	9,869
Cashflow from Investing Activities			
Purchases of property, plant and equipment	(12,769)	(17,224)	(10,597)
Acquisition of investments	(6,576)	-	210
Capital grants received	5,719	-	2,945
Purchases of intangible assets	(9)	-	(33)
Net cashflow from investing Activities	(13,635)	(17,224)	(7,475)
Cashflow from Financing Activities			
Proceeds from borrowings	4,000	9,961	-
Repayment of borrowings	(1,500)	-	(1,500)
Net cashflow from financing activities	2,500	9,961	(1,500)
Net Increase / (Decrease) in Cash and cash equivalents	(3,061)	(410)	894
Opening Cash and cash equivalents	6,152	5,918	5,258
Closing Cash and cash equivalents	3,091	5,508	6,152

* 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	2022	2022	2023	2023
	LTP	Annual	Annual	Actual
Funding Impact Statement for 30 June 2023	(\$000)	report	Plan	(\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	9,071	8,528	9,786	9,473
Targeted rates	2,975	3,250	3,179	3,441
Subsidies and grants for operating purposes	2,147	2,551	2,028	3,457
Fees and charges	1,637	1,533	1,692	1,752
Interest and dividends from investments	46	33	47	83
Local authorities fuel tax, fines, infringement fees, and other receipts	357	497	368	244
Total operating funding (A)	16,233	16,392	17,100	18,450
Applications of operating funding				
Payment to staff and suppliers	13,878	18,307	14,572	17,342
Finance costs	314	285	539	330
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	14,192	18,592	15,111	17,672
Surplus (deficit) of operating funding (A - B)	2,041	(2,200)	1,989	778
Sources of capital funding				
Subsidies and grants for capital expenditure	15,614	10,630	4,760	5,719
Development and financial contributions	-	1,236	-	53
Increase (decrease) in debt	2,210	(1,500)	9,961	2,500
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	17,824	10,366	14,721	8,272
Application of capital funding				
Capital expenditure				
- to meet additional demand	389	2,087	9,533	489
- to improve the level of service	12,653	5,097	3,597	3,146
- to replace existing assets	8,823	3,676	4,095	9,143
Increase (decrease) in reserves	-	142	-	688
Increase (decrease) in investments	(2,000)	(2,836)	(515)	(4,416)
Total applications of capital funding (D)	19,865	8,166	16,710	9,050
Surplus (deficit) of capital funding (C - D)	(2,041)	2,200	(1,989)	(778)
Funding balance ((A - B) + (C - D))	-	-	-	-

Reconciliation between the Funding Impact Statement & Statement of Comprehensive Revenue & Expense

The funding impact statement is prepared in compliance with the requirements of clause 15, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not compliant with generally accepted accounting standards (GAAP).

The funding impact statement is intended to show in a transparent manner how all sources of funding received by Council are applied. It does not include "non-cash" that is classified as income on the statement of revenue and expense (as required by GAAP) such as assets that are vested to Council through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires "non-cash" expenses such as depreciation, amortisation, and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between the two statements.

		LTP 2022 \$000	Annual Report 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Total revenue and expense wholly attributable to District Council		14,092	76,739	11,791	9,143
Surplus (deficit) of operating funding per prospective whole of council funding impact statements		2,042	(2,200)	1,989	778
Difference		12,050	78,939	9,802	8,365
The difference is due to:					
Capital income		15,614	11,866	4,760	5,772
Vested assets	7	-	-	-	6,863
Discovered assets		-	-	-	3,853
Revaluation of assets		-	70,729	8,759	-
Gain (loss) on sale/disposal of assets & Discounting charges & debt write-offs	7,9	-	(2,481)	-	(3,418)
Operating income received in advance		-	524	76	618
Depreciation and amortisation		(3,564)	(1,699)	(3,793)	(5,323)
Total explained difference		12,050	78,939	9,802	8,365

Notes to Financial Statements

NOTE 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2023

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 2022 through to 30 June 2023.

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 report of ODC has 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 (PBE Standards RDR). 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 RDR.

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:

PB 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 adopted the new standard in preparing these financial statements and believes there have been no material effects in doing so.

IPSAS 41 – 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 may result in earlier recognition of impairment losses.

Accounting policies have been updated to comply with PBE IPSAS 41. There have been no material effects in doing so.

Standards issued and not yet effective, and not early adopted

There are no standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to Council.

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 Rooding 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 roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other Grants Received

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

Building and Resource Consent Revenue

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

Infringement Fees and Fines

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

Donated and Bequeathed Financial Assets

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

Direct charges

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

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

Borrowing Costs

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

Grant Expenditure

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

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

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, irrespective of whether title is eventually transferred.

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

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

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

Operating Leases

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

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

Cash and Cash Equivalents

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

Receivables

Short term receivables are recorded at their face value, less an allowance for expected credit losses (ECL).

The Council applies the simplified ECL loss model of recognising lifetime expected credit loss for short-term receivables. The expected credit loss is calculated based on historical credit losses experience on both rates debtors and sundry debtors, adjusted for forward looking factors specific to the debtors and economic environment.

Rates Receivable

Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Rates are "written-off":

- When remitted in accordance with Council's rates remission policy; and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery, indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

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.

Expected credit loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as fair value through surplus or deficit. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset. ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL). When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or

effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information. The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

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

Roading network

- Formation – not depreciated
- Sub base – not depreciated
- Basecourse (unsealed) 8 years (12.5%)
- Basecourse (sealed) 120 years (0.83%)
- Top surface 10 to 63 years (1.59% - 10.0%)
- Bridges 100 years (1.0%)
- Cycleways 50 to 80 years (1.25% - 2%)

Kerb and footpaths 20 to 80 years (1.25% - 5.0%)

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

Traffic facilities (roading components) 10 to 30 years (3.33% - 11.32%)

Culverts (roading components) 60 years (1.66%)

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

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

River protection works 100 years (1.0%)

Open drains associated with the roading infrastructure 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.

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 2023 \$000	Actual 2022 \$000
General rate	10,148	9,682
Targeted rates attributable to activities		
Communities of Interest	459	430
Sewerage	829	819
Urban Refuse Collection	518	520
Water Supplies	719	584
Metered Water	455	466
Rate penalties	171	172
Rates Remissions	(386)	(894)
Total rates income	12,913	11,779

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

	2023	2022
Number of rating units within the district	5,502	5,448
Total capital value of rating units within the district	2,749,683,650	2,700,448,750
Total land value of rating units within the district	1,363,525,850	1,384,189,300

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

Note 3: Fees and Charges

	Actual 2023 \$000	Actual 2022 \$000
User fees and charges	1,507	768
Regulatory and resource consent charges	203	742
Infringements and fines	41	24
Other	1	(1)
	<u>1,752</u>	<u>1,533</u>

Note 4: Subsidies and grants

	Actual 2023 \$000	Actual 2022 \$000
New Zealand Transport Roding Subsidies	4,801	3,690
Grants towards Harbour Development	387	496
Grant for Opotiki Regional Digital hub	40	189
Grants and subsidies towards parks and reserves	157	18
MBIE Shovel ready projects	2,020	5,437
Grants for Cycleway	13	3
Taskforce for Jobs (MBIE and MTFJ)	454	294
DIA Three Waters Reform	180	2,691
Grant for Waste Minimisation	75	51
MBIE Better Off Funding	468	-
Te Tahuu (Library) / Technology Centre MBIE	157	265
Funding towards Freedom Camping	108	-
Other	315	47
	<u>9,175</u>	<u>13,181</u>

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

Note 5: Finance revenue and finance costs

	Actual 2023 \$000	Actual 2022 \$000
Interest revenue		
- term deposits	78	33
Total finance revenue	<u>78</u>	<u>33</u>
Finance costs		
Interest expense		
- interest on borrowings	330	285
Total finance costs	<u>330</u>	<u>285</u>
Net finance costs	<u>252</u>	<u>252</u>

Note 6: Exchange and non-exchange revenue

	Actual 2023 \$000	Actual 2022 \$000
Revenue from exchange transactions		
Rental Revenue	294	271
Finance Revenue	78	33
Total revenue from exchange transactions	<u>372</u>	<u>304</u>
Revenue from non-exchange transactions		
Fees and charges from activities	1,458	1,262
Rate revenue	12,913	11,779
Subsidies and grants	9,175	13,181
Other non-exchange revenue	4,273	2,354
Total revenue from non exchange transactions	<u>27,819</u>	<u>28,576</u>

Note 7: Other revenue

	Actual 2023 \$000	Actual 2022 \$000
Petrol tax	71	67
Vested and introduced assets	6,863	-
Gain (Loss) on changes in fair value of investment property (note 16)	(2,896)	621
Other Revenue	173	430
	<u>4,211</u>	<u>1,118</u>

Note 8: Personnel costs

	Actual 2023 \$000	Actual 2022 \$000
Salaries & wages	5,803	5,133
Defined contribution plan employer contributions	176	156
Increase/ (decrease) in employee benefit liabilities	19	113
Direct Personnel Overheads	198	125
Total employee benefit expenses	<u>6,196</u>	<u>5,527</u>

Note 9: Other expenses

	Actual 2023 \$000	Actual 2022 \$000
Fees paid to principal auditor:		
- for audit of Annual Report	164	118
Audit fees for Debenture Trust Deed assurance engagement	6	5
Council grants and contributions	192	172
Impairment of receivables (note 11)	(580)	(248)
Impairment of investment in associate (note 13)	-	85
Loss on disposal of property, plant and equipment (note 14)	1,102	3,265
Elected member remuneration (note 26)	414	338
Advertising and event promotion	34	29
IT systems costs	778	682
Subscription and license fees	168	152
Telephony	91	118
Consultants	1,042	809
Contractors and agency staff	3,139	3,210
Energy	59	53
Book Purchases	45	42
Sanitation, Cleaning and litter	401	211
Leases	22	55
Postage, printing and stationary	99	109
Repairs, maintenance & materials	1,140	914
Resource Recovery Centre- expenses	984	779
Grants, donations, contributions & koha	153	112
Legal costs	138	123
Rates on Council property	205	215
Insurance	334	244
Other operating expenses	1,015	1,152
Total Other Operating Expenses	<u>11,145</u>	<u>12,744</u>

Note 10: Cash and cash equivalents

	Actual 2023 \$000	Actual 2022 \$000
Cash at bank and in hand	3,091	6,152
Total cash and cash equivalents	3,091	6,152

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 2023 \$000	Actual 2022 \$000
Rates receivable	3,249	3,671
Other receivables	2,021	2,119
Sundry debtors	55	53
	5,325	5,843
Less provision for impairment of receivables	(1,866)	(2,446)
Total debtors and other receivables	3,458	3,397

Movements in the allowance for expected credit losses are as follows:

	Actual 2023 \$000	Actual 2022 \$000
At 1 July	2,446	2,694
Additional provisions made during the year	(319)	28
Receivables written off during the period	(261)	(276)
At 30 June	1,866	2,446
Total receivables comprise:		
Exchange transactions	5	31
Non-exchange transactions	3,453	3,366
	3,458	3,397

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

- Section 90A: \$202,607 (2022: \$261,446)
- Section 90B: \$Nil (2022: \$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 2023 \$000	Actual 2022 \$000
Current portion		
<i>Held to maturity</i>		
Total current	-	-
Non-current portion		
<i>Other Investments</i>		
Unlisted shares in Civic Financial Services Ltd	18	18
Local Government Funding Authority Borrowing Notes	188	112
Total Investments in other entities	206	130
<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	211	135
Total Other Financial Assets	211	135

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. (2022 : nil)

Note 12A: Financial Instrument Categories

The following tables are comparisons of carrying amounts of the Council's financial assets and liabilities in each of the financial instrument categories:

	Actual 2023 \$000	Actual 2022 \$000
Financial assets		
Amortised Cost		
Cash and cash equivalents excluding term deposits	3,091	6,152
Trade and other receivables	2,314	2,554
Total financial assets at amortised cost	5,405	8,706
Fair value through other comprehensive revenue and expense (FVTORE)		
Other financial assets:		
- Borrower Notes	188	112
- Investments in Associates and CCO's	29	29
Total Fair value through other comprehensive revenue and expense (FVTORE)	217	141
Financial Liabilities		
Amortised Cost		
Trade and other payables	4,841	3,336
Borrowings	9,500	7,000
Total financial liabilities at Amortised Cost	14,341	10,336

Note 13: Investment in Associate

	2023 \$000	2022 \$000
Investment in Evolution Networks Limited	120	120
Equity accounted carrying amount	6	5
Loan to Evolution Networks	27	27
	33	32
<i>Summarised financial information of associate presented on a gross basis</i>		
Assets	213	396
Liabilities	460	365
Revenues	475	274
Surplus/(deficit)	(128)	(81)
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 Roothing 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 \$6,138,067 (2022 \$6,379,000)

Restrictions

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

Leasing

The net amount of plant and equipment held under finance leases is \$Nil (2022 \$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
2023				
Roading network	212,998	3,454	-	261,434
Water systems				
- Treatment Plants & Facilities	3,428	50	-	4,709
- Other	29,623	54	-	44,437
Sewerage system				
- Treatment Plants & Facilities	2,626	20	-	4,455
- Other	18,976	672	-	25,941
Stormwater	26,930	2,103	-	32,215

2022				
Roading network	211,227	2,274	-	167,932
Water systems				
- Treatment Plants & Facilities	2,902	50	-	6,635
- Other	29,049	540	-	35,807
Sewerage system				
- Treatment Plants & Facilities	2,671	3	-	4,101
- Other	14,871	33	-	21,441
Stormwater	21,766	333	-	25,505

Insurance	Actual 2023 \$000	Actual 2022 \$000
The total value of all assets that are covered by insurance contracts	204,107	198,780
The maximum amount to which they are insured	75,915	73,810
The total value of all assets that are covered by financial risk-sharing arrangements	143,191	143,191
The maximum amount available under this arrangement	85,915	85,915
The total value of assets that are self insured	-	-
- there is no fund maintained for this purpose		

DEPRECIATION AND AMORTISATION BY GROUP OF ACTIVITY	Actual 2023 \$000's	Actual 2022 \$000's
Community Facilities	585	329
Economic Development	1	-
Land Transport	2,446	1,470
Regulation & Safety	0	3
Solid Waste Management	31	28
Stormwater	408	325
Support Services	682	521
Wastewater	419	374
Water Supplies	657	714
Community Development	-	-
Total depreciation	5,230	3,762

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

2023	Cost/ revaluation 2022	Accumulated depreciation and impairment charges 2022	Carrying amount 2022	Additions	Reclassified assets	Additions Vested	Impairment charges	Disposals	Depreciation	Depreciation Write Back	Revaluation surplus	Cost/ revaluation 2023	Accumulated depreciation and impairment charges 2023	Carrying amount 2023
			289											
Operational assets														
Land	1,691	-	1,691	-	-	-	-	-	-	-	-	1,691	-	1,691
Buildings	3,548	-	3,548	-	-	-	-	-	187	-	-	3,548	187	3,361
Site Improvements	289	-	289	-	-	-	-	-	23	-	-	289	23	265
Plant, machinery and vehicles	1,960	1,546	414	375	-	-	-	29	125	28	-	2,307	1,643	664
Fixtures, fittings and equipment	1,976	1,318	659	183	-	-	-	137	270	114	-	2,022	1,474	549
Library collections	836	663	173	-	-	-	-	-	-	-	-	836	663	173
Total operational assets	10,300	3,527	6,774	558	-	-	-	166	605	142	-	10,693	3,990	6,704
Infrastructural assets														
Roads & footpaths	211,227	-	211,227	3,454	-	813	-	51	2,446	1	-	215,442	2,444	212,998
Water systems														
- Treatment Plants & Facilities	2,902	-	2,902	50	-	-	-	-	99	-	575	3,527	99	3,428
- Other	29,049	-	29,049	54	-	1,054	-	0	558	0	25	30,182	558	29,623
Sewerage system														
- Treatment Plants & Facilities	2,671	-	2,671	20	-	-	-	-	68	-	3	2,694	68	2,626
- Other	14,871	-	14,871	672	-	1,376	-	810	351	5	3,213	19,323	347	18,976
Stormwater drainage	21,766	-	21,766	2,103	-	3,620	-	187	408	1	36	27,338	408	26,930
Cycle Ways	1,307	-	1,307	-	-	-	-	-	19	-	-	1,307	19	1,289
Total infrastructural assets	283,793	-	283,793	6,352	-	6,863	-	1,048	3,949	7	3,853	299,813	3,943	295,870
Restricted assets														
Land	15,206	-	15,206	-	-	-	-	877	-	-	-	14,329	-	14,329
Buildings	11,147	-	11,147	612	-	-	-	-	351	-	-	11,759	351	11,408
Site Improvements	8,115	-	8,115	1,032	-	-	-	-	276	-	-	9,147	276	8,871
Total restricted assets	34,468	-	34,468	1,643	-	-	-	877	626	-	-	35,234	626	34,608
Commissioned property, plant and equipment	328,561	3,527	325,034	8,554	-	6,863	-	2,090	5,181	149	3,853	345,740	8,559	337,181
WIP	Cost		Carrying Amount	Year Movement								Cost		Carrying Amount
	2022		2022									2023		2023
Work in progress - Roads & footpaths	1,772	-	1,772	(128)								1,644		1,644
Work in progress - Water	247	-	247	171								418		418
Work in progress - Sewerage	1,466	-	1,466	771								2,237		2,237
Work in progress - Stormwater drainage	1,664	-	1,664	(915)								749		749
Work in Progress - Harbour	-	-	-	-								-		-
Work in Progress - Community Facilities and Property	1,079	-	1,079	(181)								898		898
Total work in progress excluding WIP for Intangibles and Investment Property	6,228	-	6,228	(282)	-	-	-	-	-	-	-	5,946	-	5,946
Total property, plant and equipment	334,789	3,527	331,262	8,272	-	6,863	-	2,090	5,181	149	3,853	351,686	8,559	343,127

The net carrying amount of PPE held under finance lease is \$0 (2022: \$0)

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

2022	Cost/ valuation 2021	Accumulated depreciation and impairment	Carrying amount 2021	Additions	Reclassified assets	Additions Vested	Impairment	Disposals	Depreciation	Depreciation Write Back	Revaluation surplus	Cost/ valuation 2022	Accumulated depreciation and impairment	Carrying amount 2022
	2021													2022
Operational assets														
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
Infrastructural assets														
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
Restricted assets														
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
Commisioned 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
WIP	Cost 2021		Carrying Amount 2021	Year Movement								Cost 2022		Carrying Amount 2022
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

Note 15 Intangible assets

	Computer software	Easement	Total
Cost			
Balance at 1 July 2022	756	16	772
Additions	9	-	9
Disposals	-	-	-
Balance 30 June 2023	765	16	781
Balance at 1 July 2021	723	16	649
Balance at 30 June 2022	756	16	772
Accumulated amortisation and impairment			
Balance at 1 July 2022	690	6	696
Amortisation charge	48	1	49
Disposals	-	-	-
Balance 30 June 2023	738	7	745
Balance at 1 July 2021	621	5	626
Balance at 30 June 2022	690	6	696
Carrying amounts			
Balance at 1 July 2022	66	10	76
Balance 30 June 2023	27	9	36
Balance at 1 July 2021	102	11	113
Balance at 30 June 2022	66	10	76

There are no restrictions over the title of ODC's intangible assets, nor are any intangible assets pledged as security for liabilities. Total works in progress (WIP) was \$41,000 (2022: \$151,000).

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 2023 \$000	Actual 2022 \$000
Balance 1 July	3,209	2,678
Additions	4,456	-
Disposals	-	(90)
Transfer to PPE	-	-
Fair value gains/(losses) on valuation (note 7)	(2,896)	621
Balance 30 June	4,769	3,209

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, Ōpōtiki 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>2022/23</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>Cyber Insurance</u> – BOPLASS was able to again maintain councils’ cyber insurance policies with Berkshire Hathaway by working closely with councils to ensure all underwriter requirements were met and demonstrated. Through the collective approach, BOPLASS was able to secure the renewal on favourable terms and with an increased policy limit across the collective group. <i>Cyber cover is an annual agreement that requires going to market every year.</i></p> <p><u>GIS software and services</u> – Geocortex Essentials Geocortex Analytics NZ Archaeological Association <i>Contracts renegotiated and renewed – no alternative suppliers.</i></p> <p><u>FME software</u> – significant price increase negated by negotiating two-year extension of current agreement under the same terms and pricing. <i>Sole NZ provider</i></p> <p><u>X-Tools</u> - With the agreement of councils’ GIS managers, a decision was made to discontinue the XTools maintenance licence as it was purchased from Russia. This supported the NZ Government’s position on trade sanctions and the absence of this software did not have an undue impact on council operations.</p> <p><u>LiDAR Capture</u> – the capture of LiDAR data was completed this year across the BOP region ahead of schedule. The early provision of this updated data helps councils with catchment mapping, understanding and preparing for natural hazards, and better planning for climate change.</p> <p><u>My Everyday Wellbeing</u> – BOPLASS renewed the annual subscription for the staff online wellbeing platform with the supplier continuing to provide pricing for all participating councils as a single entity. Increased participation from MW LASS, Co-Lab and BOPLASS councils resulted in further financial savings for the collective.</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. <i>Sole NZ provider of print and media copyright services.</i></p> <p><u>ESRI Enterprise Licensing Agreement</u> – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renegotiated and renewed for a further 3-year term with no increases. Retained the same structure, with all councils continuing to participate under a collective MOU. <i>No alternative provider in NZ.</i></p> <p><u>n3 (previously known as GSB)</u> – Collective 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. <i>Sole NZ provider.</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. This service has proven to be invaluable for councils during the pandemic and weather events. <i>Service to be put to tender in 2023-24.</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 in 2021 to deliver further cost reductions. Since then, further reviews have been conducted with some service costs reduced. This was balanced out by additional services as requested from councils.</p> <p><u>Zoom Video Conferencing Services</u> – Zoom video conference services continue to provide BOPLASS councils with a centralised account management and shared infrastructure. The collective contract was renewed through BOPLASS. <i>VC infrastructure upgrades underway.</i></p> <p><u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. <i>No alternative provider in NZ.</i></p>
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		<p><u>Antenno</u> – this LG community engagement tool is used by the majority of BOPLASS councils. Uptake in the Waikato and MW LASS regions has recently increased. By working in conjunction with the other two LASS a discounted fee was negotiated for any further LASS councils wishing to take up the service.</p> <p><u>Health & Safety Management Software</u> – BOPLASS has negotiated with the collective H&SMS provider on behalf of BOPLASS and Waikato councils for an improvement to reporting systems and an alternative fee structure.</p> <p><u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2022 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><u>Aerial Imagery</u> – BOPLASS coordinates a regional imagery programme across the region. Two new tenders were run for orthophotography services this year with contracts awarded to AAM NZ for the BOP region and a TCC interim flying programme, including specific requirements for the capture of high growth areas and high specification 8-Pulse LiDAR.</p> <p><u>GIS Training</u> – BOPLASS coordinated specialised GIS ArcPro training across the BOPLASS councils. Substantial savings were achieved through the collective training while also helping to bring all councils up to similar skill levels.</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>MFDs (Photocopiers/Printers)</u> – Joint procurement for a multi-function device provider resulted in Canon NZ being appointed as preferred provider to the BOPLASS councils. The outcome through the group approach included very competitive pricing, with further savings achieved through bundled services and shared software solutions across the councils. The procurement process maintained a strong focus on achieving broader outcomes, with Canon demonstrating support for local businesses and communities, working with Māori/Pasifika communities through Ākina and Amotai, and practicing sustainable and environmental processes.</p>

		<p><u>Oblique Aerial Imagery</u> – BOPLASS investigated collaborative opportunities for the capture of Oblique Aerial Imagery for the BOPLASS councils. The imagery provides a more effective visual experience than traditional vertical imagery and is particularly useful for discerning features in the landscape. Delivered through a tailored online viewer and using a subscription-based model through BOPLASS negates the need for councils to store and manage the data. <i>One council has trialled the solution and negotiations with the provider are underway for group pricing.</i></p> <p><u>Infrastructure Insurance</u> – the international placements for BOPLASS councils' infrastructure insurance are 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 new or different insurers. Negotiations for councils' infrastructure insurance were undertaken in late 2022 through direct engagement with the London markets and Lloyds syndicates. The size of the collective BOPLASS account allows us to undertake this direct engagement. Despite the restricted capacity and the underwriters become more risk adverse, very good outcomes were achieved for all councils, in both insurance rates and the level of cover achieved. Insurance markets remain cautious about the risk they are prepared to write but have demonstrated confidence in the BOPLASS programme due to the quality of information provided and our historical relationship.</p> <p><u>Social Listening Services</u> – Although BOPLASS manages a media monitoring contract on behalf of the councils, the growth in social media (and decline in traditional media) requires specific tools for identifying and analysing online conversations about councils' brand, to help better understand our communities and their feedback through these channels. <i>A collective procurement process has been initiated.</i></p> <p><u>Crime Prevention Co-funding</u> – BOPLASS successfully secured co-funding from the Ministry of Social Development (MSD) to undertake crime prevention initiatives and programmes within the Bay of Plenty. BOPLASS councils identified the key areas as installation of CCTV equipment and monitoring services; and Crime Prevention through Environmental Design (CPTED) projects. <i>SIM co-funding has been received and the below projects initiated.</i></p>
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		<p><u>CCTV Monitoring</u> – BOPLASS has worked with councils to identify opportunities for improved CCTV coverage and to collaborate with CCTV monitoring. Joint procurement of systems and technologies are being undertaken as well as shared project management resource. <i>Project is still underway.</i></p> <p><u>Crime Prevention through Environmental Design (CPTED)</u> – To support further crime reduction initiatives, BOPLASS is working with councils on the effective use of the environmental design to reduce criminal opportunity, with designs also fostering positive social interaction within community spaces. <i>Project is still underway.</i></p> <p><u>24/7 Emergency Communications</u> – The BOPLASS IT Managers group have reviewed the harsh lessons learned about telecommunication interruptions in the aftermath of Cyclone Gabrielle. They have undertaken a project to identify improved technologies for councils' usage that are not reliant on traditional methods of delivery. Starlink has been identified as a reliable solution during severe weather events and investigations are underway to determine the opportunities for councils to share membership and/or hardware or leverage improved pricing through collective procurement. <i>Project is still underway.</i></p> <p><u>New service for ICN</u> – Following a redesign of some aspects of the Inter-Council Network (ICN) new links were required. BOPLASS engaged with suitable vendors and Spark were appointed to provision this service. Discounted rates were achieved on behalf of the councils. Procurement was undertaken for the addition of a service in Whakatāne for a new council site and reinstatement of a service to provide backup/redundant services for councils between Whakatāne and Tauranga.</p> <p><u>Waste Operator and Licensing Data System (WOLDS)</u> – The second phase of this project has been initiated with procurement underway for a WOLDS service provider including the provision of an Information Management System. This BOPLASS led project covers all BOPLASS and Co-Lab councils, with a number of other councils expressing interest in participating once the service is established. A single shared service provides the opportunity for standardisation across all regions, improved waste data, and savings through a centralised service. <i>Project is still underway.</i></p>
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		<p><u>NAMS+ Subscription</u> – BOPLASS negotiated discounted rates for NAMS+ subscription used by council asset managers.</p> <p><u>Electronic Signing</u> – BOPLASS has led a project undertaking investigation into a shared agreement for DocuSign for councils. <i>Project is still underway.</i></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>	Achieved	<p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and formally meeting on a quarterly basis.</p> <p>Shared services projects being undertaken by other LASS have been offered to BOPLASS councils, with the board making a decision to utilise these opportunities to avoid any duplication of services where we can work with other LASS.</p> <p>Some of the shared service projects offered to BOPLASS councils include:</p> <ul style="list-style-type: none"> • Debt Management Central • Archives Central • Building Consent services <p>BOPLASS is leading or managing, on behalf of other LASS:</p> <ul style="list-style-type: none"> • Waste Operator and Licensing Data System • Postal services • Courier services • H&S management system • Staff wellbeing portal • Regional contractor database • Occupational Health Services <p><u>Broader Outcomes in Procurement</u> – The BOPLASS Procurement Group have identified the need to develop a framework around broader outcomes in procurement. To assist this process, BOPLASS are also working closely with Co-Lab and MW LASS for extended understanding, sharing of best practice, and to explore the opportunity for establishing a standard framework across the three regions.</p> <p>In conjunction with this shared work, MWLASS are leading a specific project on social procurement and sharing the outputs with the other two LASS.</p> <p><u>Health & Safety training</u> – BOPLASS and Co-Lab have established aligned contracts with H&S trainers. To provide improved market leverage and ensure the best value is delivered to all councils, it was agreed to tender for service as a collective covering all BOPLASS and Co-Lab councils. This project is being led by Co-Lab on behalf of both LASS.</p>

		<p><u>Managing Conflict & Aggressive Behaviour</u> – The BOPLASS Health & Safety Advisory Group identified an increase in aggressive behaviour across all BOPLASS councils. Working in collaboration with Waikato councils allowed the group to share resources between regions ensuring best practice was shared and to reduce the duplication of effort to the benefit of all parties.</p> <p><u>SHE Prequalification</u> – Co-Lab have funded full access to the SHE prequalification database and extended this access to cover BOPLASS councils opting into the scheme.</p> <p><u>Insurance Markets Joint Communications</u> – To ensure an aligned approach to insurance renewals, and leverage maximum benefits from an aggregated approach, LASS leads collaborated to develop joint underwriter communications that emphasised the geographical spread of assets and the diversity of risk across the greater region. The communications also highlighted risk management and resiliency work undertaken by LASS councils that had proved to perform well through recent events. Continued collective messaging and leveraging of our underwriter relationships remains critical to reinstalling confidence within the markets we engage with.</p> <p><u>Insurance Forum</u> – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island.</p> <p><u>Engagement with other LG collaborative groups:</u> Taranaki councils have formed an informal corporate services group to collaborate and share information across the district. BOPLASS and Co-Lab presented to the group on how our formal arrangements work and the benefits achieved, both within the LASSes and inter-regionally. An offer has been made to include Taranaki councils in any BOPLASS contracts that will be beneficial to all parties.</p> <p>A similar presentation and offer were provided to the Canterbury Mayoral Forum (10 TAs and the regional council), with the group expressing strong interest in utilising the MahiTahi Portal and widening their collaboration</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	Achieved	Projects continue to be added to the MahiTahi LG Collaboration Portal, increasing 5% from 88 to 93 this year. Over time, usage of the dedicated project area has declined, with project activity increasing but now being mainly run from within specific Teams or Channels within the Portal. Given this change in usage, and the

<p>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 5% per year.</p>		<p>difficulty of monitoring individual Channels, this target has been removed for future years.</p> <p>Continued promotion of the MahiTahi LG Collaboration Portal has seen a 13% increase in registered users with numbers increasing from 429 to 485.</p> <p>On-boarding and training material has been helpful in creating a smooth transition for any new members.</p> <p>The Regional Software Holdings Limited migration has resulted in exponential growth, with the Te Uru Kahika hub (regional and unitary councils) now hosted within the same environment as the MahiTahi Collaboration Portal. Both the MahiTahi LG Collaboration Portal and Te Uru Kahika sit side-by-side, with regional council users able to interact on both platforms.</p> <p>A Teams environment was developed for Entity B of the Affordable Water Reform in order to provide a secure workspace and assist the group with communications and collaboration. The development of this Team was conducted in conjunction with the Entity B stakeholders and a third-party Teams developer.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with members of Executive Leadership Team.</p> <p>At least one meeting per year.</p>	Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Engagement with individual ELT members was regularly undertaken but formal meetings with all executive teams was unable to be completed with all councils this year.</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 were levied with annual council contributions now CPI adjusted.</p> <p>Contributions were received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements and budget variances reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2023: -\$22,979 deficit.</p>

Note 18 Payables and Deferred Revenue

Payables and deferred revenue under exchange transactions

	Actual 2023 \$000	Actual 2022 \$000
Trade payables	3,449	2,301
Retained contract monies	881	711
Accrued expenses	288	198
Rates in advance	864	839
Total	5,482	4,049

Payables and deferred revenue under non-exchange transactions

Rates due to Bay of Plenty Regional Council	290	1,237
Deposits and bonds	224	126
Other grants and bequests received subject to substantive conditions not yet met	1,108	2,945
Total	1,622	4,308
Total payables and deferred revenue	7,103	8,357

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	(9)	59
Weathertightness claims	59	-
	51	59

	Landfill Aftercare \$000
Balance at 1 July 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
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 2023	60

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 3.15% (2022 3.27%).

Note 20 Employee benefit liabilities

	Actual 2023 \$000	Actual 2022 \$000
Annual leave	440	421
Accrued pay	115	87
Total employee benefit liabilities	555	508
Comprising		
Current	555	508
Non-current	-	-
Total employee benefit liabilities	555	508

Note 21 Borrowings

	Actual 2023 \$000	Actual 2022 \$000
Current		
Secured loans	-	1,500
Total current borrowings	-	1,500
Non-current		
Secured loans	9,500	5,500
Total non-current borrowings	9,500	5,500

Secured loans

ODC's secured debt is \$9,500,000 (2022 \$7,000,000). Of this, \$nil (2022: \$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 \$9,500,000 (2022 \$7,000,000) is issued at fixed rates of interest.

Security

There is a bank overdraft facility available, with no balance outstanding at 30 June 2023 (2022: 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 or general rates of the Council

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

Internal Borrowings

Information about internal borrowings is provided on pages 50 to 95 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 2023 \$000	Actual 2022 \$000
Accumulated Funds		
As at 1 July	146,915	139,609
Transfers to:		
Council created reserves	(842)	(769)
Transfers from:		
Council created reserves	155	627
Asset revaluation reserve	1,489	1,438
Surplus/ (deficit) for year	5,290	6,010
As at 30 June	<u>153,007</u>	<u>146,915</u>
Council created reserves		
As at 1 July	1,812	1,670
Transfers to:		
Accumulated funds	(155)	(627)
Transfers from:		
Accumulated funds	842	769
As at 30 June	<u>2,499</u>	<u>1,812</u>
Asset revaluation reserve		
As at 1 July	180,010	110,718
Revaluation gains/ (losses)	3,853	70,728
Transfer to Equity	(1,484)	(1,436)
As at 30 June	<u>182,379</u>	<u>180,010</u>
Total Equity	<u>337,885</u>	<u>328,737</u>
Asset revaluation reserve consists of:		
Operational assets		
Land and Buildings	2,745	2,745
Infrastructural Assets		
Roading	107,690	107,728
Water systems	26,731	26,131
Sewerage systems	14,917	12,226
Stormwater system	20,414	20,552
Cycle Ways	661	661
Restricted assets		
Land and buildings	9,221	9,967
	<u>182,379</u>	<u>180,010</u>

Restricted reserves relate to :

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

Note 22 : Council Created Reserve Funds - continued

			Balance 1-Jul-21 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-22 \$000
Special Reserves	Activity	Purpose				
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
			1,671	769	(628)	1,812

			Balance 01-Jul-22 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-23 \$000
Special Reserves	Activity	Purpose				
Cash in Lieu of Reserves	Economic Development	For general purpose funding	215	13	-	228
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	5	-	-	5
General Purposes (Electricity Proceeds)	Economic Development	For general purpose funding	45	-	-	44
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	31	15	(36)	10
Coast Community Board Reserve	Community Development	For Funding CCB Projects	128	61	(79)	110
Library Redevelopment Reserve	Community Facilities	For the Library Development Project	-	-	-	-
Whakaari Taonga Management Reserve	Community Facilities	For the development of reserves	31	4	-	35
Waste Minimisation Reserve	Solid Waste Management	For waste minimisation initiatives	94	124	(39)	179
Harbour Dev Maint Reserve	Economic Development	For Harbour maintenance	613	625	-	1,238
			1,812	842	(154)	2,499

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

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

Comprising

Water systems

Wastewater systems

Roading network

Buildings

Total capital Commitments

Actual 2023 \$000	Actual 2022 \$000
1,479	3,476
1,479	3,476
46	1,340
-	1,444
998	691
435	1
1,479	3,476

Operating commitments

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

Not later than one year

Later than one year and not later than five year

Later than five years

Actual 2023 \$000	Actual 2022 \$000
7,920	11,036
3,048	5,584
4,872	5,452
-	-
7,920	11,036

Operating leases as lessor

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

Non-cancellable operating leases as lessor

Not later than one year

Later than one year and not later than five years

Later than five years

Total non -cancellable operating leases

Actual 2023 \$000	Actual 2022 \$000
220	286
683	383
1,657	1,238
2,560	1,907

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:

Non-cancellable operating leases as lessee

Not later than one year

Later than one year and not later than five years

Later than five years

Total non -cancellable operating leases

Actual 2023 \$000	Actual 2022 \$000
20	20
28	69
-	-
48	89

Note 24 Contingencies

Contingent liabilities

Riskpool

Opotiki District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Staff matter

Council is involved in ongoing investigations related to staff matters that may result in a liability. At present, there is still insufficient information to conclude on potential liability and settlement quantum, if any.

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 2023 \$000	Actual 2022 \$000
BOPLASS		
Annual contribution	15	14
Services Provided	33	33

	Actual 2023 \$000	Actual 2022 \$000
Toi EDA		
Annual contribution	61	33
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 2023 \$000	Actual 2022 \$000
Councillors:		
Remuneration	393	318
Full time equivalent members	7	7
Senior Management Team:		
Remuneration	856	882
Full time equivalent members	5	5
Total key management personnel remuneration	1,249	1,200
Total full-time equivalent personnel	12	12

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:

Stace Lewer (December 2022 - June 2023)

	2023	2022
Salary	117,771	-
Vehicle (including FBT)	9,274	-
Total Remuneration	127,045	-

Miles McConway (Interim CE from July 2022 - December 2022)

	2023	2022
Contract for services	188,166	-

Aileen Lawrie (July 2021 - June 2022)

	2023	2022
Salary	-	250,610
Vehicle (including FBT)	-	15,092
Total Remuneration	-	265,702

Total CE Remuneration

	2023	2022
	315,211	265,702

Elected Representatives

Council:

	Actual 2023	Actual 2022
Mayor - Lyn Riesterer (July - October 2022)	28,958	102,786
Councillor / Mayor- David Moore	89,870	29,181
Councillor / Deputy Mayor - Shona Browne	57,280	53,001
Councillor - Barry Howe	41,699	29,181
Councillor - Steve Nelson	46,078	29,181
Councillor - Debi Hocart (July - October 2022)	8,612	29,181
Councillor - Tom Brooks	37,347	-
Councillor - Dean Petersen	32,967	-
Councillor - Coast Community Board Chair - Maxie Kemara	37,347	-
Councillor - Coast Community Board Chair - Louis Rāpihana (July - October 2022)	13,286	45,421
	393,442	317,932

Coast Community Board:

Member - Michael Collier	5,135	5,064
Member - Gail Keepa (July - October 2022)	1,481	5,064
Member - Linda Steel	3,641	-
Member - Jack Parata	5,135	5,064
Member - Allen Waenga	5,135	5,064
	20,527	20,256
	413,969	338,188

Total Elected Representative Remuneration

Staff

	Actual 2023
Number of full time employees	61
Number of full time equivalent of all other employees	10
Number of employees receiving less than \$60,000	34
Number of employees receiving between \$60,000 and \$79,999	23
Number of employees receiving between \$80,000 and \$99,999	15
Number of employees receiving between \$100,000 and \$259,999	10
Total number of Employees	82

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	55
Number of employees receiving between \$60,000 and \$79,999	13
Number of employees receiving between \$80,000 and \$99,999	12
Number of employees receiving between \$100,000 and \$259,999	8
Total number of Employees	88

Note 27 Severance Payments

For the year ended 30 June 2023 the Council made one severance payment of \$8,500 (2022: one severance payment of \$7,500 was made).

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

	Actual 2023 \$000	Actual 2022 \$000
Net surplus (deficit) after tax	5,290	5,995
Plus (minus) non-cash items		
Depreciation, amortisation and asset write-off	5,230	4,292
Vested and found assets	(6,863)	-
(Gains) losses on fair value of investment property	2,896	(621)
(Gains) losses on derivative financial instruments	580	-
Capitalised internal charges	424	-
(Gains) losses on revaluation of landfill	-	-
Plus (minus) items classified as investing or financing activities		
(Gains) losses on disposal of property, plant and equipment	1,102	3,265
(Gains) losses on investments	0	-
Disposal of non-current assets held for sale	-	-
Decrease (increase) in creditors for capital expenditure	619	1,770
Plus (minus) movements in working capital items		
Receivables and recoverables	(61)	1,496
Prepayments	73	(4)
Payables, taxes and transfers	(1,254)	(6,464)
Changes in provision	(8)	(8)
Employee entitlements	46	148
Net cash inflow (outflow) from operating activities	8,074	9,869

Note 29 Reconciliation of movements in liabilities arising from financing activities

	Financial Guarantees \$000	Financial Leases \$000	Debentures & Other Loans \$000
Balance at 1 July 2021	-	-	8,500
Cash inflows	-	-	-
Cash outflows	-	-	(1,500)
Non-cash changes	-	-	-
Balance at 30 June 2022	-	-	7,000
Cash inflows	-	-	4,000
Cash outflows	-	-	(1,500)
Non-cash changes	-	-	-
Balance at 30 June 2023	-	-	9,500

Note 30 Events after balance sheet date

Water Service Reform Programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Note 31 Explanation of major variances against budget

Explanations for major variations from ODC's estimated figures in the 2022-23 Annual Plan are as follows:

		2023	
Statement of Comprehensive Income		\$000	
Actual surplus of \$5,290 million versus budget surplus of \$3,032 million			
A favourable variance of -\$2,258 million.			
Total revenue of \$28,191 million was \$6,255 million more than budget, made up as follows:			
Rates Revenue	a	(52)	Unfavourable
Subsidies and grants	b	2,387	Favourable
Fees and charges	c	80	Favourable
Financial Income	d	31	Favourable
Other Revenue	e	3,747	Favourable
Development and financial contributions	f	62	Favourable
		6,255	
Total expenditure of \$22,901 million was \$3,997 million over budget made up as follows:			
Personnel costs	g	(555)	Unfavourable
Depreciation and Amortisation	h	(1,437)	Unfavourable
Finance costs	i	209	Favourable
Other Expenditure	j	(2,214)	Unfavourable
		(3,997)	
Share of associate's surplus/(deficit)		-	Favourable
Net Operating Surplus		2,258	
Property Plant & Equipment Revaluation	k	(4,906)	
		(2,648)	

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 higher than budget due mostly to additional subsidy received from NZTA Waka Kotahi towards emergency works, and the progressing of MBIE funded Shovel ready and PGF projects which had been subject to Covid related disruption.

c. Fees and charges revenue is slightly higher than budget, due to a resurgence of activity generally, post the affects to services during Covid related disruption. This includes development and financial contributions. Other revenue is higher than budget mostly as a result of vested assets.

d. Finance income is favourable due to the resurgence of interest rates as a result of increasing inflation and resulting monetary policy measures taken by the Reserve Bank.

e. Personnel costs are higher than budget due to a combination of 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 (\$1m). 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, Mana in Mahi Cadetship programme, Mayor's Taskforce for Jobs and Workforce Development programmes).

i. Other comprehensive income is less than budget as all asset classes were revalued in the previous year, whereas the budget assumed some would be revalued this year.

Note 31 Explanation of major variances against budget - continued

Statement of Financial Position

Actual net equity of \$337,885 million versus budget of \$270,223 million, variance of -\$67,662 million.

An analysis of the major variances are set out below:

An increase in cash and cash equivalents	j	(2,417) Unfavourable
An increase in debtors and other receivables	k	84 Favourable
An increase in inventory		51 Favourable
An increase in other financial assets	l	158 Favourable
An increase in Property, Plant and Equipment	m	57,553 Favourable
An increase in Investment Property	n	1,993 Favourable
A decrease in intangible assets		(49) Unfavourable
A decrease in prepayments		(101) Unfavourable
A decrease in investments in associates	l	(233) Unfavourable
An increase in payables and deferred revenue	o	(1,782) Unfavourable
A decrease in borrowings	p	12,600 Favourable
A decrease in Provisions		19 Favourable
A increase in employee benefit liabilities	q	(213) Unfavourable
		<u>67,663</u>

j. Cash and cash equivalents is lower than budget as Council drew down on available cash before having to increase borrowings to fund capital renewals.

k. The slight increase in debtors and other receivables is reflective generally of the resurgence in activity after the previous year of Covid induced disruption.

l. The increase in other financial assets is reflective of the increase in borrowing notes which were not budgeted.

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. Vested and found assets of \$10.7m also adds to this variance.

n. The increase in investment property is due to the completion of 103 Church Street (Lots 9 and 10).

o. The increase in payables and deferred revenue is reflective of the timing (delay) of a number of capital projects that had been impacted by Covid-19 induced disruption in the previous year.

p. The decrease in borrowings is due to the deferral, postponement and timing of some debt-funded capital projects, some of which was due to Covid-19 induced disruption including supply chain issues. These projects include: Marine Precinct and wharf redevelopment; new Council Civic Administration building and fleet renewals.

q. The increase in employment benefit liabilities is reflective of the time it will take to reduce annual leave which had accrued during the previous years of Covid lockdowns and restrictions on travel.

Note 31 Explanation of major variances against budget - continued

Statement of Cash Flows

2023 actual movement was an \$3,061 million decrease in cash held versus a budgeted decrease in cash of \$1,833k.

Net cash flow from operating activities was \$8,074 million against a budget of \$6,853 million.

The favourable variance is due to mostly to less payments to suppliers than budgeted.

Net cash flow from investing activities was -\$13,635 million against a budget of -\$17,224 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 \$2,500 million against a budget of \$9,961 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 Annual Report was completed later than required per section 98(3) of the Local Government Act 2002. This was due to the late adoption of the 2021-22 Annual Report and the consequential logistical affects in completing the 2022-23 Annual Report in time for audit sign-off by 31 October.

Statement of Compliance and Responsibility

For the Year Ending 30 June 2023

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, service performance statements and the judgments used in them.

The Council and management of the Ōpōtiki District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance information.

In the opinion of the Council and management of the Ōpōtiki District Council, the annual financial statements and service performance statements the year ended 30 June 2023, fairly reflect the financial position and operations of the Ōpōtiki District Council.



MAYOR David Moore
Date: 20 November 2023



CHIEF EXECUTIVE Stace Lower
Date: 20 November 2023

Report from Audit New Zealand



Independent Auditor's Report

To the readers of Ōpōtiki District Council's annual report for the year ended 30 June 2023

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.

We completed our work on 20 November 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 110 to 113 and pages 115 to 160:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2023; 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; and
- the funding impact statement on page 114, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- the Council Activities and Performance on pages 7 to 20 and pages 41 to 99:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2023, 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; and
- the statement about capital expenditure for each group of activities on pages 51 to 95, 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 46 to 99, 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 24 to 28, 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 other matters. 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 page 17, Affordable Waters, and note 30 on page 157, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes 10 publicly-owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities

becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the Water Services Reform on the Council as outlined in note 30 on page 157, remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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 District 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 6, 21 to 23, 29 to 40, and 100 to 109, 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 (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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



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

