



Ōpōtiki District Council

2018/19 Annual Report

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Introduction



Directory

Council Office	108 St John Street P O Box 44 Ōpōtiki 3162 New Zealand
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E-mail	info@odc.govt.nz
On the web	www.odc.govt.nz
Bankers	ANZ 57 Spring Street Tauranga
Auditors	Audit New Zealand on behalf of the Auditor General
Solicitors	Simpson Grierson Wellington
Insurance Brokers	Aon New Zealand Tauranga

Executive Staff

Aileen Lawrie
Chief Executive Officer

Bevan Gray
Finance and Corporate Services Group Manager

Ari Erickson
Engineering and Services Group Manager

Gerard McCormack
Planning and Regulatory Group Manager

Your representatives

Council

John Harris Forbes (Mayor) 315 7362

Ōpōtiki Ward:

Shona Browne 315 7347

Arihia Tuoro 027 274 2268

Barry Howe 315 6003

Coast Ward:

Haki McRoberts 325 2833

Waiotaha/Waioeka Ward:

Lyn Riesterer (Deputy Mayor) 315 6627

Ken Young 315 7919

Community Board

Haki McRoberts (Chairman)

Gail Keepa

Michael (Spike) Collier

Tiaki (Jack) Parata

Allen Waenga

From the Mayor and CEO

We are pleased to present you with our annual report for 2018/19. Over the last year, we have made inroads into improving the resilience of our services, from improved functioning of our sewer to better resilience and extensions to our potable water supply. The large improvements in these services are the result of our investment into asset data and systems, and the result will be better functioning, more resilient services, designed to last into the long term.

Detailed work has been carried out on reducing the cost of the harbour, through design changes, rock availability and on operational costs. The outcomes of this work will be presented to government in the 2019/20 financial year.

A great deal of planning work has been underway over the last 12 months that will give rise to actions in the 2019/20 financial year. Detailed planning around the future of our library has meant a decision has been able to be made to progress to the full development. A redesign of the rose gardens was undertaken with public input and a significant extension to the Motu Trails Cycleway has been scoped with a major funding application in process.

On the regulatory front we have faced a number of challenges to implement regulation changes handed to us by government, and worked our way through the many audits of our processes.

Following our decision to increase resourcing in the area, animal control has seen significant gains, both in the statistics we gather but also in the community perception survey.

Farewell from John Forbes

It may be opportune to make a short comment on my time at the Ōpōtiki District Council which spans the last thirty years.

The changes over this time have been remarkable. In 1986 there was one tier of local government and virtually all services, particularly around the maintenance of infrastructure, were provided in-house. My perception is that regulatory function was carried out with a much greater degree of local discretion whereas today it has a much greater degree of prescription from central government.

The development and adoption of technology have aided greatly in a much better understanding of assets and asset maintenance. Local knowledge around systems and their functioning used to be carried mainly in people's heads. While this is still the case to some degree mostly computers have taken over which allows for significantly improved asset management.

A great change has occurred in the professionalism of the staff that serves local government. This has occurred in concert with the increasing complexity of the environment in which we work. This change in complexity should not be underestimated and the skills that have evolved to keep abreast of change is a credit to the people involved and the sector.

One area of lag has been the community's understanding of both the functions of councils and the role of public good. Greater effort will be required to keep ratepayers and residents informed of the challenges faced by their local council.



A handwritten signature of John Forbes in black ink.

John Forbes
Former Mayor of Ōpōtiki



A handwritten signature of Aileen Lawrie in black ink.

Aileen Lawrie
CEO

Highlights and significant events

Harbour Development Project

Over the past year, Council has been working hard on a revised costing for the fully consented and "spade ready" Ōpōtiki Harbour Development. A successful application to the Provincial Growth Fund (PGF) provided a \$1M budget (\$750k PGF and \$250k Ōpōtiki District Council (ODC) co-funding) for our work this year. This was announced by Minister Jones in December 2018. He also announced significant funding for one of our local Aquaculture companies, Whakatōhea Mussels (Ōpōtiki) Limited to prepare a business case for a local mussel processing plant, and for the Whakatōhea Māori Trust Board to advance other applications for aquaculture space and to create a marine spatial plan. Ōpōtiki District Council (ODC) signed a funding agreement with the PGF in May 2019 and got a contract underway with HEB Construction, our preferred tenderer following earlier tender processes, to refine the design and costings. In parallel, ODC undertook a registration of interest and tender process in relation to the supply of rock for the harbour construction, to generate interest in rock supply much closer to Ōpōtiki (with the expectation of lowering costs through reduced transport costs). Good progress has been made with each of the workstreams, with outcomes expected in the 2019/20 financial year.

Ōpōtiki Research and Technology Library

Following unsuccessful attempts to secure significant grant funding for the long-held aspiration of delivering Te Tāhuhu o Te Rangi for our community, the Council carried out a consultation process to ask our community whether we should fund the bulk of the proposal via a loan. In part, this was prompted by a decrease in service when we had to move our library to another building after toxic mould was unexpectedly found in its roof. Early in the 2019/20 year Council resolved to proceed with the full development.

Sewerage

We have now completed the second year of the Wastewater Rehabilitation Project and are seeing reductions in the amount of groundwater infiltration coming into the pump stations, resulting in less pumping hours. We are confident that great progress is being made with 60% of inflow sources addressed. Because of the way the system functions it will take the final year of work to see the real benefits.

This financial year we will be continuing the on-property repairs work which is aimed at eliminating as much inflow and shallow infiltration as possible. Once this work is near completion we'll carry out another survey into flow rates. This will be in the sub-catchments of the wastewater system to identify areas that may have been missed.

Council may consider running a communications initiative to remind users of the system about the importance of not plumbing stormwater downpipes into wastewater gully traps. The community will need to be vigilant to help us identify any illegally plumbed downpipes.

Water Supply

This year we completed the raw water line renewal and also additional resilience work on Waioeaka Road and St John Street within the same budget. These three pieces of work, alongside works completed in previous years, mean that in the event of failure of the critical trunk mains from the Ōpōtiki Township bores to the Otara booster station, and from the booster station to the township, we have more options to keep supply going. This is particularly important in the event of an earthquake with the new lines having much greater flexibility so they can survive much larger shakes than the old pipes.

Stormwater

This year we completed the initial stages of the upgrades programme for the Ōpōtiki stormwater scheme. The advanced modelling and design work was completed to allow the major upgrades projects to begin over the next two years.

Goring Street, Payne Ave and Buchanan Street all received pipe upgrades which will connect into the major trunk main upgrades along Richard, Ford and St John Streets. These three pipes will deliver flood waters to Tarawa Creek much more efficiently and from where the final upgrade components including the Tarawa Creek basin and the Tarawa Creek pump station upgrade will detain and discharge the water when the rivers are high.

In the 2019/20 year work will begin on the Richard St stormwater trunk main and completion of pipe upgrades along the rest of Goring St in line with our street upgrade programme.

Solid Waste

This year we put together a plan on how we would deliver the bins and crates for the new urban kerbside recycling and refuse collection. We investigated many options for the refuse bins, deciding on a 45L bin manufactured in Italy. It included all the features sought through the LTP consultation including a lockable lid to help stop animal strike. The bins came at significantly less cost than those available from New Zealand manufacturers – who did not have standard 45L production models.

Asset Renewal

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

- Reseal of sections of urban and rural pavements, re-metalling of unsealed road surfaces in accordance with the asset management plan programme
- The annual rehabilitation / upgrade urban street project as per the asset management plan programme
- Close to 30% of Council's wastewater pipelines under the Wastewater Rehabilitation Project
- Various stormwater and water supply plant components to ensure optimal operation.

Road Seal Extension

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

No road seal extensions were taken advantage of this year, however, there is ongoing interest for Copenhagen Loop Rd in Te Kaha. With a new government policy statement on land transport and increased New Zealand Transport Agency (NZTA) funding, there was a possibility that NZTA might fund some extension work where the business case stacked up. This possibility however quickly dissipated as national budgets were fully allocated early in the first year of the programme.

Rose Garden Reserve

Detailed design for the upgrade works to Church St Reserve (Rose Gardens) has been completed. The initial plan was revised due to funding constraints. A staged implementation plan is now being actioned. The first stage which involves deconstruction and relocation of the existing rose gardens to Bridge St Reserve is already underway. The next phase - which will see the removal of the derelict fountain structure and construction of new linkage pathways with associated surround landscaping - is about to commence. Work to further enhance this reserve as a destination reserve, including the provision of public toilets, additional play apparatus and additional facilities for community use, will proceed on a staged basis as funding becomes available.

Walkways/Coastal Access

Council, working alongside the Department of Conservation, has continued to support the Motu Trails Trust in their marketing of the Motu Trails as a Great Ride in the national cycle trails network. This has incorporated trail enhancement works including provision of two new shelters. In conjunction with Whakatāne District Council, a business plan for the proposed cycle trail extension from Ōpōtiki to Whakatāne has been developed and adopted by both Councils. This has been submitted to the Ministry of Business Innovation and Employment for funding from the New Zealand Cycle Trail Enhancement and Extension Fund. The proposed 55km trail will generally follow the coastline between Ōpōtiki and the Whakatāne River mouth. The extension will build on the success of the existing Dunes Trail and the coastal riding experience, providing a unique coastal, cultural and conservation experience. It will provide a safe linkage between the communities of Ōpōtiki, Waiōtahe, Ōhiwa, Kutarere, Ōhope and Whakatāne as well as other smaller settlements on the way. It will be directly accessible by five popular campgrounds including some of NZ's most popular beaches complementing the growing package of visitor experiences provided in the district.

Animal Control

This year 1,591 dogs were registered, the highest number of dogs ever registered in a financial year. New initiatives have improved registration rates, particularly around the Te Kaha area, and more dogs have been rehomed from the pound. There has been a significant decline in the number of Pitbulls and other menacing breeds being impounded as a result of Council's decision to fund de-sexing programmes for dangerous and menacing dogs. It means more of the dogs impounded are suitable for rehoming. We are also adopting dogs out through the SPCA who advertise available dogs on their website. Dogs have been rehomed from our pound to Invercargill, Auckland, Thames, Christchurch and Wellington this year. Our communities perception of the service continues to improve with an increase in the number of people that were very/fairly satisfied with Animal Control recorded during the Council's annual customer satisfaction survey.

Building Control Authority

135 building consents were received during this financial year, representing a 25% decrease when compared to the previous financial year. However, the number of consents received in the previous financial year was unusually high. Western Bay of Plenty District Council (WBOP) has agreed to process consents on our behalf where required and are also providing officers to assist with site inspections. We are working closely with WBOP to improve our resilience and ability to respond to spikes in application numbers. This relationship is also assisting us to fill any gaps in technical knowledge that may arise in a small team. We will continue to monitor application numbers and if the trend continues to rise then consideration will be given to recruiting additional members of staff.

The International Accreditation New Zealand (IANZ) accreditation inspection was carried out in August 2018 and several non-compliances were highlighted. These were all addressed before the end of December and a letter has been received confirming the Council's continued accreditation. A follow-up visit from IANZ inspectors was carried out in May and a further twelve general non-compliances were identified. Officers are working through this and expect them to be clear by August 2019.

Food Control

The number of food premises registered within the district has increased to 64. All food premises, operating under food control plan templates, were inspected during the financial year. Our inspectors are reporting continued improvement in operating practices and compliance with the Food Act requirements. 32 (50%) of businesses within the district have received an acceptable outcome following their initial visit. 8 of those businesses received two acceptable consecutive outcomes, resulting in the frequency of verification visits being reduced. We expect that more businesses will have the frequency of verification visits reduced following their next inspection as practice and compliance improves.

Inspections and verification of food control plan templates for food businesses are currently carried out by consultants. The consultants carry out the work over a week every 6-8 weeks.

Resource Consents

During 2018/19 a total of 54 resource consent applications were received and processed within set timeframes. This is a slight increase from the number received in the last financial year. We also received and dealt with 487 enquiries relating to resource consents in 2018/19.

RAPID numbering

The project has progressed well with all properties to the west and south of Ōpōtiki Township having been given new RAPID numbers leaving the properties of State Highway 35 to be done in the 2019/20 financial year.

District Plan

The district plan appeal matters have been agreed by parties after court assisted mediation and the consent orders are in the process of being drafted and signed off accordingly. This means we should see a fully operative District plan in the coming months that sets a refreshed blueprint for the protection and development of our district.

Staffing

Council employed 18 new staff during the 12 months including an applicant who moved from Australia back home to New Zealand. While the majority of these were full-time permanent roles, some were part-time and fixed-term to meet business needs.

Recruitment in the Engineering area has been challenging with the applicants either not meeting the minimum criteria, or we have not been able to meet remuneration expectations.

The changes to health and safety legislation require us to take a much more pro-active approach to managing health and safety obligations and in particular risk. To support Council to meet these requirements we have been implementing a new health and safety information management system SHE Assure. The SHE Assure system is user-focused and flexible so it can be adapted for our particular needs.

Investment in Evolution Networks

In October 2016 Council purchased a 30% shareholding in Evolution Networks Limited, a local wireless internet provider, to help provide better connectivity to our communities and the wider Eastern Bay of Plenty. Many parts of our district have little to no connectivity or cell phone coverage.

Council has limited income sources - funding mainly comes from rates. Investing in Evolution Networks (a company that spans across the Eastern Bay of Plenty) means that the company and the Council can get income from outside the district, effectively subsidising Ōpōtiki ratepayers. Every internet connection in the District that is new, or moved from another provider to Evolution Networks, is money staying in our district. Every Evolution Networks internet connection outside of the district is money coming into Ōpōtiki.

This year the company was successful in winning a tender with Central Government to roll out a number of new towers across the Eastern Bay of Plenty. This is part of the Rural Broadband Initiative (RBI) managed by Crown Infrastructure Partners. It's a significant win for the company and the community as it effectively subsidises the tower builds in Ōpōtiki. When Evolution Networks first started, those that wanted connectivity needed to co-fund the build of the towers. Now, with government money, this no longer needs to happen so the roll out of high speed internet to the community should speed up

Significant upgrades to existing infrastructure were undertaken as part of the project, and new towers were built as part of this contract in the following areas:

- Two new towers built in Te Kaha
- Upgrades to the Omaio tower including additional solar and power equipment
- A new tower in Ōhope, along with an upgrade to the existing tower
- An upgrade to the equipment on Kohi Point, Fraser Road, and Stanley A
- New software and a reconfiguration of the entire network to enable considerable growth

5 Year Financial Summary

FIVE YEAR FINANCIAL SUMMARY

For the year to 30 June:

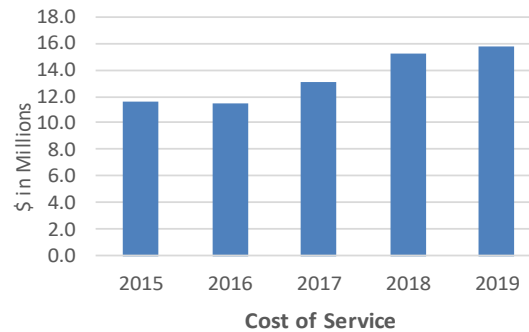
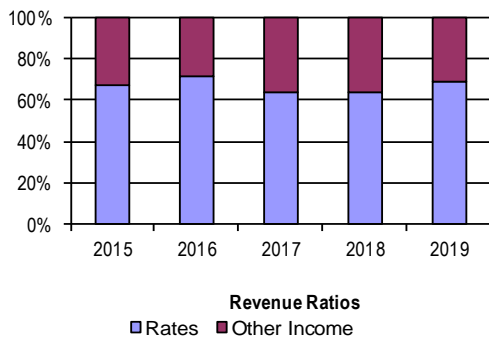
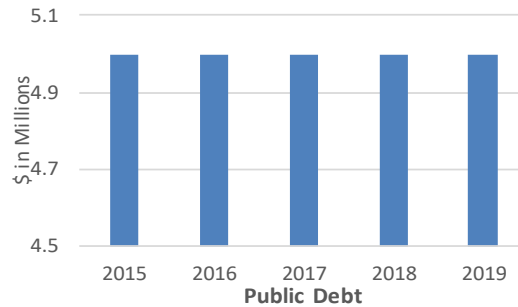
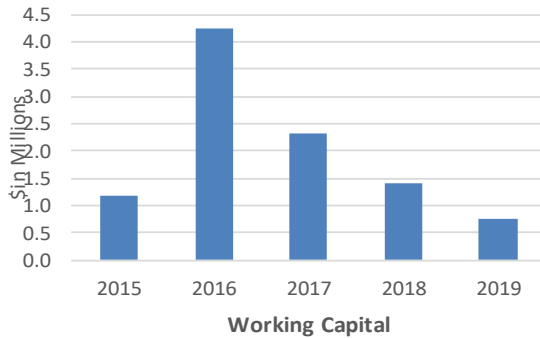
	2015 \$000	2016 \$000	2017 \$000	2018 \$000	2019 \$000
Income Statement					
Rates (including penalties)	8,896	9,850	10,207	10,576	10,998
Other income	4,264	3,848	5,869	5,959	5,011
	13,160	13,698	16,076	16,535	16,009
Cost of services	11,568	11,526	13,091	15,158	15,732
Net surplus/(deficit)	1,592	2,172	2,985	1,377	277

Financial Position

Current assets	6,366	8,159	8,769	7,124	4,816
Current liabilities	5,199	3,919	6,443	5,724	4,062
Working capital	1,167	4,240	2,326	1,400	754
Non current assets	181,862	182,421	185,528	205,287	207,661
	183,029	186,661	187,854	206,687	208,415
Non current liabilities	3,679	5,139	3,134	3,634	5,079
Net assets	179,350	181,522	184,720	203,053	203,336

Financed by:

Ratepayers equity	128,079	127,971	131,185	132,122	135,596
Reserves	51,271	53,552	53,535	70,931	67,740
	179,350	181,522	184,720	203,053	203,336



* 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 is focused on keeping levels of debt as low as possible before the two large capital expenditure projects of the harbour and wastewater replacement begin. There is always a lot of public scrutiny on Council debt levels nationally, and there are a number of 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 Council's ability to meet its financial obligations.

It does need to be mentioned that the appropriate utilisation of debt means that rates increases can be managed more effectively over a longer term. Take for example Council undertaking a capital project costing \$100,000. This represents over a 1% increase in rates. But if it was funded by borrowing, then the impact on rates would be 0.1% of rates, meaning we could undertake \$1,000,000 worth of projects for the same rating impact of one \$100,000 project. The use of debt also helps smooth rate increases out between years, by spreading the impact of a large capital project over a number of rating years. This reduces the lumpiness and rate increases of big projects.

Whilst debt is crucial to ensuring the Council is managing its assets appropriately, it also plays a significant role in ensuring that Council meets the service level needs of its community. Where there are new requirements for services driven by growth, Council needs to be able to respond to these needs. Debt is the appropriate tool to fund this response as the cost is spread over a long period. This promotes the term intergenerational equity. Intergenerational equity is a term used widely in Local Government because the assets we tend to build last many generations. Sometimes three or more generations. It is fair that the cost of the future benefit received by future generations is paid by future generations. Otherwise it would be the "now" generation paying for the benefit that those in the future would receive.

2018/19 Performance Overview

Overall Council has achieved an operating surplus of \$0.277 million for the year against a budgeted surplus of \$2.15 million.

Operating revenue is \$0.424 million lower than budgeted for the year mainly due to subsidies and grants received being significantly lower as we did not receive funding for the Ōpōtiki-Ōhiwa Cycleway and Rose Garden development projects, and which have been delayed as we continue to source external co-funding.

Fees and charges revenue was \$134k lower than budget due to a reclassification of rental revenue from fees and charges to other revenue. Regulatory fee income was otherwise higher than budget. Other revenue is \$346k higher than budgeted because of this and an increase in the fair value of investment property.

Finance revenue is less than budget \$38k due to (historically low) interest rates, and Council using available cash as much as possible before raising external debt. Conversely, finance costs are underspent due to low interest rates and the delay in completing a number of debt funded capital projects.

Other operating expenditure is \$1.5 million higher than budget for the year due mostly as a result of costs related to wastewater rehabilitation works, some of which was undertaken on private property (and therefore could not be capitalised). Over expenditure also occurred in solid waste and in regulatory. More information about variances in operational expenditure is available at an activity level in the following activity statements.

Depreciation and amortisation is \$494k higher than budgeted due to the significant increase in the value of our waters and roading network assets following the revaluation as of 1 July 2017.

Employee benefit costs are lower than budget by \$499k due to a number of budgeted roles not being filled, and those that were filled were done part way through the year, where budget was allocated for the full year.

Financial Reporting and Prudence

Annual report disclosure statement for year ending 30 June 2019

What is the purpose of this statement?

The purpose of this statement is to disclose the council’s financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of the terms used in this statement.

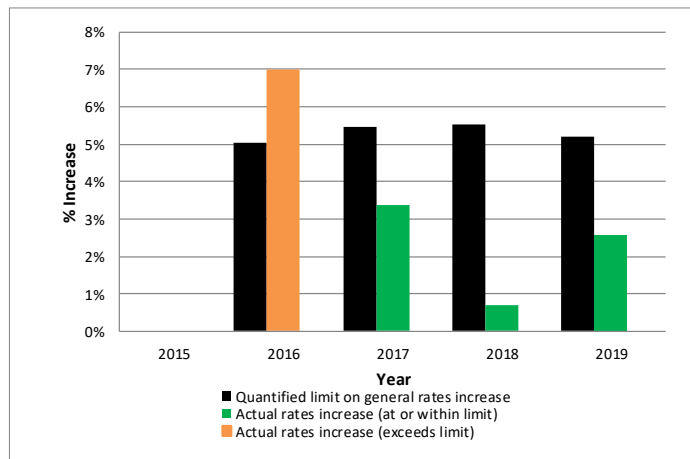
Rates Affordability Benchmark

The council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

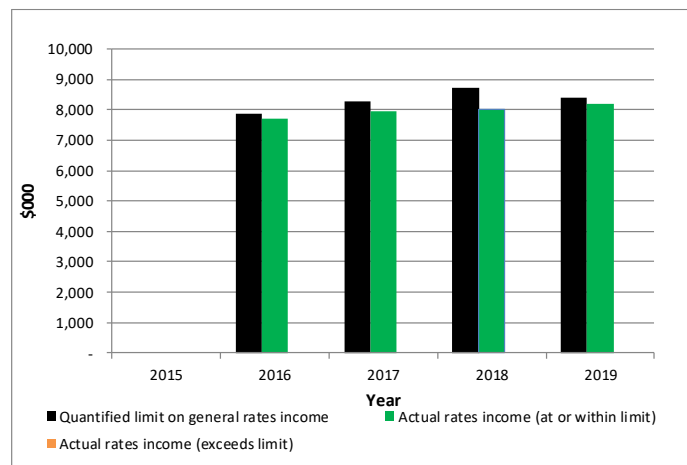
Rates (increases) Affordability Benchmark – General Rates

The following graph compares the council's actual general rates increases with a quantified limit on general rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is LGCI plus 3%.



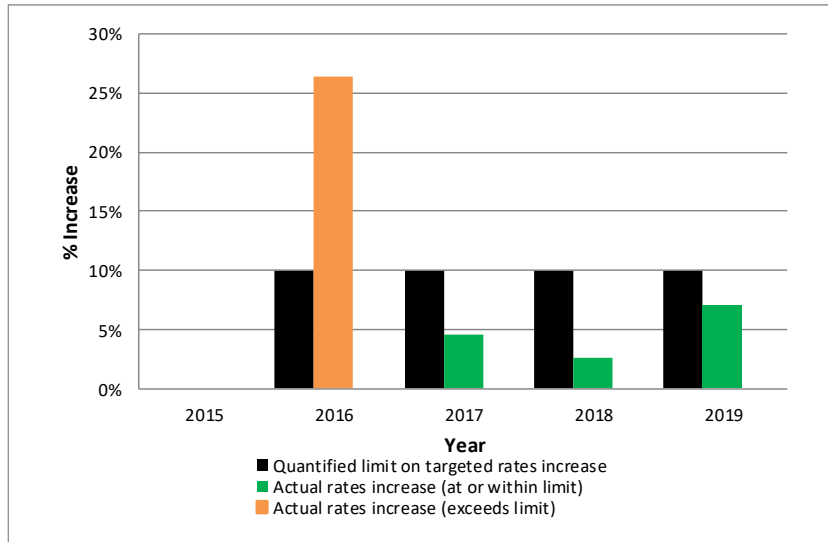
Rates (Income) Affordability Benchmark – General Rates

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



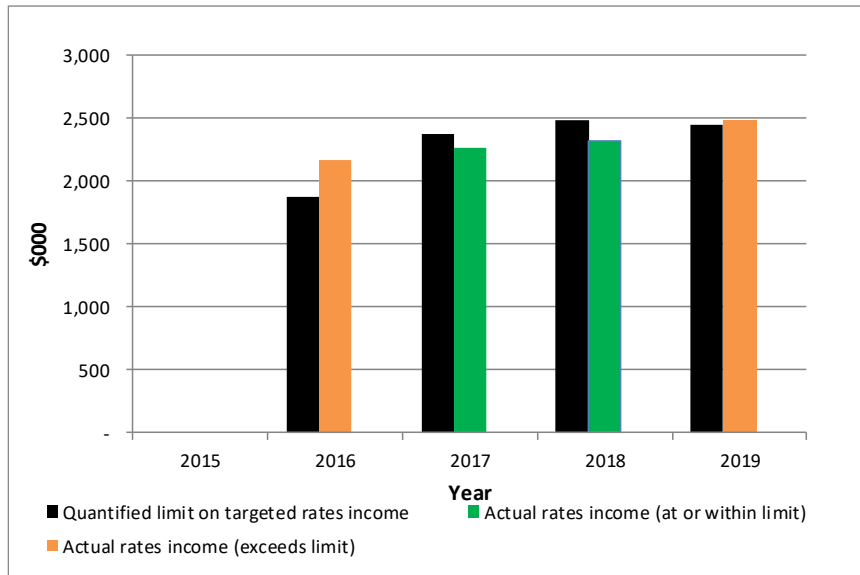
Rates (increases) Affordability Benchmark – Targeted Rates

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



Rates (Income) Affordability Benchmark – Targeted Rates

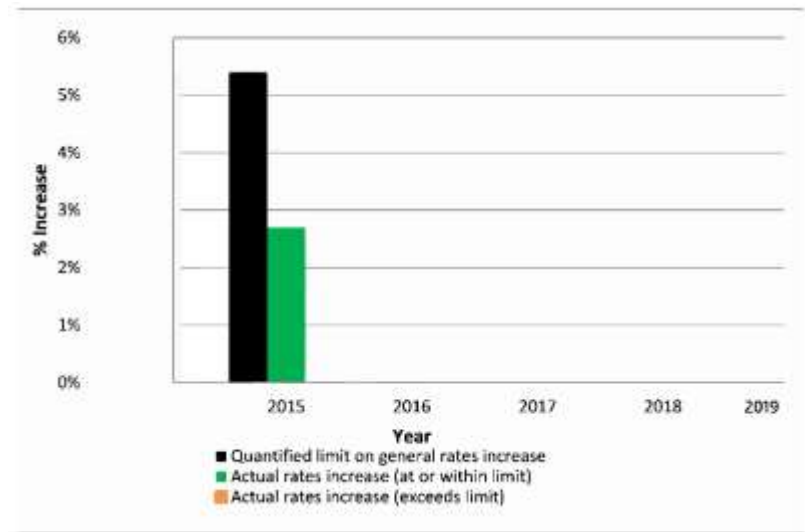
The following graph compares the council's targeted rates income with a quantified limit on targeted rates contained in the financial strategy included in the council's long-term plan. The quantified limit is prior year targeted rates plus 10%.



Rates (Increases) Affordability Benchmark – Total Rates

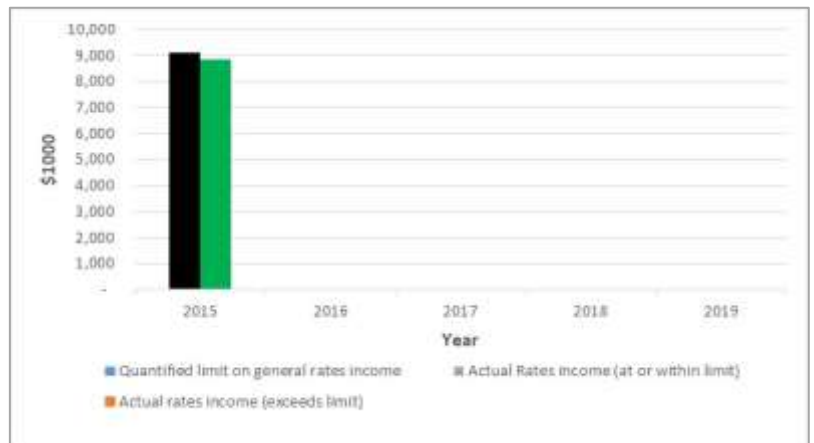
The following graph compares the council's actual total rates increases with a quantified limit on total rates increases contained in the financial strategy included in the council's 2012-22 long-term plan. The quantified limit is 5.40%. This limit was amended in the 2015-25 Long Term Plan, and two separate limits have been created on general and targeted rates.

We have included this graph to complete the picture of financial prudence in previous years.



Rates (Income) Affordability Benchmark – Total Rates

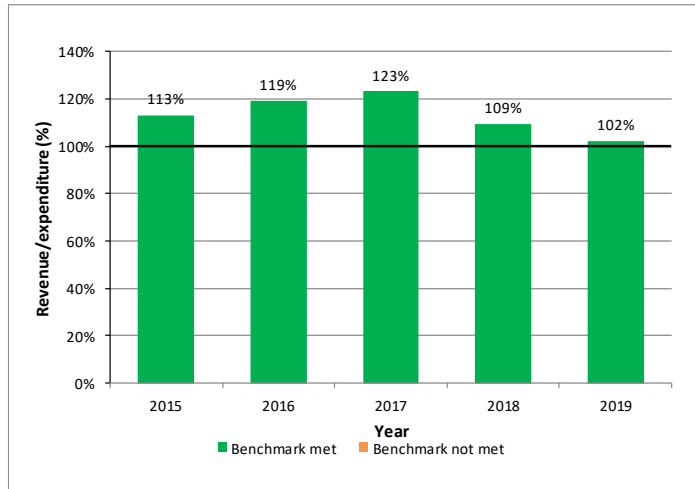
The following graph compares the council's actual total rates income with a quantified limit on total rates income contained in the financial strategy included in the council's 2012-22 Long-Term Plan. In the 2015-25 Long Term Plan the limits on rates were split between General and Targeted Rates, we have included this graph to complete the picture of financial prudence over prior years.



Balanced Budget Benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

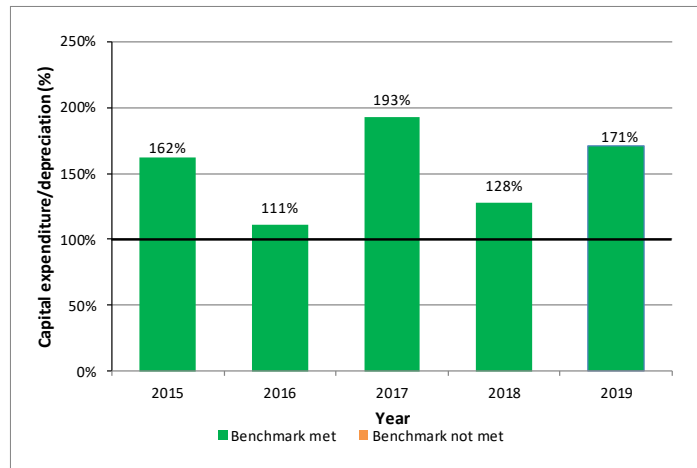
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential Services Benchmark

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

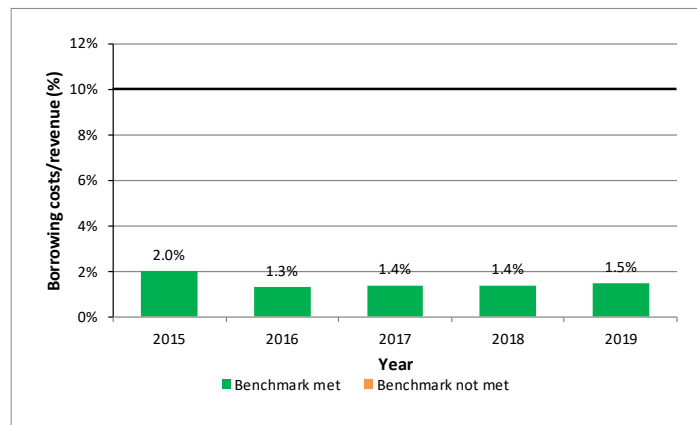
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financials and revaluations of property, plant and equipment

Because Statistics New Zealand projects the district's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

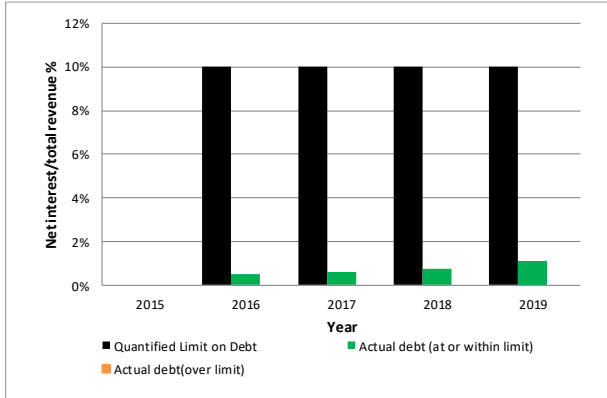


Debt Affordability Benchmark

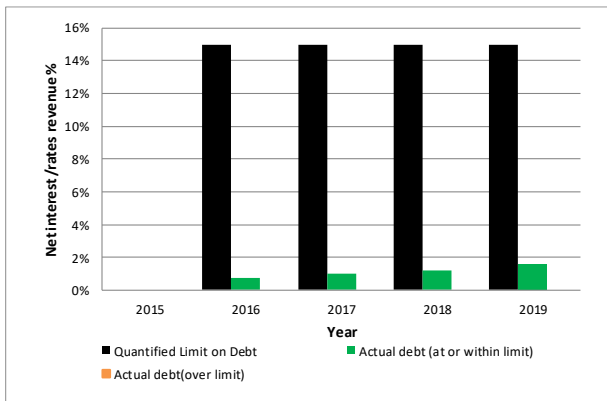
The Council meets the debt affordability benchmark if its borrowings are within each quantified limit on borrowing. The following graphs compare the Council's actual debt with the quantified limits on borrowing contained in the financial strategy included in the long term plan.

The quantified limits are:

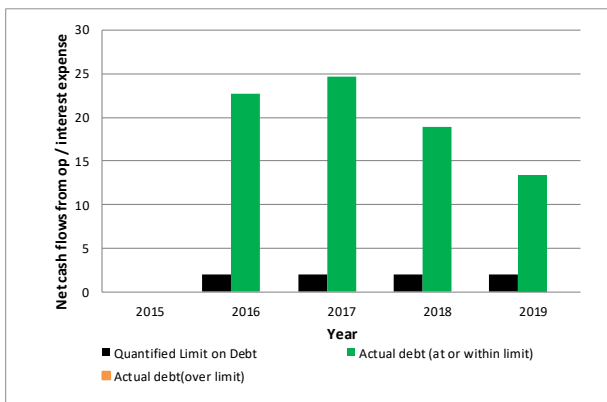
Net interest expense/total revenue less than or equal to 10%



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



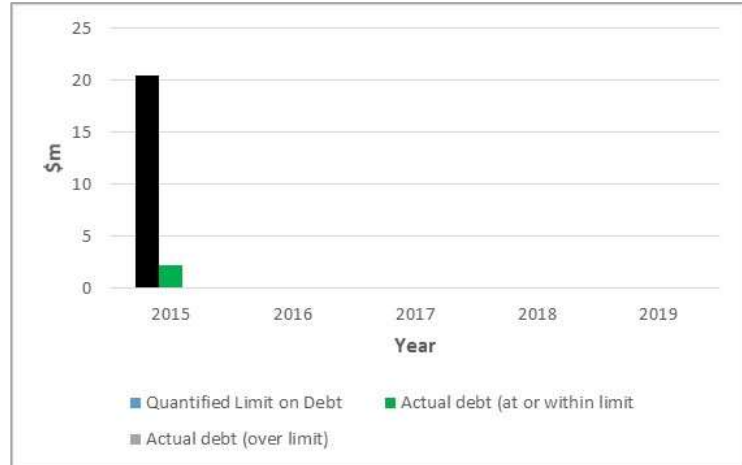
Net cash flows from operating/interest expense greater than or equal to 2



Debt Affordability Benchmark

The council meets the debt affordability benchmarks if its actual borrowings are within each quantified limit on borrowing. The following graphs compare the council's actual borrowings with a quantified limit on borrowing stated in the financial strategy included in the council's 2012-22 Long-Term Plan.

The quantified limit was net debt will be less than \$20.5 million. This limit was changed in the 2015-25 Long Term Plan to be based upon ability to service the debt as a more accurate reflection of financial prudence. We have included this graph to complete the picture of financial prudence in prior years.

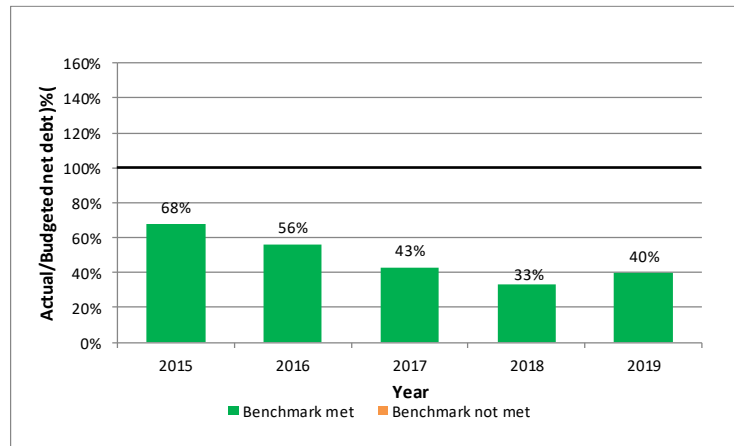


Debt Control Benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt.

In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables).

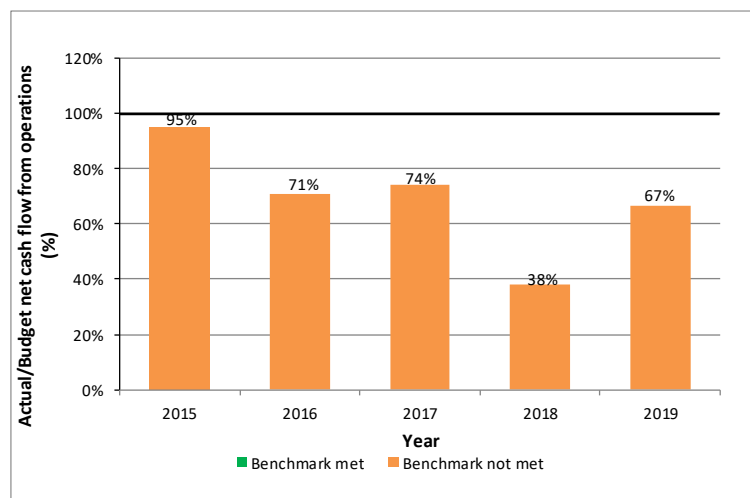
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



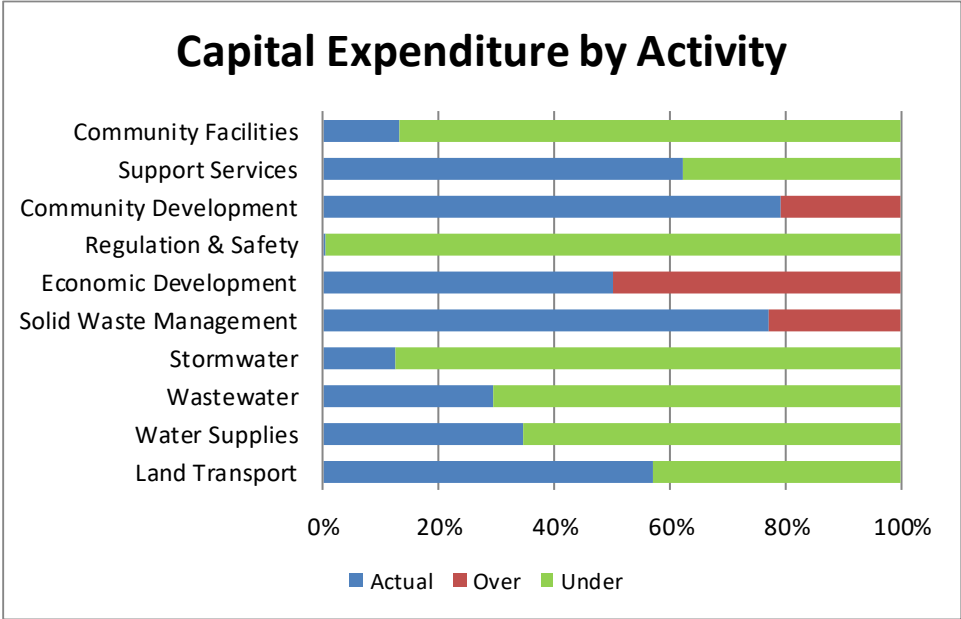
Operations Control Benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Capital Expenditure 30 June 2019



Community Facilities - This activity is under budget due to a number of projects that have not progressed yet including library development, cycleway extensions and coastal infrastructure (reliant on external funding) and Mechanics Institute (slowed due to consenting processes).

Support Services - The property file digitisation project has not been started due to a reprioritisation of projects and organisational readiness to proceed.

Regulation & Safety - The rebuilding of the animal shelter was budgeted in 18/19 for \$113K but initial draft and design only started at the end of the financial year

Community Development - This activity is over budget by \$7k as we extended the CCTV network to cover the pound area and performed system and battery upgrades.

Economic Development – Over budget due to delays in receiving grant funding.

Solid Waste Management– This activity is over budget due to the roll out of the new urban kerbside collection service and the increase in refuse due to unrecyclable plastics and timber.

Stormwater - Complexities in stormwater project investigations have caused delays with the progression of a number of key projects. The unexpected renewals budget did not need to be used as we had no significant failures.

Wastewater - The wastewater reticulation project is progressing ahead of schedule and under budget. We are already seeing significant improvements to service levels within the network. We have brought forward some of the works in the hope that we can complete the entire project earlier. The unexpected renewals budget did not need to be used as we had no significant failures.

Water Supplies - This activity is under budget due to project delays including the Ōpōtiki resilience projects. The unexpected renewals budget did not need to be used as we had no significant failures.

Land Transport - No seal extensions were carried out during the year as there were no requests. There was no significant storm damage. Some upgrade and seal work relating to economic development has not progressed.

Council Organisation



Council Values

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 aria kia kitea ai e te iwi whanui a, kia mohiotia a matou mahinga me nga tutukitanga me te whakaae ano mo aua kawenga.

Fairness and Equity

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

Tokeke me te Ture o te Tika

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

Achievements Orientated

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

Whakatutukitanga Whakawaiatanga

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

Relationships

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

Tikanga Tutohungatanga

Ka manako matou i te wahi motuhake o te Tangata Whenua i roto i te iwi whanui a me te whakarite ano i nga kitenga rereketanga, me nga uaratanga o to tatou iwi whanui.

Satisfying Expectations

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

Tumanako Manawareka

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

Council's vision for the district is:

'STRONG COMMUNITY STRONG FUTURE'

Representation



Mayor John Forbes - DISTRICT

PH Home 07 315 7362
Mobile 029 255 7702
johnf@odc.govt.nz



Deputy Mayor Lyn Riesterer - WAIOEKA/WAIOTAHE

PH Home 07 315 6627
Mobile 021 160 2040
lyn@driftwooddreamers.com



Councillor/Coast Community Board Chair Haki McRoberts - COAST

Mobile 027 668 6683
PH & FAX 07 325 2833
mcroberts833@gmail.com



Councillor Shona Browne – ŌPŌTIKI

PH Home 07 315 7347
Mobile 027 477 3761
shonab@xtra.co.nz



Councillor Barry Howe - ŌPŌTIKI

PH Home 07 315 6003
PH Work 07 315 6335 or 027 315 6345
bazzshazz@xtra.co.nz



Councillor Arihia Tuoro - ŌPŌTIKI

Mobile 027 274 2268
arihiatuoro@gmail.com



Councillor Ken Young - WAIOEKA/WAIOTAHE

PH Home 07 315 7919
Mobile 027 245 8690
kw.young@xtra.co.nz

Organisational Structure

Council



Aileen Lawrie - CEO

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



Bevan Gray - Finance and Corporate Services Group Manager

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



Gerard McCormack - Planning and Regulatory Group Manager

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



Ari Erickson - Engineering and Services Group Manager

Consultancy BU, Solid Waste, Roading, Rural Fire, Sewerage, Stormwater, Water Supply, Parks, Reserves, Airport, Cemetery.

Priorities for Council Action

Economic Growth

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

Quality of Life

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

Strong Community Spirit

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

Environmental Quality

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

EEO Report

The Ōpōtiki District Council acknowledges the benefit to both employees, Council and its customers that result from equal opportunity in employment of new personnel. Council is committed to the principles of equal opportunity in recruitment, employment, training and promotion of its employees.

Objectives

- To promote people on the basis of merit and/or skill, ability and qualifications
- To ensure criteria for recruitment relate to the skills and experience necessary for the job.

Outcomes

- All appointments made on merit
- The recruitment criteria used were related to the skill and experience necessary for the job.

Governance and Structure

The governance model under the Local Government Act 2002 is representative democracy. The community elects individuals to make judgements on behalf of the community about what will promote community well-being. Although the model is one of representative democracy, there are strong elements of citizen participation.

There are three elements to governance under the Act. They are:

- representing the community
- setting policy
- monitoring and review.

Representing the Community

An elected member is elected by the electors of a particular ward/constituency to represent those electors, but all elected members are required to act in the interests of the city or district or region as a whole.

Setting Policy

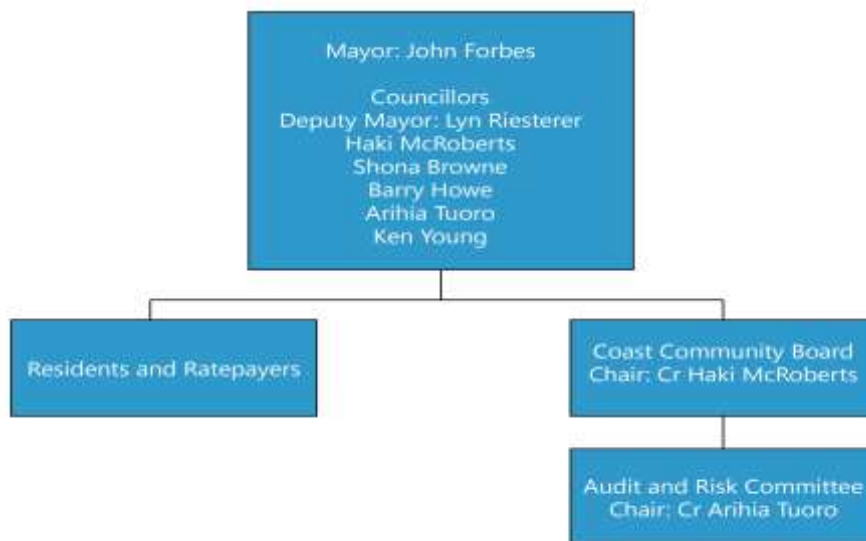
The policy setting role involves deciding what the local authority should be doing, i.e. what activities should the local authority engage in and why, what regulatory intervention should the local authority make and why etc. This policy setting takes place within a framework of:

- things the local authority is prohibited from doing by law (examples from the Act include charging a membership fee for a library, or selling water and sewage disposal assets to the private sector)
- things the local authority must do by law (e.g. Local authorities must prepare a district plan or regional policy statement)
- community needs and preferences.

Monitoring and Review

The third governance role is monitoring and review. These may seem like synonyms, but in fact they are not. Monitoring involves evaluating a policy or performance during a particular project. Review is about evaluating performance at a predetermined time.

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



Purpose of Committees

Council (meets six weekly on a Tuesday at 9.00am – Chair: His Worship the Mayor)

Full Council meet on a six weekly cycle on a Tuesday. Meetings begin at 9:00am. Council meetings are chaired by His Worship the Mayor. Regular Council meetings are necessary to enable Council to discharge its Governance Role of representation, policy development and monitoring and review.

Coast Community Board (meets 6 weekly). Committee resolves and/or recommends solutions pertaining to the Coast ward.

Coast Community Board Members:

Chairperson Haki McRoberts

Allen Waenga

Michael (Spike) Collier

Tiaki (Jack) Parata

Gail Keepa

Audit and Risk Committee (meets as required – Chair: Cr Arihia Tuoro). The role of the Audit Committee is to review the operation of internal controls, monitoring and guidance of Council's response to Audit processes, providing input in to financial reporting, accounting policies, risk management and undertaking any investigations in to any alleged fraudulent activity.

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

At the Inaugural Ordinary Council meeting dated 31 October 2016 the following appointments were approved for the 2016-2019 Triennium.

Council committees

Audit and Risk

2016-2019 Triennium

Member 1: Cr Tuoro (Chairperson)

Member 2: Cr Young

Ex Officio: Mayor Forbes

External member: David Love

Hearings Committee – Dog Control

Member 1: Cr Young

Member 2: Cr McRoberts

Member 3: Cr Browne

Member 4: Cr Howe

Committee to elect Chairperson at first meeting

Internal working parties/groups

Sewerage Upgrade Steering Group

Mayor Forbes

Cr Howe

Cr Browne

Cr Tuoro

Property Working Party

Cr Young

Cr Brown

Library Fundraising Working Party

Deputy Mayor Riesterer

Cr Brown

Joint Committees

Eastern Bay of Plenty Joint Committee

Regional Transport Committee

Civil Defence Emergency Management Group
Joint Committee

Eastern Bay Road Safety Committee

External Organisation

Creative Communities New Zealand (two required)

CAO Pool Administration Committee (one required)

Waioeka-Otara Flood Scheme Liaison Group
(two required)

Ōhiwa Harbour Implementation Forum
(two required)

Ōpōtiki Marine Advisory Group (OMAG)
(two required)

Ōpōtiki Theatre Trust

Sport NZ Rural Travel Fund

2016-2019 Triennium

Mayor Forbes
Deputy Mayor Riesterer

Mayor Forbes
Reserve: Cr Young

Mayor Forbes
Reserve: Cr Browne

Cr McRoberts

Deputy Mayor Riesterer
Cr Browne

Cr Howe

Cr Young
Cr Tuoro

Deputy Mayor Riesterer
Reserve: Cr Young

Mayor Forbes
Cr Howe
Cr Browne

Cr Browne

Cr Howe



Council Activities and Performance

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




Activity groups



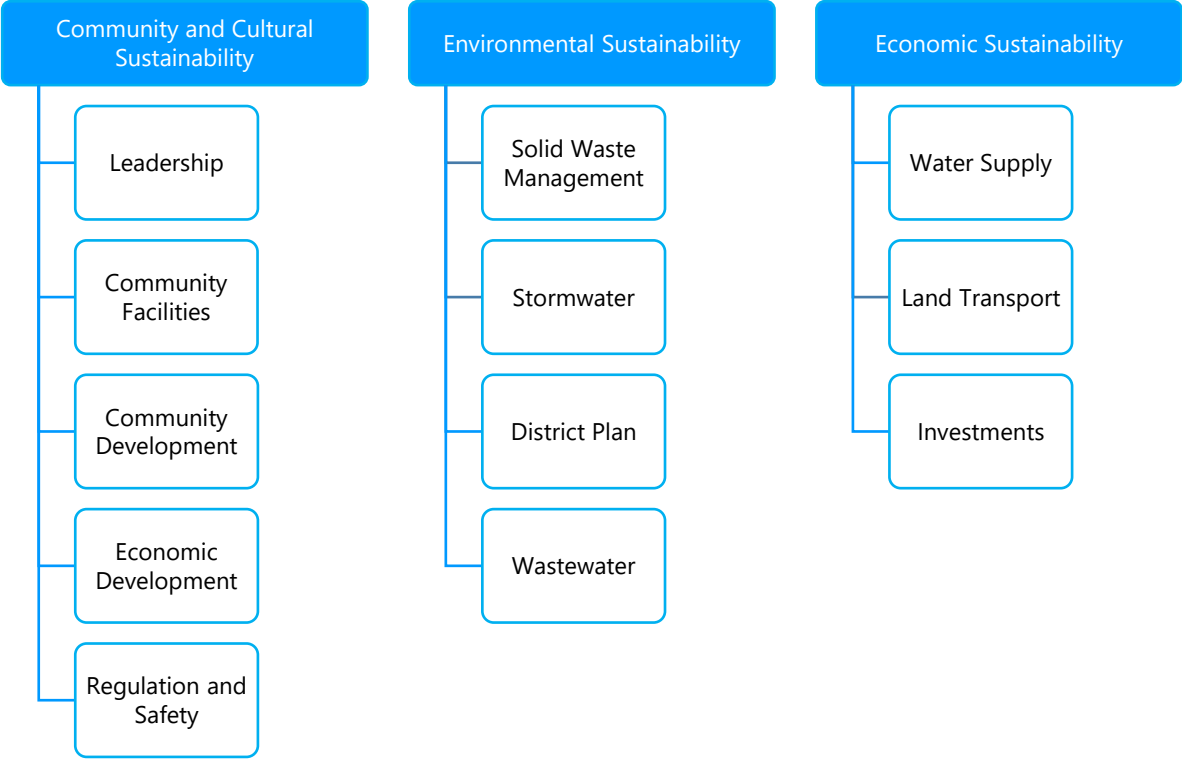
A guide to the groups of activities

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 clearly show at a glance which Key Performance Indicators have been achieved and which haven't.

-  Green for achieved
-  Red for not achieved
-  Blue if no target was set/required for 2018/19 year

Council groups of activities



What we do and why

This section gives a brief description of the activity that the Council provides and discusses the reason for providing the particular 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 2018/19 year. For each Activity the following financial information is provided:

- Funding Impact Statement
- Statement of Capital expenditure
- Statement of Internal borrowing.

Community and Cultural Sustainability

Why we provide this group of activities:

The group of activities promotes outcomes that help build a strong and cohesive community within the Ōpōtiki District. Council provides a range of services and facilities to the various communities in the Ōpōtiki District in order to achieve this.

Significant activities in this group:

Leadership, Community Facilities, Community Development, Economic Development, Regulation and Safety.

Leadership

What we do and why:

This activity includes the preparation of advice, strategies and policies to inform Council decision making. It includes the development of statutory and non-statutory policies, plans and reports, and the facilitation of community input to decision making.

Opportunities for Maori to contribute to our decision making process

Council works to maintain and enhance mutually beneficial relationships with Tangata Whenua so that their views are represented both directly and indirectly through Council forums. Engaging with Tangata Whenua also provides both parties with an opportunity to identify and address issues of mutual concern and encourages involvement in democracy. Council encourages and partners with Iwi in special projects.

This significant activity is important to enable Council to discharge its statutory role as well as ensure that it is satisfactorily discharging its governance role by accurately reflecting community needs and desires in decision making processes.




This significant activity includes:

Representation, Strategic Planning and Policy Development, Cultural Liaison, Monitoring and Reporting.

Community Outcomes	How This Activity Contributes
Fair and efficient leadership.	To ensure effective and fair community representation and support and that policies and plans are integrated and wherever possible reflect the views of the wider community and stakeholders.
A strong and distinctive community spirit.	

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

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Council will provide leadership that is visionary, community focused, efficient and inclusive.	Community satisfaction with Council leadership.	55%	70%	83%	Achieved. 83% rated the performance of the Mayor and Councillors as very/fairly good or acceptable. Result shows a large increase from the 2017-18 year due to 'just acceptable' satisfaction being included.	
	Decision making in compliance with the Local Government Act 2002.	No successful challenges to Council decision making process	No successful challenges to Council decision making process	No successful challenges to Council decision making process	Achieved.	
	Level of community satisfaction with the opportunities to participate in decision making.	New measure	50%	59%	Achieved. 59% of residents feel they have the opportunity to be involved and participate in the way Council makes decisions.	

Funding Impact Statement

Ōpōtiki District Council - Leadership Activity

Funding Impact Statement for 30 June 2019

Sources of operating funding

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
General rates, uniform annual general charge, rates penalties	802	968	994
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	2	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	2	-
Total operating funding (A)	802	972	994

Applications of operating funding

Payment to staff and suppliers	670	791	748
Finance costs	2	-	-
Internal charges and overheads applied	130	181	209
Other operating funding applications	-	-	-
Total applications of operating funding (B)	802	972	957

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

-	-	37
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Sources of capital funding

Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	15	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	15	-	-

Application of capital funding

Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	15	-	37
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	15	-	37

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

-	-	(37)
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Funding balance ((A - B) + (C - D))

-	-	-
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Community Facilities

What we do and why:

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



This significant activity includes:



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


Community Outcomes	How This Activity Contributes
Development and protection of the natural environment	The Council will provide quality parks and recreation facilities that meet community expectations for outdoor recreation, a pleasant townscape, protection of the environment and access to the coast.
A strong and distinctive community spirit	
History and culture is treasured	Ensure that amenity facilities are maintained to a high standard for the residents and visitors to the Ōpōtiki District. Library services that inspire learning and celebration of our culture.
Services and facilities meet our needs	


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

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Planned development of quality parks and recreation facilities.	Complete planning for the development of key recreation reserves.	New measure	Development plans complete for Rose Garden reserve, Te Ahiaua (Waiōtahe Domain), Hukuwai Beach, Hukutaia Domain	Development plans not completed.	Not achieved. The comprehensive reserves management plans which include those for Rose Garden Reserve, Te Ahiaua (Waiōtahe Domain), Hukuwai Beach and Hukutaia Domain, are completed to a draft standard, requiring additional work to finalise the details.	
High quality parks and recreation facilities provided and accessible to the community.	% of community satisfied with the provision of recreation facilities in annual surveys.	69%	80%	70%	Not achieved. 70% rated satisfaction with recreation facilities as very or fairly satisfied. This result is steadily improving with the appointment of new staff and upgrade projects underway.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Playgrounds comply with NZS 5828 (2015).	% of play equipment compliant with NZS 5828 or relevant standard. N.B The NZS 5828 standard is intended to promote and encourage the provision and use of playgrounds that are well designed, well-constructed, well maintained, innovative and challenging.	84%	70%	84%	Achieved. Last audit undertaken in 2017-18. Audits are completed every two years. Next one due 2019-20. Play equipment was above standard at last audit.	
Public toilets are clean, safe and operational.	Public toilets are compliant, functional and clean.	New measure	Customer requests and complaints responded to within 4 hours.	Customer requests and complaints not responded to within 4 hours.	Not achieved. 89% of customer requests and complaints were responded to within 4 hours. 29 requests received in the 1 July 2018 to 30 June 2019 period. 26 responded to within 4 hours and 3 responded to over 4 hours.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Cemeteries maintained to a high standard; accurate records maintained and accessible.	% of community satisfied with the provision of cemetery services, maintenance and records.	69%	80%	71%	Not achieved. 71% rated satisfaction with cemeteries as very or fairly satisfied. Council have implemented a reviewed and amended maintenance programme of both cemeteries and hope to see a higher level of satisfaction in future resulting from these changes.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
<p>Provision of a comprehensive community library service for the community.</p>	<p>% of the community satisfied with the library facility and service.</p>	<p>76%</p>	<p>80%</p>	<p>74%</p>	<p>Not achieved. 74% rated satisfaction with library facilities and service as very or fairly satisfied. In late September 2018, Council's library service was forced to move into temporary premises due to mould issues and a leaking roof in the old building. The temporary premises are smaller with fewer books on display, and events once held in the library have had to move to other venues. These factors would account for the increase in dissatisfaction. Council is confident this trend will be reversed once the library moves to new, permanent premises and Council is progressing with plans for full scale redevelopment.</p>	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
	Number of library facilitated programmes per year.	>15	6	16	Achieved. PechaKucha x4; Arts on Tour x3; Book Group (adult) x4; Book Club (tween) x1; Genealogy Group; Science in a Van; School Holiday Programmes x 2.	

Internal Borrowing

Internal borrowing for Community Facilities activity

	Opening Balance 1/07/2018 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2019 \$ 000's	Interest 2019 \$ 000's
Cemeteries	12	3	0	15	1
Cycle Way	458	20	2	477	23
District Library	-	45	0	45	1
Parks & Reserves	91	88	3	176	6
Playgrounds	11	3	0	13	1
Property	2,216	241	13	2,444	113
Public Toilets	52	99	1	150	5
Total	2,840	499	20	3,319	150

Capital Expenditure

Capital expenditure project for Community Facilities activity

	Actuals 2019 000's	LTP 2019 000's
- to meet additional demand		
Additional office space to accommodate new staff	187	-
CBD Integration with Harbour Environment	-	200
Ōpōtiki - Waiōtahe Beach -Ōhiwa	20	1,007
Recreation enhancement - Memorial Park	-	20
Reserves Improvements 2019	4	-
Reserves Management Plans	16	-
Asset Management Plans Parks	22	-
Coastal Reserves Tourism Infrastructure	-	500
- to meet additional demand Total	250	1,727
- to improve the level of service		
Hukutaia Domain - 2018 Centenary Project	26	60
Library Relocation Costs	43	-
New Technology and Research Centre	2	-
Pakowhai Bridge Lighting	3	-
Redevelopment of Mechanics Institute	13	1,500
Rose Garden Renovation	14	250
Tirohanga Military Track	-	195
Trail enhancements	1	30
Church Street Toilet Upgrade	8	-
Wharf Precinct	-	50
10 Potts Ave property refurbishment	-	100
Memorial Park - Drainage & Carpark Upgrade	-	80
- to improve the level of service Total	110	2,265
- to replace existing assets		
Cemetery Improvements	3	-
Earthquake Prone Buildings	41	130
New play equipment	3	80
Parks & Reserves Equipment	2	-
Trail Enhancements - Renewal	4	-
Pipi beds toilet upgrade	212	480
- to replace existing assets Total	264	690
Total capital expenditure	624	4,682

Funding Impact Statement

Ōpōtiki District Council - Community Facilities Activity

Funding Impact Statement for 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	2,028	2,121	2,178
Targeted rates	30	63	60
Subsidies and grants for operating purposes	-	-	-
Fees and charges	228	389	354
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	42	24	39
Total operating funding (A)	2,328	2,597	2,631
Applications of operating funding			
Payment to staff and suppliers	1,229	1,457	1,658
Finance costs	154	76	150
Internal charges and overheads applied	483	668	780
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,866	2,201	2,588
Surplus (deficit) of operating funding (A - B)	462	396	43
Sources of capital funding			
Subsidies and grants for capital expenditure	-	1,197	178
Development and financial contributions	-	-	-
Increase (decrease) in debt	5	3,111	479
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	5	4,308	657
Application of capital funding			
Capital expenditure			
- to meet additional demand	168	1,727	250
- to improve the level of service	10	2,265	110
- to replace existing assets	47	690	264
Increase (decrease) in reserves	242	22	47
Increase (decrease) in investments	-	-	29
Total applications of capital funding (D)	467	4,704	700
Surplus (deficit) of capital funding (C - D)	(462)	(396)	(43)
Funding balance ((A - B) + (C - D))	-	-	-

Community Development

What we do and Why:

The Community Development Activity is one where Council, in a number of ways, is involved in helping the community help itself. This activity enables the Council to assist the community to work towards community outcomes that on its own it may not be able to achieve. In many ways similar to the Leadership Activity this is about the Council being connected and partnering with its community and other stakeholders within the community in working towards common objectives.




This significant activity includes:

Community Support, including Community Grants and Healthy and Active Communities.

Community Outcomes	How This Activity Contributes
A strong and distinctive community spirit.	To help assist the development of an inclusive community that provides a healthy, safe and friendly place to live, work and visit.
History and culture is treasured.	
Services and facilities meet our needs.	

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

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Provide assistance for community support activities.	Grants for the maintenance of the 22 district Urupa will be distributed by 31 December each year.	100%	100%	100%	Achieved. All maintenance grants for the 22 Urupa paid out on 8 November 2018.	
	Memorandum of understandings and administration agreements for community grants are in place.	New measure	100%	100%	Achieved. All decisions for community grants are followed up with Memorandum of Understandings and Agreements.	
Enhance community safety.	Continual expansion to CCTV camera system in town.	New measure	1	100%	Achieved. Upgrade of equipment complete. New Pound camera installed and operational.	

Internal Borrowing

Internal borrowing for Community Development activity

	Opening Balance 1/07/2018	Borrowed	Repaid	Balance 30/06/2019	Interest 2019
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Community Development	122	27	31	118	6
Total	122	27	31	118	6

Capital Expenditure

Capital expenditure project for Community Development activity

	Actuals 2019 000's	LTP 2019 000's
- to improve the level of service		
CCTV camera and internet expansion	27	20
- to improve the level of service Total	27	20
Total capital expenditure	27	20

Funding Impact Statement

Ōpōtiki District Council - Community Development Activity	2018	2019	2019
Funding Impact Statement for 30 June 2019	Long-term plan	Long-term plan	Actual
	(\$000)	(\$000)	(\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	230	297	305
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	36	40
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	3	-
Total operating funding (A)	230	336	345
Applications of operating funding			
Payment to staff and suppliers	146	265	161
Finance costs	-	2	6
Internal charges and overheads applied	84	46	53
Other operating funding applications	-	-	-
Total applications of operating funding (B)	230	313	220
Surplus (deficit) of operating funding (A - B)	-	23	125
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	(4)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	(4)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	20	27
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	3	94
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	-	23	121
Surplus (deficit) of capital funding (C - D)	-	(23)	(125)
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 off shore from Ōpōtiki
- Assist in flood mitigation for the Ōpōtiki Township and surrounding area and
- Achieve a long standing community aspiration and in doing so take a significant step forward to realising the community's vision for the area.



This significant activity includes:





Investigation, promotion and support of new initiatives that contribute growth of the local economy, with a particular focus on tourism and the Ōpōtiki Harbour Transformation Project.





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

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

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Development of the Ōpōtiki Harbour entrance.	<u>BOPRC Funding</u> Comply with all conditions of Regional Infrastructure Fund Heads of Agreement /Funding Agreement as they fall due or renegotiate deadlines.	Not measurable	100%	Not measurable	Heads of Agreement complied with to extent possible without government funding confirmed.	
	<u>Crown Funding</u> Complete funding agreement with Crown.	Not achieved	Funding agreement signed	Not measurable	Working towards a revised proposal with the Ministry of Business Innovation and Employment. A funding agreement would follow a positive Crown decision to fund.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
	Manage the contract for design and construction of the Ōpōtiki Harbour Development Project.	New measure	N/A	N/A	Not applicable as no target set for 2018-19 year.	
Investigate and promote investment in a range of economic development opportunities.	Implement Economic Development Strategy.	Achieved	Review strategy and implementation methods 2018	Achieved	Toi EDA Economic Strategy being considered. Monitoring against this will occur on completion.	
	Maintain a current database of business contacts.	Achieved	Database revised quarterly	Not currently measurable	Database not currently maintained by Council as no staff/resources are available. Council is investigating if this measure can be tied in with the Toi EDA EBOP Economic Strategy or if this measure should be removed at the time of the next Long Term Plan adoption and replaced with a more relevant measure that can be monitored and reported on with accuracy.	
	Communicate regularly with business sector.	Achieved	4 bulletins posted per annum	8 bulletins posted	Achieved.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
	Increase \$ tourism spend.	New measure	Increase in \$ tourism spend over last year	3% increase in tourism spend	Achieved. Ministry of Business Innovation and Employment figures indicate a 3% increase in tourism spend for the district as at 30 June 2019.	
	Facilitate community events.	Seven events	Two events per year	5 events	Achieved.	
	Maintain a current database of tourism sector.	Database revised quarterly	Database revised quarterly	Database revised quarterly	Achieved. Database revised quarterly plus information updated if received via operators.	
	Communicate regularly with tourism contacts.	4 bulletins posted	4 bulletins posted per annum	6 bulletins posted	Achieved. Three events, one general summer, one East Coast famil and two general bulletins posted. Council also sends out a weekly What's On guide that is not included in the result.	

Internal Borrowing

Internal borrowing for Economic Development activity

	Opening Balance 1/07/2018 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2019 \$ 000's	Interest 2019 \$ 000's
Harbour Development	89	241	0	330	10
Tourism Promotion/Visitor Information Centre	12	11	0	22	1
Total	101	251	0	352	11

Capital Expenditure

Capital expenditure project for Economic Development activity

	Actuals 2019 000's	LTP 2019 000's
- to meet additional demand		
Harbour Development Project - Construction	246	-
Harbour Development Project - Project Management	201	-
- to meet additional demand Total	447	-
- to improve the level of service		
I-Site Improvements	11	-
- to improve the level of service Total	11	-
Total capital expenditure	458	-

Funding Impact Statement

Ōpōtiki District Council - Economic Development Activity

Funding Impact Statement for 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	433	718	737
Targeted rates	108	93	94
Subsidies and grants for operating purposes	-	20	219
Fees and charges	17	15	19
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	10	11	16
Total operating funding (A)	568	857	1,085
Applications of operating funding			
Payment to staff and suppliers	260	693	705
Finance costs	71	-	11
Internal charges and overheads applied	227	158	180
Other operating funding applications	-	-	-
Total applications of operating funding (B)	558	851	896
Surplus (deficit) of operating funding (A - B)	10	6	189
Sources of capital funding			
Subsidies and grants for capital expenditure	20,000	-	206
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,214	-	251
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	22,214	-	457
Application of capital funding			
Capital expenditure			
- to meet additional demand	22,223	-	447
- to improve the level of service	-	-	12
- to replace existing assets	-	-	-
Increase (decrease) in reserves	1	6	187
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	22,224	6	646
Surplus (deficit) of capital funding (C - D)	(10)	(6)	(189)
Funding balance ((A - B) + (C - D))	-	-	-

Regulation and Safety

What we do and why:

The Regulation and Safety Significant Activity works towards ensuring a healthy and safe environment for residents and visitors to the Ōpōtiki District. This Significant Activity includes a range of functions that are required of Council by legislation and also the administration of a range of bylaws designed to ensure a health and nuisance free District for residents and visitors alike. Further to the legislative requirements behind many of these services, there is a public expectation that the Council will regulate behaviours in public places in a manner that is in the interest of the community at large. The Regulation and Safety Activity is required to assist in maintaining community safety and to enhance community well-being.



This significant activity includes:




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





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

Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Some could consider that the enforcement nature of the Regulation and Safety Activity infringes on the way of life of residents and ratepayers and the experience that the East Coast has to offer visitors.		✓			Council is required to implement legislation as intended by central government and will wherever possible take a fit for purpose approach in doing so. The health and safety of the community and protection of public and private property must take priority over individual needs and desires. Council will continue to explore opportunities for shared service delivery arrangements with other organisations with a view to ensure that fit for purpose solutions are delivered in the most effective and efficient manner. Wherever possible, costs will be recovered from the applicant or the exacerbator.
The cost associated with monitoring and enforcement may be beyond the community's ability to pay.			✓		

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Council will provide and maintain a quality service to meet statutory requirements and community expectations.	All liquor licences are processed within 15 working days after the receipt of all reports and information required.	100%	100%	100%	Achieved a total of 62 applications were received and all were processed in accordance within the Sale and Supply of Alcohol Act 2012 within 15 working days. Two hearings were carried out during the reporting period.	
	As per Food Act 2014, food premises are checked and verified as their registrations become due.	New measure	100%	100%	Achieved. 46 premises were registered and all have verification visits within the prescribed timeframes.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
	% of known dogs registered within the District (as recorded on the 1st June)	New measure	90%	96%	Achieved. 1591 dogs were registered out of 1663 dogs that are known by the Council to reside in the District. This is the largest number of dogs that has ever been registered in the district in a financial year.	
	All animal control complaints of an aggressive or threatening nature are responded to within 2 hours from receipt of complaint.	New measure	100%	83%	Not achieved. 65 complaints received of an aggressive or threatening nature (15 after hours and 39 within business hours) in the 1 July 2018 to 30 June 2019 period. 54 complaints were responded to within 2 hours and 9 responded to over 2 hours. Council have a new contract in place with our out of hours provider which it is envisaged will improve response times to within those outlined in the KPI.	
	% of building consents issued within the statutory timeframes.	100%	100%	94%	Not achieved. 129 Building consents were processed during the reporting period. Council have increased staff numbers from 1 FTE to 2.5FTE to assist with processing consents and a number of changes have been made to our software system to improve performance.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
	% of customer satisfaction with level of service (as measured by the annual Building Control Authority survey).	N/A	>90%	N/A	Unable to measure result as no customers have completed the survey at this time. Council will shortly be changing from a paper based to an online form. Customers will receive a link to this when they receive their Code of Compliance email and we hope they will take this opportunity to provide satisfaction levels and feedback so we can continue to improve the service. A meeting was held with building professionals in March in which their feedback was received and officers discussed with them improvements to the service.	
	% of roles identified and staffed for 24 hours operation of the Emergency Coordination Centre.	90%	100%	97%	Not achieved. The only vacant role is that of Recovery Manager.	
	% of staff identified for roles in the Emergency Operations Centre that are trained to an appropriate level agreed by the Group.	68%	100%	54%	Not achieved. A large number of officers will be attending the intermediate training course to be held in Ōpōtiki in August 2019, which will improve the percentage of officers trained.	
	% of resource consents issued within the statutory timeframes.	100%	100%	100%	Achieved. 54 resource consent applications received during this period and all were issued within the statutory timeframes.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Council actively engages with the wider community to increase the level of awareness preparedness and resilience.	Minimum number of council delivered initiatives to promote community resilience and safety.	7 initiatives delivered	4 initiatives delivered	4 initiatives delivered	Achieved. Community response planning working for coastal communities has been undertaken, an Emergency Management Bay of Plenty stall was manned at the A & P show, get ready week of activities has been undertaken and representatives from Whakatōhea participated in an exercise with an operation in the Emergency Operations Centre.	

Internal Borrowing

Internal borrowing for Regulation & Safety activity

	Opening Balance 1/07/2018 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2019 \$ 000's	Interest 2019 \$ 000's
Animal Control	-	1	0	1	0
Total	-	1	0	1	0

Capital Expenditure

Capital expenditure project for Regulation & Safety activity

	Actuals 2019 000's	LTP 2019 000's
- to improve the level of service		
Animal Control Capex	1	-
Civil Defence Alternative EOC needs	-	85
New sound metering equipment	-	8
- to improve the level of service Total	1	93
- to replace existing assets		
Civil Defense Renewals	-	20
- to replace existing assets Total	-	20
Total capital expenditure	1	113

Funding Impact Statement

Ōpōtiki District Council - Regulation & Safety Activity

Funding Impact Statement for 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	775	568	584
Targeted rates	86	87	91
Subsidies and grants for operating purposes	-	13	-
Fees and charges	371	455	527
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	5	2
Total operating funding (A)	1,232	1,128	1,204
Applications of operating funding			
Payment to staff and suppliers	882	824	1,050
Finance costs	3	1	-
Internal charges and overheads applied	339	287	338
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,224	1,112	1,388
Surplus (deficit) of operating funding (A - B)	8	16	(184)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	45	97	1
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	45	97	1
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	93	1
- to replace existing assets	53	20	-
Increase (decrease) in reserves	-	-	(184)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	53	113	(183)
Surplus (deficit) of capital funding (C - D)	(8)	(16)	184
Funding balance ((A - B) + (C - D))	-	-	-

Environmental Sustainability

Why we provide this group of activities:

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

Significant Activities Comprised in this Group:

Solid Waste Management, Stormwater, Resource Management and Wastewater.

Solid Waste Management

What we do and Why:

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

This significant activity includes:

Solid Waste and Recyclables Collection (Kerbside Collection).

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


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



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


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

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

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
The kerbside collection of bagged refuse and recyclables where the service is provided is efficient and effective.	Number of service complaints per year regarding the quality of the kerbside refuse / recycling collection service. (Note: service conditions outlined on brochure mailed annually)	New measure	<20	42	Not achieved. 42 complaints received regarding the quality of the kerbside refuse and recycling collection service. The large increase in complaints is due to the discontinued use of plastic shopping bags by supermarkets which meant residents had to find alternative methods to put out their recycling. This caused a number of changes for our collectors which impacted on the level of service provided. Council has implemented service changes as of 1 July 2019 so we hope to see reduced levels of complaints once the new service is bedded in.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Provision of effective waste service for the community.	Customer satisfaction rating of waste transfer stations good or better.	85%	>80%	86%	Achieved. 86% rated their satisfaction as good or better.	
Waste minimisation education reduces household waste and increases good recycling practices.	Number of public education activities completed.	9	3	6	Achieved. Worm farm workshop has been run again this year. Paper for trees programme. Was supposed to be 18 schools this year but the contractor moved away part way through the year and there was difficulty filling vacancy. Woodlands, Waioeka and St Joseph underwent the education programme.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Service provided keeps residual waste to minimum quantity.	Residual waste per year does not exceed 120 kg per person per year.	135 kg / person / year	<120 kg / person / year	155 kg / person	Not achieved. Several waste streams have been added to Council's waste to landfill including timber waste, additional plastic types including 3, 4, 6 and 7. Plastic type 1 is the only plastic still being taken for recycling. Currently plastics 2 and 5 are being stock piled as they are conducive to recycling but are not being accepted by China or Indonesia. Plastic storage space is estimated to last 2 years in which time Council officers are hoping that central government will have developed a national plastic recycling facility or other appropriate facility i.e. waste to energy. In the interim, officers are supporting BOPLASS initiatives towards a solution.	

Internal Borrowing

Internal borrowing for Solid Waste Management activity

	Opening Balance 1/07/2018 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2019 \$ 000's	Interest 2019 \$ 000's
Refuse Collection	-	152	9	143	4
Solid Waste Management	67	-	1	66	3
Total	67	152	10	210	7

Capital Expenditure

Capital expenditure project for Solid Waste Management activity

	Actuals 2019 000's	LTP 2019 000's
- to improve the level of service		
Refuse Bins 40 Litre	58	-
Recycling Bins	94	-
Option 2 - 40 L Refuse bins	-	87
- to improve the level of service Total	152	87
- to replace existing assets		
Replace Outside Bins Te Kaha	-	20
- to replace existing assets Total	-	20
Total capital expenditure	152	107

Funding Impact Statement

Ōpōtiki District Council - Solid Waste Management Activity	2018	2019	2019
Funding Impact Statement for 30 June 2019	Long-term	Long-term	Actual
	plan	plan	Actual
	(\$000)	(\$000)	(\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	1,083	819	841
Targeted rates	347	262	262
Subsidies and grants for operating purposes	29	35	35
Fees and charges	303	276	254
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	-
Total operating funding (A)	1,763	1,392	1,392
Applications of operating funding			
Payment to staff and suppliers	1,239	1,104	1,347
Finance costs	4	3	7
Internal charges and overheads applied	501	285	333
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,744	1,392	1,687
Surplus (deficit) of operating funding (A - B)	19	-	(295)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	14	107	143
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	14	107	143
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	87	152
- to replace existing assets	32	20	-
Increase (decrease) in reserves	1	-	(304)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	33	107	(152)
Surplus (deficit) of capital funding (C - D)	(19)	-	295
Funding balance ((A - B) + (C - D))	-	-	-

Stormwater

What we do and why:

This Significant Activity provides for the collection and disposal of stormwater predominantly in the urban environment. Stormwater drainage systems are provided in the Ōpōtiki Township and the Waiotahi Drifts subdivision with a view to mitigate surface flooding following rainfall. Council is involved in this activity to fulfil its legal obligations for the control of stormwater systems and to ensure the protection of public health and property.

This significant activity includes:

Stormwater collection and disposal.





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

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

Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
The discharge of pollutants to stormwater reticulation can be harmful to the natural environment.				✓	Mitigate risk through education, monitoring and enforcement where necessary.
Inadequate stormwater systems may lead to the flooding of property and/or surcharge of the wastewater reticulation network both of which represent risk to public health and property.		✓	✓	✓	Reduce the risk by maintaining existing urban drainage systems and undertake catchment modelling to understand future stormwater management needs in line with future development. Ensure buildings have appropriate stormwater design and suitable drainage fittings.

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	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	Achieved.	
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).	0	0	0	Achieved.	
Service requests and complaints are processed as they come in.	Median response time to attend a flooding event, from notification to personnel on site.	0	<4 hrs	0	Achieved. No events recorded.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
	Number of complaints received about the performance of the stormwater system per 1000 connections to the Council's stormwater system.	26	<20/1000 connections	<6/1000 connections	Achieved. A total of 4 complaints received which is <6 per 1000 connections based on an estimated 700 connections as Council does not have knowledge of the exact number of connections in the district. The estimate of 700 connections is based on half of the available connections.	
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	Achieved.	
	b) infringement notices	0	0	0	Achieved.	
	c) enforcement orders	0	0	0	Achieved.	
	d) convictions	0	0	0	Achieved.	
received by Council in relation to those resource consents.						

Internal Borrowing

Internal borrowing for Stormwater activity

	Opening Balance 1/07/2018	Borrowed	Repaid	Balance 30/06/2019	Interest 2019
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Stormwater	589	380	2	968	38
Total	589	380	2	968	38

Capital Expenditure

Capital expenditure project for Stormwater activity

	Actuals 2019 000's	LTP 2019 000's
- to improve the level of service		
Tarawa Creek Flood Water Storage Area	71	1,550
Upgrade to Richard St Gravity Main	32	1,400
Wellington/Brabant St Pump Station	1	15
Wellington/Union St Pump Stn	275	-
- to improve the level of service Total	378	2,965
- to replace existing assets		
Ōpōtiki Plant Replacements	2	-
Ōpōtiki Reticulation Replacements	-	35
- to replace existing assets Total	2	35
Total capital expenditure	380	3,000

Funding Impact Statement

Ōpōtiki District Council - Stormwater Activity

Funding Impact Statement for 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	517	538	553
Targeted rates	56	60	60
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	14	-	-
Total operating funding (A)	587	598	613
Applications of operating funding			
Payment to staff and suppliers	244	216	213
Finance costs	69	49	38
Internal charges and overheads applied	58	140	163
Other operating funding applications	-	-	-
Total applications of operating funding (B)	371	405	414
Surplus (deficit) of operating funding (A - B)	216	193	199
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	359	2,807	379
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	359	2,807	379
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	438	2,965	378
- to replace existing assets	-	35	2
Increase (decrease) in reserves	137	-	198
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	575	3,000	578
Surplus (deficit) of capital funding (C - D)	(216)	(193)	(199)
Funding balance ((A - B) + (C - D))	-	-	-

District Plan

What we do and why:

The purpose of the District Plan Activity is to provide a framework for managing future growth and land use activities in order that they provide a high quality environment for present and future generations. Council's principal document for the delivery of this significant activity is the District Plan and Council has a statutory responsibility under the Resource Management Act 1991. Under this Significant Activity council develops appropriate land use controls for the Ōpōtiki District, fosters good working relationships with Tangata Whenua and other stakeholders and monitors and enforces rules and policies.

This significant activity includes:



District Planning (reviewing and amending the District Plan as appropriate).

District Plan Implementation (issuing of resource consents for land use and subdivision and monitoring of consents for compliance with conditions).

Community Outcomes	How Activity Contributes
Development and protection of natural environment	To assist the development of a safe and sustainable environment through the administration of the Ōpōtiki District Plan and the Resource Management Act 1991.
Development supports the community	
Services and facilities meets our needs	To provide a District Plan that responds to and manages growth and development in terms of environmental sustainability.

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

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Review District Plan in accordance with the RMA.	Review and update the District Plan subject to appeal.	Completed	100%	100%	Achieved. The District Plan is being reviewed and updated subject to appeals. A number of consent notices have been agreed as a result of the appeals. There are a couple of outstanding matter that should be resolved by 2020.	
Council develops appropriate controls for the Ōpōtiki District and monitors and enforces provisions.	Review and adopt all Council Bylaws over the next 3 years.	New measure	33%	33%	A report has been to Council and approval has been given for consultation to commence alongside the Reserve Management Plans.	

Funding Impact Statement

Ōpōtiki District Council - District Plan Activity

Funding Impact Statement for 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	150	247	254
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	35	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	-	-
Total operating funding (A)	154	282	254
Applications of operating funding			
Payment to staff and suppliers	138	214	197
Finance costs	-	-	-
Internal charges and overheads applied	12	68	78
Other operating funding applications	-	-	-
Total applications of operating funding (B)	150	282	275
Surplus (deficit) of operating funding (A - B)	4	-	(21)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(4)	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(4)	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	(21)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	-	-	(21)
Surplus (deficit) of capital funding (C - D)	(4)	-	21
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.

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
A reliable removal and treatment service is provided in areas serviced by Council operated sewerage systems.	The total number of complaints received by Council about any of the following:					
	a) sewerage odour	<1	<5	<1	Achieved. A total of 1 complaint was received by Council about sewerage odour which is <1 per 1000 connections based on a total of 1583 connections.	
	b) sewerage system faults	13	<10	<6	Achieved. A total of 9 complaints received by Council about sewerage system faults relating to Council's sewerage system which is <6 per 1000 connections based on a total of 1583 connections.	
	c) sewerage system blockages	<3	<5	<4	Achieved. A total of 5 complaints were received by Council about sewerage system blockages relating to Council's sewerage system which is <4 per 1000 connections based on a total of 1583 connections.	
	d) Council's response to issues with its sewerage system	0	<3	<1	Achieved. A total of 1 complaint received by Council about Council's response to issues with its sewerage system which is <1 per 1000 connections based on a total of 1583 connections.	
expressed per 1000 connections to Council's sewerage system.						

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system.	14 minutes	<4 hours	6.5 minutes	Achieved. A total of 2 complaints received relating to an overflow from Council's sewerage system and the median response time to attend the event was 6.5 minutes.	
	Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system.	75 minutes	<2 days	<1 day	Achieved A total of 2 complaints received relating to an overflow from Council's sewerage system and the median resolution time 4 hours and 31 minutes. 1 complaint related to a broken wastewater pipe that also required a replacement manhole cover and the other was caused when Contractors working on investigating and repairing existing faults in the system near the complainant's home accidentally caused sewerage to vent up through homeowners toilet.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Sewage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system.	1	0	1	Not achieved. 1 overflow into habitable building. Contractors working on investigating and repairing existing faults in the system near the complainant's home accidentally caused sewerage to vent up through homeowners toilet.	
	The number of dry weather overflows from Council's sewerage system expressed per 1000 sewerage connections to that sewerage system.	<1	<2	<2/1000 connections	Achieved. 2 dry weather overflows from Council's sewerage system which is <2 per 1000 connections based on a total of 1583 connections.	
The quality of effluent leaving the treatment plant is of a standard required by consents.	Compliance with Council's resource consents for discharge from its sewage system, measured by the number of					
	a) abatement notices	0	0	0	Achieved.	
	b) infringement notices	0	0	0	Achieved.	
	c) enforcement orders	0	0	0	Achieved.	
	d) convictions	0	0	0	Achieved.	
received by Council in relation to those resource consents.						

Internal Borrowing

Internal borrowing for Wastewater activity

	Opening Balance 1/07/2018	Borrowed	Repaid	Balance 30/06/2019	Interest 2019
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Opotiki Sewerage	1,295	1,592	3	2,884	103
Total	1,295	1,592	3	2,884	103

Capital Expenditure

Capital expenditure project for Wastewater activity

	Actuals 2019 000's	LTP 2019 000's
- to improve the level of service		
Factory Rd Wastewater Extension Stage 2	-	50
Wastewater Extension SH2	109	-
- to improve the level of service Total	109	50
- to replace existing assets		
Works on Private Laterals	264	1,000
WW Opotiki 2017	1,309	-
WW Stage 1 - First Section Reticulation & Design	-	1,500
WW Stage 2 - Second Section Reticulation & Design	-	3,100
Opotiki WasteWater - Pumps (spares)	6	-
Reticulation Renewals	9	-
Wastewater Treatment Renewals Ōpōtiki	-	70
Wastewater Reticulation Renewals Ōpōtiki	-	45
Wastewater Reticulation Renewals Waihou Bay	-	3
- to replace existing assets Total	1,589	5,718
Total capital expenditure	1,698	5,768

Funding Impact Statement

Ōpōtiki District Council - Wastewater Activity

Funding Impact Statement for 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	323	538	553
Targeted rates	732	814	815
Subsidies and grants for operating purposes	-	-	-
Fees and charges	9	6	1
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	7	1	-
Total operating funding (A)	1,071	1,359	1,369
Applications of operating funding			
Payment to staff and suppliers	416	460	1,097
Finance costs	274	97	103
Internal charges and overheads applied	145	346	407
Other operating funding applications	-	-	-
Total applications of operating funding (B)	835	903	1,607
Surplus (deficit) of operating funding (A - B)	236	456	(238)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,020	5,312	1,589
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	3,020	5,312	1,589
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	50	109
- to replace existing assets	3,243	5,718	1,589
Increase (decrease) in reserves	13	-	(347)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	3,256	5,768	1,351
Surplus (deficit) of capital funding (C - D)	(236)	(456)	238
Funding balance ((A - B) + (C - D))	-	-	-

Economic Sustainability

Why we provide this group of activities:

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

Significant activities comprised in this group:

Water Supply, Land Transport and Investments.

Water Supply

What we do and why:

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

This significant activity includes:






Extraction, Treatment and Reticulation of potable water.


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

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

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







Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	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	<1	<5	0	Achieved.	
	Drinking water taste	0	<5	0	Achieved.	
	Drinking water odour	0	<5	0	Achieved.	
	Drinking water pressure or flow	<1	<5	<2/1000 connections	Achieved. 4 complaints re drinking water pressure or flow received which is <2 per 1000 connections based on 2645 connections.	
	Continuity of supply	0	<5	0	Achieved.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
	Council's response to any of these issues	0	<3	<1/1000 connections	Achieved. 2 complaints received which is <1 per 1000 connections based on 2645 connections.	
expressed per 1000 connections to Council's networked reticulation system.						

Key Performance Indicator

The extent to which Council's drinking water supply complies with: Part 4 of the drinking water standards (bacteria compliance criteria); and Part 5 of the drinking water standards (protozoal compliance criteria).








Location	Criteria	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Status
Ōpōtiki	Bacterial	Compliant	100%	100%	
Ōpōtiki	Protozoal	Compliant	100%	100%	
Te Kaha	Bacterial	Compliant	100%	100%	
Te Kaha	Protozoal	Non-compliant	100%	Non-compliant	
Ōhiwa	Bacterial	Compliant	100%	100%	
Ohiwa	Protozoal	Non-compliant	100%	Non-compliant	

COMMENTARY

Bacterial compliance: Achieved. All plants and zones achieved bacterial compliance.

Protozoal compliance: Not achieved. Ōpōtiki fully compliant. Te Kaha and Ohiwa non-compliant. Ohiwa capital upgrades completed part way through this year. Te Kaha capital upgrades still under investigation alongside ongoing planning considerations surrounding water source.

N.B. These results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor.

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Failures and service requests are responded to promptly.	Fault response times:	24 minutes	<4 hours	<1 hour	Achieved. 6 urgent requests received and the median response time to attend urgent call-outs is 4.5 minutes.	
	a) Median response time to attend urgent call-outs					
	b) Median response time to resolve urgent call-outs	36 minutes	<1 day	<3 hours	Achieved. 6 urgent requests received and the median response time to resolve urgent call-outs is 2 hours and 11 minutes.	
	c) Median response time to attend non-urgent call-outs	18 minutes	<1 day	<1 hour	Achieved. 94 non-urgent requests received and the median response time to attend non-urgent call-outs was 27 minutes.	
d) Median response time to resolve non-urgent call-outs	<1 day	<4 days	1 day, 1 hour and 12 minutes	Achieved. 94 non-urgent requests received and the median response time to resolve non-urgent call-outs is 1 day, 1 hour and 12 minutes.		
Water resources are used efficiently and sustainably.	Average consumption of drinking water per day per resident.	Ōpōtiki - 220L. Te Kaha - 262L. Ohiwa - 136L	<400L	Ōpōtiki - 194L Te Kaha - 233L Ohiwa - 159L	Achieved. Water usage well within acceptable volumes.	
	Percentage of real water loss from networked reticulation system.	Ōpōtiki – 7%	<20%	8%	Water NZ Infrastructure Leakage Index equivalents. Opotiki - 1.8 Te Kaha 1.8. Less than 2 on ILI is	
		Te Kaha – 8%	<20%	13%		

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
		Ōhiwa – 63%	No target set.	60%	considered as follows "Further loss reduction may be uneconomical, unless there are shortages, careful analysis needed to ensure cost effective leakage management. Ōhiwa water loss discovered as being inside camp ground, unconnected to bulk meter. Now resolved. Ōhiwa losses still high at 60% but this appears worse than it is due to scheme size. Could be a single leak or multiple. One leak was found and repaired this year which may show results in next period.	

Internal Borrowing

Internal borrowing for Water Supplies activity

	Opening Balance 1/07/2018 \$ 000's	Borrowed \$ 000's	Repaid \$ 000's	Balance 30/06/2019 \$ 000's	Interest 2019 \$ 000's
Ohiwa Water	36	13	0	49	2
Opotiki/Hikutaia Water	3,286	318	11	3,593	176
Te Kaha Water	166	49	1	214	9
Total	3,488	380	12	3,856	187

Capital Expenditure

Capital expenditure project for Water Supplies activity

	Actuals 2019 000's	LTP 2019 000's
- to meet additional demand		
Southern Ext Stage 2a - Southern Ring Main	3	-
- to meet additional demand Total	3	-
- to improve the level of service		
Clarks Cross Rd Otara Rd Booster 2.1km Main	184	800
WaterS Condition & Performance	4	-
Water Te Kaha RiderMain Extn	29	-
Ōhiwa Filtration	12	15
Pressure monitoring equipment & Ricardo	-	80
New Settlement banks	-	50
- to improve the level of service Total	229	945
- to replace existing assets		
Otara Rd Clarks Cross/Factory Rd Connection 1.3km	21	-
Te Kaha High Head Pumps	8	-
Opotiki Water - Spare Pumps	91	-
Te Kaha Water - Spare Pumps	0	-
Water Treatment Renewals Opo	17	-
Ōhiwa Treatment Renewals	1	2
Reticulation Renewals Ōpōtiki	-	60
Treatment Renewals Ōpōtiki	-	50
Reticulation Renewals Te Kaha	10	20
Treatment Renewals Te Kaha	-	18
- to replace existing assets Total	148	150
Total capital expenditure	379	1,095

Funding Impact Statement

Ōpōtiki District Council - Water Supplies Activity

Funding Impact Statement for 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	149	251	257
Targeted rates	832	1,106	1,099
Subsidies and grants for operating purposes	-	-	-
Fees and charges	302	8	5
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	17	-	1
Total operating funding (A)	1,300	1,365	1,362
Applications of operating funding			
Payment to staff and suppliers	612	641	617
Finance costs	186	61	187
Internal charges and overheads applied	175	249	287
Other operating funding applications	-	-	-
Total applications of operating funding (B)	973	951	1,091
Surplus (deficit) of operating funding (A - B)	327	414	271
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	70	681	367
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	70	681	367
Application of capital funding			
Capital expenditure			
- to meet additional demand	267	-	3
- to improve the level of service	37	945	230
- to replace existing assets	21	150	147
Increase (decrease) in reserves	72	-	258
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	397	1,095	638
Surplus (deficit) of capital funding (C - D)	(327)	(414)	(271)
Funding balance ((A - B) + (C - D))	-	-	-

Land Transport

What we do and why:

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

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





This significant activity includes:




Subsidised Roding, Unsubsidised Roding.



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

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

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
The surface of the roading network is maintained in good condition and is fit for purpose.	Percentage of requests relating to roads and footpaths that are responded to within timeframes set in Long Term Plan:					
	- Urgent requests within 1 day	100%	95%	100%	Achieved. 16 urgent requests were received and all were responded to within 1 day.	
	- Non-urgent requests within 4 days	92%	90%	89%	Not achieved. A total of 170 non-urgent requests received. 152 were responded to within 4 days and 18 were responded to over 4 days.	
	Percentage of sealed road network resurfaced.	5.80%	>5%	>5%	Achieved. As programmed.	
Traffic services (street lighting, roadside vegetation, road signs, road markings) are visible and accurate.	Percentage of road users satisfied that traffic services on the network are accurate and visible.	81%	>85%	80%	Not achieved. 80% stated they were very/fairly satisfied. Council is undertaking a survey of traffic management services to ensure that it meets New Zealand Transport Agency (NZTA) current standards and undertake improvement maintenance where necessary.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Road users find the road environment predictable and the road safe to use.	Percentage of persons who as users rate the safety of the District's roads as good or excellent.	65%	>85%	80%	Not achieved. 80% stated they were very/fairly satisfied. Ōpōtiki District Council (ODC), Whakatāne District Council (WDC) and NZTA are currently in discussion looking to undertake a combined speed review project. The traffic management services will also contribute to improvement of this outcome. ODC, WDC and NZTA have also resolved to undertake the Wainui Rd - Ohope to Opotiki Safe Roads project. This will bring a higher standard to Council's highest traffic road.	
	The average quality of a ride on a sealed local road network, measured by the smooth travel exposure.	97%	91-95%	97%	Achieved. Based on two yearly assessments. Last assessment completed in 2017/18.	
	Change from previous year in number of fatalities and serious injury crashes on Council maintained roads.	-2	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend	-1	Achieved. 2 recorded. It is difficult to establish a trend line when crash statistics are already so low.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
Road Corridor users (pedestrians, joggers, disabled persons etc.) are able to use the road corridors in a safe and convenient manner.	The number of users who agree the standard of footpaths is good or excellent.	60%	>70%	63%	Not achieved. 63% rated the standard of footpaths as good or excellent. Council has already begun a programme of footpath maintenance and renewals. This programme is planned to continue over the next 3 years at minimum. An assessment of footpath conditions and levels of service against current standards has also been completed and will be informing the development of a footpath policy. The policy will include an improvement plan to align focus to priority areas and issues i.e. most frequented routes, elderly care homes, the CBD. Let downs for elderly.	
	Percentage of footpaths in Opōtiki district that fall within the level of service or service standard for the condition of footpaths as set in plans.	90%	70% of qualifying footpath faults scheduled for repair	100%	Achieved. All qualifying footpath faults repaired. Footpaths programme is ongoing. 2018-19 year major displacements that exceeded minimum standard and a number of let downs were completed. Programme will continue with additional let down, any new faults and widening in key areas.	

Internal Borrowing

Internal borrowing for Land Transport activity

	Opening Balance 1/07/2018	Borrowed	Repaid	Balance 30/06/2019	Interest 2019
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Non-Subsidised Roothing	-	73	1	72	1
Subsidised Roothing	107	288	9	386	21
Total	107	361	10	459	22

Capital Expenditure

Capital expenditure project for Land Transport activity

	Actuals 2019 000's	LTP 2019 000's
- to improve the level of service		
Minor Improvements	271	-
Seal Extension (Subject to council approval)	-	220
Streetlight Upgrade	67	-
New Roads (Harbour access 3km @600k/km)	-	800
Urban undergrounding share with Horizon	-	100
- to improve the level of service Total	338	1,120
- to replace existing assets		
Drainage Renewals	163	94
Footpath	64	50
Traffic Services Renewals	15	45
Urban Kerb & Channel	9	32
Sealed road resurfacing	451	398
Sealed road pavement rehabilitation	179	177
Structures component replacements	-	21
Minor improvements 2015-18 - Local Roads	-	205
- to replace existing assets Total	881	1,021
Total capital expenditure	1,219	2,141

Funding Impact Statement

Ōpōtiki District Council - Land Transport Activity

Funding Impact Statement for 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	2,367	1,635	1,679
Targeted rates	-	-	-
Subsidies and grants for operating purposes	950	1,605	1,474
Fees and charges	43	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	18	78	132
Total operating funding (A)	3,378	3,318	3,285
Applications of operating funding			
Payment to staff and suppliers	1,860	2,287	2,233
Finance costs	40	7	22
Internal charges and overheads applied	587	567	678
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,487	2,861	2,933
Surplus (deficit) of operating funding (A - B)	891	457	352
Sources of capital funding			
Subsidies and grants for capital expenditure	760	1,305	1,070
Development and financial contributions	-	-	-
Increase (decrease) in debt	25	383	352
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	785	1,688	1,422
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	112	1,120	338
- to replace existing assets	1,342	1,021	881
Increase (decrease) in reserves	222	4	555
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	1,676	2,145	1,774
Surplus (deficit) of capital funding (C - D)	(891)	(457)	(352)
Funding balance ((A - B) + (C - D))	-	-	-

Investments

What we do and why:

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

This significant activity includes:

BOP LASS Ltd

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

TOI-EDA

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


Evolution Networks Limited




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

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

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

Levels of service:

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
BOPLASS	Investigate new joint procurement initiatives for goods and service for BOPLASS councils.	Achieved	Minimum of 4	>4	Achieved. Investigation into a system of qualifying potential shared service opportunities, scoping of two projects relating to Solid Waste licensing, data collection and diversion and tender undertaken for redesign of shared collaboration portal along with 3D LiDAR imagery shared project. Important to continue with this KPI. The value added through BOPLASS across the three Councils is clear and this annual KPI records the work being undertaken.	

Goal	Key Performance Indicator	Achieved 2017/18	Target 2018/19	Achieved 2018/19	Commentary 2018/19	Status
	Communicate with each shareholding Council through a minimum of one meeting with each Executive Leadership Team.	Achieved	100%	100%	Achieved. BOPLASS very active in arranging meetings with Executive Team members. Four executive-level meetings held with councils, Operations Committee meetings held with executive level input provided by all shareholding councils. Executive Leadership Team representation and attendance at one or more meetings from every council.	
Toi-EDA	Develop and implement a strategy and annual work plan that supports and develops key sectors in the Eastern Bay economy to grow employment and wealth.	Achieved	80%	100%	Achieved. Changes in governance and staffing have resulted in a refreshed strategy and workplan, integrated with RGLG and aligned to council's workplans. Councils Letter of Expectation of March 2019 has been given effect to with the revised workplan that was workshopped with councils in May 2019. Significant outcomes are being realised in the workforce development programme, industrial symbiosis initiatives, logistics, aquaculture, horticulture and tourism.	
	Submissions lodged on all regional and EBOP district plans.	Achieved	100%	100%	Achieved. Submissions lodged on applicable plans.	

Funding Impact Statement

Ōpōtiki District Council - Investments Activity

Funding Impact Statement for 30 June 2019

	2018 Long-term plan (\$000)	2019 Long-term plan (\$000)	2019 Actual (\$000)
Sources of operating funding			
General rates, uniform annual general charge, rates penalties	83	71	73
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	19	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	102	71	73
Applications of operating funding			
Payment to staff and suppliers	56	59	43
Finance costs	-	-	-
Internal charges and overheads applied	46	12	14
Other operating funding applications	-	-	-
Total applications of operating funding (B)	102	71	57
Surplus (deficit) of operating funding (A - B)	-	-	16
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	19
Increase (decrease) in investments	-	-	(3)
Total applications of capital funding (D)	-	-	16
Surplus (deficit) of capital funding (C - D)	-	-	(16)
Funding balance ((A - B) + (C - D))	-	-	-



Progress towards community outcomes

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



Here's a real example of this in action:

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

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

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

Leadership

Community outcomes	Progress
Fair and Efficient Leadership, A strong and distinctive community spirit.	
<p>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.</p>	<p>The 2017/18 Annual Report was published. We complied with all statutory requirements and adopted the 2019/20 Annual Plan in June 2018. We held 24 open public meetings. Satisfaction with Council leadership was measured through our annual community survey and residents are also now given the opportunity through the survey to let us know if they feel they have the opportunity to be involved and participate in the way council makes decisions. Councillors provided representation on a wide range of external committees and groups. We lodged submissions on all regional and Eastern Bay of Plenty district plans and 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. We have engaged with our communities on our plans, projects and initiatives.</p>

Community Facilities

Community outcomes	Progress
Development and protection of the natural environment, A strong and distinctive community spirit, History and culture is treasured, Services and facilities meet our needs.	
<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>	<p>Satisfaction with community facilities including recreation facilities, toilets, cemeteries and the library was measured through our annual community survey. 84% of our play equipment was compliant with relevant standards. Our library facilitated over 16 programmes. Detailed design for the upgrade works to Church St Reserve (Rose Gardens) has been completed and a staged implementation plan is underway. New shelters have been built on the Motu Trails Cycleway and we have worked with Whakatāne District Council to lodge a funding application with the Ministry of Business Innovation and Employment for trail extensions. A community consultation plan was put in place to gauge support for loan funding the Library redevelopment. Plans are being put in place for the refurbishment and/or redevelopment of the pound and some Council owned buildings in the CBD. Draft Reserves Management Plans have been completed.</p>

Community Development

Community outcomes	Progress
<p>A strong and distinctive community spirit, History and culture is treasured, Services and facilities meet our needs.</p>	
<p>To help assist the development of an inclusive community that provides a healthy, safe and friendly place to live, work and visit.</p>	<p>We continued to support the upkeep of 22 of the district's Urupa. We provided funding through MOUs with community organisations for surf life-saving, school swimming pool maintenance and running costs, and a number of key historic buildings. We supported advertising for school and community group initiatives. We supported the community by administering the Ōpōtiki District Creative Communities Scheme and the Sport New Zealand Rural Travel Fund. Through the Coast Initiative Fund Council supported projects that will directly benefit our coast communities. Our contractors undertook regular maintenance checks of the CCTV cameras in town, at the wharf and boat ramp, and coverage was expanded to the pound. We continued to support a driver mentoring programme for the community. Events were held to encourage community activity and participation.</p>

Economic Development

Community outcomes	Progress
<p>Development and protection of the natural environment, Services and facilities meet our needs, Purposeful work and learning opportunities, Development supports the community.</p>	
<p>To create a sustainable economic future by broadening the District's economic and therefore employment base.</p>	<p>Continued to work with government to find a solution to viable harbour development. Maintained relationships with Ōpōtiki businesses including holding workshops and stakeholder strategy days to get planning input. Maintained contact with tourism sector. Achieved an increased tourism spend. Held 5 community events including the popular Lantern Festival and the inaugural Matariki Festival.</p> <p>TOI-EDA (Eastern Bay of Plenty Regional Economic Development Agency) - which Council has an ownership stake in - refreshed their strategy and workplan resulting in outcomes in the workforce development programme, industrial symbiosis initiatives, logistics, aquaculture, horticulture and tourism. Through TOI-EDA Council partnered with other units of Local Government and business with the Bay of Plenty Region to achieved common objectives. Council, working alongside the Department of Conservation, continued to support Motu Trails Trust in marketing of the Motu Trails. Trail enhancement works have been completed including the provision of two new shelters. With Whakatāne District Council a revised business plan for trail extension has been developed and adopted by both Councils and submitted to the Ministry of Business Innovation and Employment for funding from the New Zealand Cycle Trail Enhancement and Extension Fund.</p>

Regulation and Safety

Community outcomes	Progress
<p>Development and protection of the natural environment, Services and facilities meet our needs, A strong and distinctive community spirit, Development supports the community.</p>	
<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>	<p>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 put new initiatives in place to improve dog registration rates (highest number registered recorded in 2018/19 year), higher rehoming of dogs from the pound and a decrease in the number of dangerous/menacing dogs being impounded. Council continued its dog neutering programme. 100% of resource consent applications were processed within timeframes. Council maintained its building accreditation and launched online building consents functionality through its online services portal. Council expanded its designated smokefree public spaces. Training for civil defence staff continued and nearly all roles in the EOC are allocated to cover rotating 12 hour shifts. Extensive Civil defence education for/in the community continued in conjunction with Emergency Management Bay of Plenty.</p>

Solid Waste Management

Community outcomes	Progress
<p>Development and protection of the natural environment, Services and facilities meet our needs, Development supports the community.</p>	
<p>Ensure the environmentally safe collection and disposal of waste.</p> <p>Minimise the creation of waste within the district.</p>	<p>We continue to receive and act upon service complaints or requests and seek feedback from the public during our annual customer satisfaction survey. Customer ratings of our Resource Recovery Centres (RRCs) increased again this year and sit well above targets. We continued with our on-going programme to promote waste minimisation through a number of initiatives including school visits to the RRCs, worm composting workshops and education via our website and Pānui. Extensive communication was run for those on the urban kerbside recycling and refuse collection ahead of changes to the service. Council's contractor successfully distributed new recycling crates and refuse bins to most properties on the collection route ahead of the changes taking effect. Council implemented a litter infringement offence and fee structure to help combat the issue of fly-tipping and illegal dumping.</p>

Stormwater

Community outcomes	Progress
<p>Development and protection of the natural environment, Services and facilities meet our needs, Development supports the community.</p>	
<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>	<p>Council continued to record and respond to Stormwater service requests in our customer contact centre and has set ambitious targets on how quickly we will respond. Council continues to maintain a high record of compliance and once again this year did not receive any abatement or infringement notices, enforcement orders or convictions. The Initial stages of the planned major upgrades programme including advanced modelling and design work was completed. Goring Street, Payne Ave and Buchanan Street all received pipe upgrades.</p>

District Plan

Community outcomes	Progress
<p>Development and protection of the natural environment, Services and facilities meet our needs, Development supports the community.</p>	
<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>	<p>Council continued the review process in accordance with the RMA. Appeal matters were agreed by parties after court assisted mediation. The consent orders are in the process of being drafted and signed off accordingly.</p>

Wastewater

Community outcomes	Progress
Development and protection of the natural environment, Services and facilities meet our needs, Development supports the community.	
<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>	<p>Council completed the second year of its rehabilitation programme for the Ōpōtiki township to lower instances where (during high rainfall) stormwater infiltrates the wastewater system. Council continued to record and respond to Wastewater service requests in our customer contact centre and has set ambitious targets on how quickly we will respond. Council continues to maintain a high record of compliance and once again this year did not receive any abatement or infringement notices, enforcement orders or convictions. With funding assistance from the Tourism Infrastructure fund a new wastewater disposal system was installed at Te Ahiaua. Council extended the network from just past the golf course to just before Baird Road along State Highway 2 laying the way for the future with SH 2 able to use now while allowing Woodlands to be opened up in future.</p>

Water Supply

Community outcomes	Progress
Development and protection of the natural environment, Services and facilities meet our needs, Development supports the community.	
<p>Safe drinking water in accordance with NZ Drinking Water Standards.</p> <p>Reliable water supplies, minimising supply disruptions through improved maintenance and meeting peak water supply demands.</p> <p>Cost effective operation, maintenance of and improvements to water supply systems including treatment facilities, pumping stations, reservoirs and piped reticulation.</p>	<p>Council recorded and responded to water supply requests in our customer contact centre. Capital upgrades were completed for Ōhiwa supply. Council completed the raw water line renewal and additional resilience work on Waioeka Road and St John Street. Council has ensured critical trunk mains from the Ōpōtiki Township bores to the Otara booster station, and from the booster station to the township, now have redundancy in the event of failure.</p>

Land Transport

Community outcomes	Progress
Development and protection of the natural environment, Services and facilities meet our needs, Development supports the community, A strong and distinctive community spirit.	
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.	Council resurfaced areas of its network, undertook grading on, and applied gravel to, unsealed roads according to schedules. Council recorded and responded to land transport requests in our customer contact centre. Council sought feedback from the community on land transport through its annual customer satisfaction survey. Council continues to monitor crashes on our roads to see where improvements might be made. 100% of qualifying footpaths faults were repaired. 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.

Investments

Community outcomes	Progress
Services and facilities meet our needs, A Strong and distinctive community spirit, Fair and efficient leadership.	
Council's investments contribute to the social and economic well-being of the district.	<p>Council continues to be an active participant in BOPLASS in the interest of obtaining procurement and shared service savings for the community. A number of initiatives were undertaken by BOPLASS this year.</p> <p>Council also continued to engage with Toi EDA through the Regional Growth Leadership Group to help promote the harbour development project and other economic development initiatives such as horticultural development.</p> <p>Council has a shareholding in Evolution Networks (a local wireless internet provider) to both provide better connectivity to our communities and allow Council to receive income from outside the district.</p>

Financial Information

John Forbes
Mayor
Ōpōtiki District Council



Statement of Comprehensive Revenue and Expense

For the Year Ended 30 June 2019

	Note	Actual 2019 000's	Budget 2019 000's	Actual 2018 000's
Revenue				
Rates	2	10,998	10,607	10,576
Subsidies and Grants	4	3,221	4,210	3,739
Fees and Charges	3	1,161	1,295	1,158
Interest Revenue	5	62	100	101
Other Revenue	7	567	221	956
Development and financial contributions		-	-	5
Total Revenue		16,009	16,433	16,535
Expenditure				
Other Expenses	9	8,382	6,870	8,357
Depreciation and Amortisation	14,15	2,952	2,458	2,805
Personnel Costs	8	4,159	4,658	3,745
Finance Costs	5	236	297	229
Total Expenditure		15,729	14,283	15,136
Share of associate's surplus/(deficit)	13	(3)	-	(22)
Surplus / (Deficit)		277	2,150	1,377
Other Comprehensive Revenue and Expense				
Property, plant, and equipment revaluation		-	-	15,843
Total Other Comprehensive Revenue and Expense		-	-	15,843
Total Comprehensive Revenue and Expense		277	2,150	17,220

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

Statement of Changes in Equity

For the Year Ended 30 June 2019		Actual	Budget	Actual
	Note	2019	2019	2018
		000's	000's	000's
Equity balance at 1 July		203,053	199,768	184,720
Comprehensive revenue and expense for year	22	277	2,150	17,220
Transfers	22	6	(425)	1,113
Equity Balance 30 June		203,336	201,493	203,053
Components of Equity				
Accumulated Funds at 1 July		132,122	132,353	131,185
Net Surplus/(Deficit)		277	2,150	1,377
Transfers to / (from) equity		3,197	(228)	(440)
Accumulated Funds 30 June		135,596	134,275	132,122
Asset Revaluation Reserves at 1 July		66,451	65,988	50,043
Transfers to / (from) reserves		(82)	-	565
Revaluation Gains/(Losses)		-	-	15,843
Revaluation Reserves 30 June		66,369	65,988	66,451
Council Created Reserves at 1 July		4,480	1,002	3,492
Transfers to / (from) reserves		(3,109)	228	988
Council created Reserves 30 June		1,371	1,230	4,480
Equity at 30 June		203,336	201,493	203,053

The accompanying notes form part of these financial statements

Explanations of significant variances against budget are detailed in note 29

Statement of Financial Position

As at 30 June 2019

	Note	Actual 2019 000's	Budget 2019 000's	Actual 2018 000's
ASSETS				
Current Assets				
Cash & Cash Equivalents	10	1,663	4,727	3,630
Debtors & Other Receivables	11	2,991	4,230	3,451
Inventory		3	-	-
Prepayments		159	51	43
Total Current Assets		4,816	9,008	7,124
Non-Current Assets				
Investment Property	16	2,738	2,259	2,501
Investment in Associate	13	64	91	67
- Investments in CCO's and Other Similar Entities	12	5	110	5
- Investment in other entities	12	98	-	98
Property, Plant & Equipment	14	204,648	212,918	202,494
Intangible Assets	15	108	154	122
Total Non-Current Assets		207,661	215,532	205,287
TOTAL ASSETS		212,477	224,540	212,411
LIABILITIES				
Current Liabilities				
Trade & Other Payables	18	3,656	4,403	3,850
Borrowings	21	-	1,500	1,500
Employee Benefit Liabilities	20	383	315	367
Provisions	19	7	-	7
Total Current Liabilities		4,046	6,218	5,724
Non-Current Liabilities				
Borrowings	21	5,000	16,681	3,500
Provisions	19	95	148	134
Total Non-Current Liabilities		5,095	16,829	3,634
TOTAL LIABILITIES		9,141	23,047	9,358
NET ASSETS (assets minus liabilities)		203,336	201,493	203,053
EQUITY				
Retained Earnings	22	135,596	134,275	132,122
Asset Revaluation Reserves	22	66,369	65,988	66,451
Council Created Reserves	22	1,371	1,230	4,480
TOTAL EQUITY		203,336	201,493	203,053

The accompanying notes form part of these financial statements

Explanations of significant variances against budget are detailed in note 29



J Forbes
FORMER MAYOR
Date: 31 October 2019



A Lawrie
CHIEF EXECUTIVE
Date: 31 October 2019

Statement of Cashflows

For the Year Ended 30 June 2019

	Actual 2019 000's	Budget 2019 000's	Actual 2018 000's
Cashflow from Operating Activities			
Receipts from rates revenue	11,024	10,462	10,870
Subsidies and grants received	3,434	4,431	4,460
Fees and charges received	1,161	1,295	1,158
Interest and dividends from investments	62	100	107
Other revenue	261	-	216
Payments to suppliers and employees	(13,229)	(11,257)	(10,779)
Finance costs	(236)	(297)	(229)
Payments to/on behalf of other authorities*	690	-	(1,150)
Goods and services tax (net)	143	-	(325)
Net cashflow from operating activities	3,310	4,734	4,328
Cashflow from Investing Activities			
Receipts from sale of property, plant and equipment	79	-	219
Purchases of property, plant and equipment	(5,254)	(17,789)	(5,298)
Acquisition of investment property	(29)	-	(170)
Purchases of intangible assets	(73)	-	(50)
Net cashflow from investing Activities	(5,277)	(17,789)	(5,299)
Cashflow from Financing Activities			
Proceeds from borrowings	-	13,181	-
Net cashflow from financing activities	-	13,181	-
Net Increase / (Decrease) in Cash and cash equivalents	(1,967)	126	(971)
Opening Cash and cash equivalents	3,630	4,601	4,601
Closing Cash and cash equivalents	1,663	4,727	3,630

* Rates collected on behalf of the Bay of Plenty Regional Council are included in the Receipts of Rates Revenue and the subsequent payment in Payments to/on behalf of other entities. These are not included in the budget figures.

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

Funding Impact Statement

Ōpōtiki District Council - Whole of Council	2018	2018	2019	2019
Funding Impact Statement for 30 June 2019	Annual plan	Annual report	LTP	Actual
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	8,626	8,005	8,122	8,210
Targeted rates	1,937	2,570	2,485	2,788
Subsidies and grants for operating purposes	1,461	1,429	1,709	1,768
Fees and charges	1,461	1,158	1,295	1,161
Interest and dividends from investments	104	101	100	62
Local authorities fuel tax, fines, infringement fees, and other receipts	66	416	221	359
Total operating funding (A)	13,655	13,679	13,932	14,348
Applications of operating funding				
Payment to staff and suppliers	11,355	11,655	11,527	12,543
Finance costs	411	229	297	236
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	11,766	11,884	11,824	12,779
Surplus (deficit) of operating funding (A - B)	1,889	1,795	2,108	1,569
Sources of capital funding				
Subsidies and grants for capital expenditure	10,089	2,311	2,501	1,453
Development and financial contributions	-	5	-	-
Increase (decrease) in debt	7,142	-	13,181	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	17,231	2,316	15,682	1,453
Application of capital funding				
Capital expenditure				
- to meet additional demand	8,420	1,916	1,727	700
- to improve the level of service	7,580	766	8,048	1,442
- to replace existing assets	6,912	2,775	8,015	3,336
Increase (decrease) in reserves	208	(1,495)	-	(2,482)
Increase (decrease) in investments	(4,000)	149	-	26
Total applications of capital funding (D)	19,120	4,111	17,790	3,022
Surplus (deficit) of capital funding (C - D)	(1,889)	(1,795)	(2,108)	(1,569)
Funding balance ((A - B) + (C - D))	-	-	-	-

The accompanying notes form part of these financial statements

Notes to Financial Statements

NOTE 1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2018

REPORTING ENTITY

Ōpōtiki District Council (ODC) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations include the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBE) for the purpose of complying with generally accepted accounting practice.

The financial statements of ODC are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 31st October 2019.

BASIS OF PREPARATION

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

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with the reduced disclosure of a Tier 2 PBE accounting entity. ODC qualifies for the Tier 2 exemptions as it does not have debt or equity instruments that are traded in a public market nor hold assets in a fiduciary capacity for a broad group of outsiders; and has total expenses between \$2 million and \$30 million. These financial statements comply with PBE Standards.

Presentation currency and rounding

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

Standards issued and not yet effective, and not early adopted

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

2018 Omnibus Amendments to PBE Standards, issued November 2018

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

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

Impairment of Revalued Assets

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

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of this new standard.

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 – 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 – 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of this new standard.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 *Financial Instruments*. PBE IFRS 9 replaces PBE IPSAS 25 *Financial Instruments: Recognition and Measurement*. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted.

The main changes are:

- New financial asset classification requirements for the determining whether an asset is measured at fair value or amortised costs.
- A new impairment model for financial assets based on expected losses, which may result in earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

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

Employee Benefits

In May 2017, the XRB issued PBE IPSAS 39 *Employee Benefits*. PBE IPSAS 39 replaces PBE IPSAS 25 *Employee Benefits*. PBE IPSAS 39 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Council plans to apply this standards in preparing the 30 June 2020 financial statements. The Council has not yet assessed the effects of this new standard.

Service Performance Reporting

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

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

Impairment of Revalued Assets

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 financial statements as ODC is acting as agent for BOPRC.

New Zealand Transport Agency Roading Subsidies

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

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when ODC obtains control over the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developers, the fair value is based on the construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), ODC immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and Bequeathed Financial Assets

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

Direct charges

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water

connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

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

Borrowing Costs

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

Grant Expenditure

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

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

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

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

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

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

Operating Leases

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

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

Receivables

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

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

Other Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit

Loans to community organisations made by the Council at nil, or below-market interest rate are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of expected cash flows of the loan is recognised in the surplus or deficit as a grant expense.

The loans are subsequently measured at amortised cost using the effective interest method.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than twelve months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method less impairment. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date or if the debt is not expected to be realised within 12 months of balance date. The Council includes in this category:

- Investments that the Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that the Council holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. If assets are impaired, the amount not expected to be collected is recognised in the surplus/deficit.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventory

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

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

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

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

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

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

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, Plant and Equipment

Property, plant and equipment consists of:

Operational assets — These include land, buildings, plant, machinery and vehicles, fixtures, fittings and equipment and library collections.

Restricted assets — Restricted assets land and buildings owned by ODC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets — Infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

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

Revaluation

Land, buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure their carry amount does not differ materially from fair value.

Revaluation movements are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the value of the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

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

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

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

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

Disposals

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

Depreciation

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

Buildings

- Structure 35 to 85 years (2.86% - 1.18%)
- Roof 40 years (2.5%)
- Services 15 to 50 years (6.67% - 2.0%)
- Internal fit out 15 to 35 years (6.67% - 2.86%)

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 5 years (33% - 20%)

Library collections 5 to 10 years (10% - 20%)

Roading network

- Formation – not depreciated
- Sub base – not depreciated
- Basecourse (unsealed) 8 years (12.5%)
- Basecourse (sealed) 120 years (0.83%)
- Top surface: seal 15 years (6.67%); hot mix 30 years (3.33%)
- Bridges 100 years (1.0%)
- Cycleways 50 years (2%)

Kerb and footpaths 45 to 60 years (1.66% - 2.22%)

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

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

Culverts (roading components) 60 years (1.66%)

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

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

River protection works 100 years (1.0%)

Open drains associated with the roading infrastructure is not depreciated. The annual maintenance programme set out in the asset management plan will ensure the specific level of service is maintained.

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

Intangible assets

Software acquisition and development

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

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

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website is recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use.

Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software 3 to 7 years (14% - 33%).

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, and goodwill are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For revalued assets, the impairment loss is recognised in the surplus or deficit.

Value in Use for Non-cash-Generating Assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in Use for Cash-Generating Assets

Cash-Generating Assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating units is the present value of expected future cash flows.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property at fair value at each reporting date.

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

Payables

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at the amount borrowed plus transaction costs. Interest due on borrowings is subsequently accrued and added to the borrowings balance.

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

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that ODC anticipates it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of Employee Entitlements

Sick leave and annual leave are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions

A provision is recognised for future expenditure of an uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Equity

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

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

Council Created reserves

Council created reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

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

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

Asset revaluation reserves

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

Fair value through other comprehensive revenue and expense reserves

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2018-28 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing the financial statements.

Cost allocation

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

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

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

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

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

Critical accounting estimates and assumptions

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

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

Infrastructural assets

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

Landfill aftercare provision

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

Critical judgments in applying accounting policies

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

Classification of property

The Council owns land and buildings previously occupied by the Council Depot. A portion of the property was leased and this portion was classified as investment property. The property has been redeveloped and the entire property is now classified as investment property.

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

Council has considered whether there are any indicators of impairment in relation to the costs previously capitalised in relation to the Development of the Harbour. Costs incurred as at 30 June 2019 are \$3.446 million.

The costs represent harbour structure and navigation design, geotechnical information gathered and other project management costs specific to the overall project. Council continues to work with the Government and other agencies to progress this project and at this stage considers there to be future economic benefit from the works previously undertaken. It is expected that these costs will form part of the overall cost to complete the Harbour development. Council will reconsider the recoverability of this work on an ongoing basis going forward. Any impairment will be recognised in the statement of comprehensive revenue and expenditure at that time.

Rounding

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

Note 2: Rates revenue

	Actual 2019 \$000	Actual 2018 \$000
General rate	8,842	8,595
Targeted rates attributable to activities		
Communities of Interest	306	250
Sewerage	815	676
Urban Refuse Collection	262	282
Water Supplies	718	727
Metered Water*	381	384
Rate penalties	166	134
Rates Remissions	(492)	(472)
Total rates income	10,998	10,576

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

- a. set aside as Waahi Taapu; or
- b. set aside for the preservation of natural characteristics etc; or
- c. 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

	2019	2018
Number of rating units within the district	5,646	5,636
Total capital value of rating units within the district	1,950,290,873	1,943,236,850
Total land value of rating units within the district	979,889,458	988,183,050

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 2019 \$000	Actual 2018 \$000
User fees and charges	636	638
Regulatory and resource consent charges	502	485
Infringements and fines	23	16
Rendering of services	-	18
Other	-	1
	<u>1,161</u>	<u>1,158</u>

Note 4: Subsidies and grants

	Actual 2019 \$000	Actual 2018 \$000
New Zealand Transport Rooding Subsidies	2,524	1,882
Grants towards Harbour Development	367	1,509
Grant from Bay of Plenty Regional Council for Rooding	19	26
Grant from Eastern Bay Charitable Trust for streetlight upgrade	-	39
Grants for Summer festival	58	53
Grants towards parks and reserves	108	40
Grant for Driver Licensing Programme	40	80
Ministry of Health subsidy towards upgrade of water supplies	-	14
Grants for Cycleway	70	44
Grant for Waste Minimisation	35	35
Other	-	17
	<u>3,221</u>	<u>3,739</u>

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

Note 5: Finance revenue and finance costs

	Actual 2019 \$000	Actual 2018 \$000
Interest revenue		
Interest revenue		
- term deposits	62	101
Total finance revenue	<u>62</u>	<u>101</u>
Finance costs		
Interest expense		
- interest on borrowings	236	229
Total finance costs	<u>236</u>	<u>229</u>
Net finance costs	<u>174</u>	<u>128</u>

Note 6: Exchange and non-exchange revenue

	Actual 2019 \$000	Actual 2018 \$000
Revenue from exchange transactions		
Rental Revenue	266	222
Finance Revenue	62	101
Total revenue from exchange transactions	<u>328</u>	<u>323</u>
Revenue from non-exchange transactions		
Fees and charges from activities	1,161	1,158
Rate revenue	10,998	10,576
Subsidies and grants	3,221	3,739
Other non-exchange revenue	301	739
Total revenue from non exchange transactions	<u>15,681</u>	<u>16,212</u>

Note 7: Other revenue

	Actual 2019 \$000	Actual 2018 \$000
Petrol tax	60	75
Vested and introduced assets	-	512
Gain on disposal of property, plant and equipment	12	6
Dividends received	17	-
Revaluation losses in excess of Revaluation Reserve	-	(43)
Gain (Loss) on changes in fair value of investment property (note 15)	209	71
Other Revenue	269	335
	<u>567</u>	<u>956</u>

Note 8: Personnel costs

	Actual 2019 \$000	Actual 2018 \$000
Salaries & wages	3,934	3,477
Defined contribution plan employer contributions	111	100
Increase/ (decrease) in employee benefit liabilities	16	61
Training costs	98	107
Total employee benefit expenses	<u>4,159</u>	<u>3,745</u>

Note 9: Other expenses

	Actual 2019 \$000	Actual 2018 \$000
Fees paid to principal auditor:		
- for audit of Long Term Plan	-	78
- for audit of Annual Report	102	101
Audit fees for Debenture Trust Deed assurance engagement	4	4
Council grants and contributions	143	143
Impairment of receivables (note 11)	184	132
Loss on disposal of property, plant and equipment (note 14)	172	201
Elected member remuneration (note 26)	259	234
Consultants	602	622
Contractors and agency staff	2,340	2,460
Energy	64	56
Repairs and maintenance	370	308
Advertising and event promotion	123	115
Research and development	59	120
IT systems costs	495	415
Telephony	79	66
Subscription and license fees	95	146
Legal costs	53	57
Rates on Council property	161	157
Insurance	177	122
Other operating expenses	2,900	2,820
Total Other Operating Expenses	<u>8,382</u>	<u>8,357</u>

Note 10: Cash and cash equivalents

	Actual 2019 \$000	Actual 2018 \$000
Cash at bank and in hand	288	569
Short term deposits maturing three months or less from date of acquisition	1,375	3,062
Total cash and cash equivalents	<u>1,663</u>	<u>3,631</u>

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 2019 \$000	Actual 2018 \$000
Rates receivable	4,182	4,176
Other receivables	1,180	1,535
Sundry debtors	100	25
	<u>5,462</u>	<u>5,736</u>
Less provision for impairment of receivables	(2,470)	(2,287)
Total debtors and other receivables	<u>2,991</u>	<u>3,451</u>

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

	Actual 2019 \$000	Actual 2018 \$000
At 1 July	2,287	2,155
Additional provisions made during the year	183	132
Receivables written off during the period	-	-
At 30 June	<u>2,470</u>	<u>2,287</u>
Total receivables comprise:		
Exchange transactions	662	218
Non-exchange transactions	2,329	3,233
	<u>2,991</u>	<u>3,451</u>

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 2019 \$000	Actual 2018 \$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	80	80
Total Investments in other entities	98	98
<i>Investments in CCO's and other similar entities</i>		
Unlisted shares in Bay of Plenty Local Authority Shared Services Ltd	5	5
Total Investment in CCO's and other similar entities	5	5
Total Non current	103	103
Total Other Financial Assets	103	103

Unlisted Shares

Unlisted shares are recognised at cost. Management have decided that cost price is used as there is not an active market to determine fair value.

Impairment

There were no impairment provisions for other financial assets. (2018 : nil)

Note 13: Investment in Associate

	2019 \$000	2018 \$000
Investment in Evolution Networks Limited	120	120
Equity accounted carrying amount	64	67
<i>Summarised financial information of associate presented on a gross basis</i>		
Assets	234	86
Liabilities	205	47
Revenues	247	208
Surplus/(deficit)	(10)	(53)
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) M of Aon New Zealand. Operational buildings are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. The valuation is as at 1 July 2017.

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

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

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

The most recent valuation of infrastructural assets was performed as at 1 July 2017. The Three Waters valuation was performed by ODC engineering staff and peer reviewed by Peter Erceg, Bcom(VPM) MPINZ of Aon New Zealand. The roading asset valuation was performed by Peter Erceg, Bcom(VPM) MPINZ of Aon New Zealand.

Land under roads

Land under roads, was valued based on fair value of adjacent land determined by ODC engineering staff and peer reviewed by D G Baker, NZCE (Civil) REA, effective 1 July 2002. Under NZ IFRS ODC has elected to use the fair value of land under roads as at 1 July 2002 as deemed cost. Land under roads is no longer revalued.

Work in progress

The total amount of property, plant and equipment in course of construction is \$4,159,668 (2018 \$4,674,915)

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 (2018 \$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
2019				
Roading network	144,329	1,222	-	151,646
Water systems				
- Treatment Plants & Facilities	2,083	67	-	3,857
- Other	8,574	149	-	14,073
Sewerage system				
- Treatment Plants & Facilities	1,367	0	-	2,373
- Other	12,280	2,868	-	33,761
Stormwater	8,257	105	-	11,677
2018				
Roading network	144,473	1,128	-	150,576
Water systems				
- Treatment Plants & Facilities	2,093	20	-	3,790
- Other	8,673	641	-	13,946
Sewerage system				
- Treatment Plants & Facilities	1,412	0	-	2,373
- Other	9,835	112	-	30,897
Stormwater	8,310	86	-	11,481

Insurance

	Actual 2019 \$000	Actual 2018 \$000
The total value of all assets that are covered by insurance contracts	116,874	114,265
The maximum amount to which they are insured	68,057	66,737
The total value of all assets that are covered by financial risk-sharing arrangements	81,362	79,213
The maximum amount available under this arrangement	48,817	47,528
The total value of assets that are self insured	-	-
- there is no fund maintained for this purpose		

DEPRECIATION BY GROUP OF ACTIVITY

	Budget 2019 \$000's	Actual 2019 \$000's	Actual 2018 \$000's
Community Facilities	251	286	272
Economic Development		-	-
Land Transport	1,124	1,219	1,142
Regulation & Safety	8	6	7
Solid Waste Management	-	1	-
Stormwater	157	158	159
Support Services	141	514	444
Wastewater	453	464	455
Water Supplies	324	304	326
Community Development		-	-
Total depreciation	2,458	2,952	2,805

Note 14 Property, plant and equipment continued...

2019	Cost/ revaluation	Accumulated depreciation	Carrying amount	additions	reclassified	additions	impairment	disposals	depreciation	Depreciation Write Back	Revaluation surplus	Cost/ revaluation	Accumulated depreciation	Carrying amount
	2018	and impairment charges 2018	2018		assets	Vested	charges					2019	and impairment charges 2019	2019
Operational assets														
Land	710	-	710	-	-	-	-	-	-	-	-	710	-	710
Buildings	1,495	102	1,393	-	-	-	-	-	86	-	-	1,495	204	1,291
Site Improvements	249	16	233	28	-	-	-	-	37	-	-	278	37	241
Plant, machinery and vehicles	1,711	901	810	346	-	-	-	201	155	58	-	1,856	997	859
Fixtures, fittings and equipment	905	717	188	308	-	-	-	1	175	79	-	1,212	813	399
Library collections	836	663	173	-	-	-	-	-	-	-	-	836	663	173
Total operational assets	5,907	2,398	3,508	682	-	-	-	202	453	137	-	6,387	2,714	3,673
Infrastructural assets														
Roads & footpaths	145,614	1,141	144,473	1,222	-	-	-	152	1,219	6	-	146,683	2,354	144,329
Water systems	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Treatment Plants & Facilities	2,174	81	2,093	67	-	-	-	-	77	-	-	2,241	158	2,083
- Other	8,917	244	8,673	149	-	-	-	22	227	1	-	9,044	470	8,574
Sewerage system	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Treatment Plants & Facilities	1,458	46	1,412	-	-	-	-	-	45	-	-	1,458	91	1,367
- Other	10,243	409	9,835	2,868	-	-	-	4	419	-	-	13,107	828	12,280
Stormwater drainage	8,469	159	8,310	105	-	-	-	1	158	-	-	8,574	317	8,257
Cycle Ways	1,066	14	1,052	-	-	-	-	-	14	-	-	1,066	28	1,038
Total infrastructural assets	177,940	2,094	175,846	4,411	-	-	-	179	2,159	7	-	182,174	4,246	177,928
Restricted assets														
Land	12,514	-	12,514	278	-	-	-	-	-	-	-	12,792	-	12,792
Buildings	3,314	123	3,191	44	-	-	-	-	31	-	-	3,358	247	3,111
Site Improvements	2,852	92	2,760	354	-	-	-	-	222	-	-	3,206	222	2,984
Total restricted assets	18,679	215	18,465	676	-	-	-	-	253	-	-	19,356	468	18,887
Commissioned property, plant and equipment	202,526	4,707	197,819	5,769	-	-	-	381	2,865	144	-	207,916	7,428	200,488
WIP	Cost		Carrying Amount	Year Movement								Cost		Carrying Amount
	2018		2018									2019		2019
Work in progress - Roads & footpaths	3	-	3	(3)								-	0	-
Work in progress - Water	-	-	-	163								163		163
Work in progress - Sewerage	1,293	-	1,293	(1,276)								17		17
Work in progress - Stormwater drainage	0	-	0	0								0		0
Work in Progress - Harbour	3,012	-	3,012	435								3,446		3,446
Work in Progress - Community Facilities at	367	-	367	166								533		533
Total work in progress	4,675	-	4,675	(515)	-	-	-	-	-	-	-	4,160	-	4,160
Total property, plant and equipment	207,201	4,707	202,494	5,254	-	-	-	381	2,865	144	-	212,076	7,428	204,648

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

For better management and understanding of our assets, in 2018 we split 'Site improvements' out of 'Buildings' for both Operational and Restricted buildings

Note 14 Property, plant and equipment continued...

2018	Cost/ valuation 2017	Accumulated depreciation and impairment 2017	Carrying amount 2017	additions	reclassified assets	additions Vested	impairment	disposals	depreciation	Depreciation Write Back	Revaluation surplus	Cost/ valuation 2018	Accumulated depreciation and impairment 2018	Carrying amount 2018
Operational assets														
Land	696	-	696	-	-	-	-	140	-	-	154	710	-	710
Buildings	1,525	143	1,382	-	(72)	91	-	36	118	-	380	1,745	118	1,626
Plant, machinery and vehicles	1,575	784	791	271	-	-	-	135	229	113	-	1,711	901	810
Fixtures, fittings and equipment	875	722	153	109	-	-	-	79	66	71	-	905	717	188
Library collections	786	655	131	50	-	-	-	-	7	-	-	836	663	173
Total operational assets	5,457	2,304	3,153	430	(72)	91	-	390	421	184	534	5,907	2,399	3,508
Infrastructural assets														
Roads & footpaths	144,402	3,490	140,912	1,128	-	-	-	33	1,142	1	3,607	145,614	1,141	144,473
Water systems	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Treatment Plants & Facilities	3,131	258	2,872	20	(1,004)	-	-	9	81	-	295	2,174	81	2,093
- Other	6,682	551	6,131	641	1,004	-	-	8	244	-	1,148	8,917	244	8,673
Sewerage system	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Treatment Plants & Facilities	1,566	146	1,420	-	(658)	-	-	-	46	-	696	1,458	46	1,412
- Other	5,119	478	4,641	112	658	-	-	3	409	-	4,836	10,243	409	9,835
Stormwater drainage	6,403	379	6,025	86	-	-	-	-	159	-	2,358	8,469	159	8,310
Cycle Ways	1,182	35	1,147	-	(378)	-	-	-	14	-	297	1,066	14	1,052
Total infrastructural assets	168,485	5,337	163,148	1,988	(378)	-	-	53	2,095	1	13,236	177,940	2,094	175,846
Restricted assets														
Land	10,042	-	10,042	-	-	1,085	-	-	-	-	1,387	12,514	-	12,514
Buildings	4,409	371	4,038	788	450	827	-	622	215	-	686	6,166	215	5,951
Total restricted assets	14,451	371	14,080	788	-	1,912	-	622	215	-	2,073	18,679	215	18,465
Commsioned property, plant and equipment	188,393	8,012	180,381	3,206	-	2,003	-	1,065	2,731	185	15,843	202,526	4,707	197,819
WIP														
	Cost 2017		Carrying Amount 2017	Year Movement								Cost 2018		Carrying Amount 2018
Work in progress - Roads & footpaths	-	-	-	3								3		3
Work in progress - Water	502	-	502	(502)								-		-
Work in progress - Sewerage	35	-	35	1,258								1,293		1,293
Work in progress - Stormwater drainage	14	-	14	(14)								0		0
Work in Progress - Harbour	1,870	-	1,870	1,142								3,012		3,012
Work in Progress - Community Facilities and Property	164	-	164	203								367		367
Total work in progress	2,585	-	2,585	2,090	-	-	-	-	-	-	-	4,675	-	4,675
Total property, plant and equipment	190,978	8,012	182,966	5,296		2,003	-	1,065	2,731	185	15,843	207,201	4,707	202,494

Note 15 Intangible assets

	Computer software	Easement	Total
Cost			
Balance at 1 July 2018	508	10	518
Additions	72	-	72
Disposals	-	-	-
Balance 30 June 2019	580	10	590
Balance at 1 July 2017	458	10	468
Balance at 30 June 2018	508	10	518
Accumulated amortisation and impairment			
Balance at 1 July 2018	396	-	396
Amortisation charge	85	2	87
Disposals	-	-	-
Balance 30 June 2019	481	2	483
Balance at 1 July 2017	322	-	322
Balance at 30 June 2018	396	-	396
Carrying amounts			
Balance at 1 July 2018	112	10	122
Balance 30 June 2019	99	8	107
Balance at 1 July 2017	136	10	146
Balance 30 June 2018	112	10	122

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

Impairment

Easements

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

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

Note 16 Investment property

	Actual 2019 \$000	Actual 2018 \$000
Balance 1 July	2,501	2,259
Additions	29	170
Disposals	-	-
Fair value gains/(losses) on valuation (note 7)	208	72
Balance 30 June	2,738	2,501

ODC's investment property is valued annually at fair value effective 30 June. The investment property was valued based on open market evidence. The valuation was performed by Peter Erceg an independent valuer from Aon New Zealand, who are an experienced valuer with extensive market knowledge in the types of properties owned by ODC.

The fair value of investment property has been determined using the highest and best use method. Highest and best use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financial feasible, and which results in the highest value.

Note 17 Council Controlled Organisations

Council make contributions to both BOP LASS and Toi EDA. This has currently been included under Note 25 Related party transactions Council has a one eighth shareholding in Bay of Plenty Local Authority Shared Services Ltd (BOPLASS) Council also has an interest in Toi EDA the Eastern Bay of Plenty Development Agency set up by the three local authorities (Kawerau, Opotiki and Whakatane District Councils) working together with local Iwi. This organisation has been exempted as a Council Controlled Organisation under section 7 of the Local Government Act 2002.

Bay of Plenty Local Authority Shared Services Limited (BOPLASS Ltd)

BACKGROUND

Ōpōtiki District Council has a one-ninth ordinary shareholding in Bay of Plenty Local Authority Shared Services Limited (BoPLASS).

Auditors – Audit New Zealand

SIGNIFICANT POLICIES AND OBJECTIVES

The company has been set up to provide Bay of Plenty Regional local authorities with a vehicle to procure shared services and provide them to local authorities.

The services that will be initiated under the umbrella of this company will only be promulgated if the business case shows that they provide benefit to the shareholders in terms of improved level of service or reduced cost.

NATURE AND SCOPE OF ACTIVITIES

The principal nature and scope of the activity of BoPLASS is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent Councils
- Facilitate Shared Services that benefit Councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value
- Pursue best practice in the management of all activities to obtain best value and minimise risk
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, Council contributions, or Government funding where available.
- Allow other Councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly
- Represent the collective views of its shareholders in matters with which it is associated.

Target <u>2018/19</u>	Result	Narration
<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>Infrastructure Insurance</u> – BOPLASS represented a collective group of councils in negotiations for placement of councils' infrastructure insurance into the London markets. Although faced with a hardening insurance market BOPLASS councils were able to achieve particularly good outcomes as a result of our existing underwriter relationships and an established history within the London insurance markets. This was supported by accurate loss modelling information, asset valuations, and risk quantification data, all of which have become essential information in securing appropriate and competitively priced insurance. A new contract was established with a mix of Lloyds' syndicates.</p> <p><u>Eagle Training</u> – Eagle Technology was engaged by BOPLASS to provide collaborative training on migrating ArcMap to ArcGIS Pro for BOPLASS councils GIS staff. This collective approach provided significant cost savings and improved inter-council information sharing.</p> <p><u>Aerial Imagery and LiDAR* 2018/19</u> – The tender for BOPLASS councils' specific areas and requirements within the BOPLASS</p>

	<p>regional flying calendar were awarded to AAM NZ Ltd. An additional financial saving of approximately \$100,000 was achieved (beyond the benefits of a collective tender) through a unique flying and capture process being utilised.</p> <p><i>*LiDAR (Light Detection and Ranging) data, or height data, is precise laser measurements of the Earth's surface that is used for creating highly accurate 3D maps of the land. LiDAR is particularly useful for flood modelling purposes because it provides accurate terrain and surface models of the land. LiDAR allows us to better understand where water will flow, what protection may be needed and where the areas at greatest risk from flooding are.</i></p> <p><u>Provincial Growth Fund Application for LiDAR Capture</u> – BOPLASS successfully managed a coordinated regional approach to a Provincial Growth Fund application for co-funding for LiDAR capture for the entire Bay of Plenty region. Co-funding was made available to assist councils to invest in an expansion of 3D mapping to assist with supporting major development projects and improve land use management in our region. The successful application for co-funding will result in significant savings for BOPLASS councils’ LiDAR and 3D mapping programmes.</p> <p><u>Antenno</u> – Is a local government communications app that allows councils to push notifications to their communities. It also provides facilities for people to lodge service requests with their council directly through the app. BOPLASS negotiated a discount rate with Datacom for all BOPLASS councils.</p> <p><u>Lone Worker Field Solutions</u> – The BOPLASS Health and Safety group have engaged with vendors to review communication and technology solutions to assist with protecting and connecting with lone or remote workers. Still under action.</p> <p><u>Robotic Process Automation</u> – RPA provides an opportunity for the automation of repeatable processes that can run without intervention. BOPLASS has facilitated workshops with vendors and also with Auckland Council as they have developed a mature process for developing solutions based upon various business units’ requirements. This project is ongoing.</p> <p><u>Accounts Payable Automation Software</u> - BOPLASS led a project to identify collaborative opportunities for the automation of accounts payable processes through niche software or collective development of a shared solution. Negotiations are underway with a shortlisted provider. Still under action.</p> <p><u>PMCA NZME Premium Content</u> - BOPLASS holds a collective PMCA licence on behalf of our constituent councils. BOPLASS identified that our licenced organisations cannot legally access premium media content without holding a corporate paywall premium subscription. BOPLASS investigated a project to establish a single corporate licence on behalf of our councils. It was determined that the service was not required by all councils and individual agreements would be pursued.</p> <p><u>Insurance Valuations</u> – International underwriters for BOPLASS councils’ insurances had requested we demonstrate a common standard of asset reporting aligned to a consistent</p>
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		<p>standard for valuations reporting. Having this consistent data would assist them in better understanding the risk they are writing and, ultimately, would be reflected in their pricing. BOPLASS negotiated an agreement with Aon to review councils' valuation processes and establish consistent standards for valuation of assets. Discounted pricing and savings for all councils was achieved through a collective agreement.</p> <p><u>Contractor online inductions</u> – The BOPLASS Health and Safety advisory group have investigated and shortlisted suppliers to deliver a collective solution for online inductions of contractors for all BOPLASS councils. Still under action.</p> <p><u>Eastern BOP Electricity Tender</u> – At the request of Eastern Bay councils BOPLASS explored options for other BOPLASS councils to participate in a collective tender. After investigating with other councils it was determined that it was more beneficial for Eastern Bay councils to proceed with a separate tender.</p> <p><u>Health and Safety Management Software</u> – A BOPLASS preferred supplier agreement has been established with Vault with preferential pricing applied to all participating Waikato and BOPLASS councils. The agreement provided significant savings for all councils and migration to the latest Vault version at no cost to participating councils.</p>
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects.</p> <p>BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.</p> <p>Quarterly satisfaction reviews with participating councils. Resource assignment measured from project job tracking.</p>	<p>Achieved</p>	<p>0.45 FTE provided through BOPLASS staff engagement committed directly to support of council shared service projects or individual council support – measured by fortnightly timesheets.</p> <p>Support provided to councils in development of the following services:</p> <p><u>Radio Telephony (RT) strategy</u> – Push Wireless have been appointed as preferred supplier to coordinate region-wide Radio Telephone services and technologies. Standardisation of services and networks also provides the potential for further alignment in civil defence strategies.</p> <p><u>Bulk loading As Built Data questionnaire</u> – Investigated aligning BOPLASS councils to common As Built data standards. Survey circulated to all GIS teams to benchmark current standards. Still under action.</p> <p><u>Solid Waste Management</u> – Scoping for two of the three solid waste services that are being coordinated by BOPLASS has been completed, with significant opportunities for cross-regional collaboration identified:</p> <p>A regional or cross-regional approach to licensing and data collection for waste operators</p> <p>Diverting putrescible wastes from landfill</p> <p>The Regional Facilities Strategy project is awaiting commitment from Waikato councils before completing the initial scoping.</p> <p><u>Insurance Forum</u> – BOPLASS hosted an insurance forum covering Waikato and BOP councils. BOPLASS arranged sponsorship and the forum was provided at no cost to the councils. Qualified speakers covered a number of critical insurance and risk topics. Councils benefitted from access to this important information through this forum.</p> <p><u>Health and Safety Inter-Council Audits</u> – A framework has</p>

	<p>been developed to enable BOPLASS councils to request a peer review from other councils in the BOPLASS group with the objective of sharing knowledge and improving areas within Health and Safety.</p> <p><u>Asbestos protocol</u> – Researched and shared best practice and protocols across councils and within BOPLASS Health and Safety Advisory group. Organised WorkSafe presentation. Ongoing sharing of information between councils.</p> <p><u>Sustainable Public Procurement</u> – BOPLASS supported Toi-Ohomai Institute of Technology in a research report on Sustainable Public Procurement in the Bay of Plenty. BOPLASS has worked with CoBOP and The Sustainable Business Network to progress the opportunities identified in the report. BOPLASS councils’ procurement managers have undertaken a project to collaborate in the development of sustainability procurement practices and policies.</p> <p><u>Health and Safety Benchmarking</u> – The BOPLASS and Waikato LASS Health and Safety groups have established measures and systems for implementing a shared local authority health and safety benchmarking system.</p> <p><u>Support of Video Conferencing services for councils</u> – Ongoing support for councils’ in-house and external video conferencing services. Central management of virtual meeting rooms and directories. Investigation of updated services. Added Zoom services to councils’ video conferencing services.</p> <p><u>Ōpōtiki District Council Library and cloud services</u> – BOPLASS IT Manager assisted in reconfiguration of network and led project to investigate options to move Opotiki District Council into the Cloud.</p> <p><u>Inter-Council Network (ICN) review, redesign and renegotiation of suppliers and services</u> – The ICN is a shared service high capacity fibre network connecting the majority of BOPLASS councils. ICN design was reviewed and an evaluation of ICN contracts undertaken to deliver further cost reductions.</p> <p><u>Debt Collections</u> – After investigating options for establishing a local shared service, BOPLASS engaged with MWLASS to develop an opportunity for BOPLASS councils to participate in the MWLASS debt management service – Debt Management Central (DMC) – as a shared service. An interLASS agreement has been agreed, with BOPLASS councils entering into individual contracts with DMC.</p> <p><u>Capital Construction and Civil Works Projects</u> – A regional-wide marketing approach to civil projects is being reviewed. The focus of this approach is to market the project plans of the region as a whole to the construction sector and to help avoid the complex issue of regional versus local prioritisation for delivery of projects. The anticipated benefit of this approach is to attract a better response from contractors for councils across the region. Ongoing.</p> <p><u>Inter-LASS collaboration</u> – BOPLASS continues to encourage collaboration between all LASSes and has established quarterly meetings for LASS leaders to share information and identify opportunities for collective partnering.</p> <p><u>Collaborative Training</u> – Cross-council training has continued to be arranged across a number of areas of council business,</p>
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		<p>providing for discounted rates, reduced staff travel (as trainers are prepared to travel to region for a larger group), opportunity to network with peers from other councils, and development of tailored material.</p> <p><u>BOPLASS Reviews</u> – Undertaken during all advisory group meetings – at least quarterly.</p>
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils</p> <p>Number of listed projects to increase by 20% per year. Number of Team Sites to increase by 20% per year. Portal is operational outside of the LASS groups with a minimum of ten additional councils or local government related organisations having utilised the portal.</p>	Achieved	<p>Project completed relaunching the Collaboration Portal with a more user friendly platform under Microsoft Teams to enable and encourage a higher level of sharing from councils and the Local Government community. User survey feedback implemented along with a review of best practice methodologies.</p> <p>Ongoing promotion and profiling of the Collaboration Portal has resulted in more than ten additional councils or Local Government related organisations outside of the LASS group signing up to and using the Collaboration Portal, there are 24 councils or local government related organisations outside of the LASS group registered on the Portal.</p> <p>On-boarding, training material and training provided to councils to maximise usage and ensure increased uptake. Demonstrations of the Portal given to BOPLASS Advisory Groups and to councils' executive leadership teams.</p> <p>Number of projects has increased by 11 over the last year, there are now 39 lodged projects.</p> <p>The number of Collaboration Portal Team Sites have increased by 32 over the last year with 58 team sites now registered.</p>
<p>Ensure appointed vendors remain competitive and continued best value is returned to shareholders.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts due for renewal are tested for competitiveness in the marketplace. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	Achieved	<p>Contracts negotiated and/or renewed for:</p> <p><u>Video Conferencing Services</u> – New video conference services have been established using Canon and Zoom to deliver desktop and meeting room services to participating councils.</p> <p><u>GIS software and services</u> –</p> <p>Geocortex Essentials Geocortex Optimizer X-Tools NZ Archaeological Association</p> <p><u>Contracts renegotiated and renewed</u> – no alternative suppliers.</p> <p><u>Print Media Copyright Agency (PMCA)</u> – Contract and requirements reviewed. Contract renewed with PMCA – sole NZ provider.</p> <p><u>ESRI Enterprise Licensing Agreement</u> – BOPLASS Enterprise Agreement renegotiated and renewed for a further three year term with no increases in cost to councils. No alternative provider in NZ.</p> <p><u>Media Monitoring services</u> – Competitive procurement process managed by BOPLASS with presentations received from two vendors. Contract with iSentia renewed.</p> <p><u>Inter-Council Network</u> – Existing contracts renegotiated with some of the ICN suppliers, resulting in improved levels of service and \$56,048 annual savings in 2018/19 for this foundation service:</p> <p>- <u>Spark Fortigate Firewall Services</u> – renegotiated contract resulting in reduced ongoing costs for this service saving \$12,611 per year.</p>

		- <u>Spark GWS Service</u> in Opotiki replaced with Evolution Networks Wireless WAN. Planning work begun in 2018 and completed in early 2019 year. Further improvements to the wireless service undertaken in February 2019. The decommissioning of the Spark service will result in a saving of \$20,000 per year.
<p>Review governance performance and structure to ensure it supports BOPLASS' strategic direction.</p> <p>Perform review of BOPLASS governance.</p> <p>Affirmative feedback received from shareholding councils at least annually.</p>	Achieved	<p>Following direct engagement with shareholders and feedback received a decision was made not to proceed with an independent governance review. The majority of councils advised they were comfortable with the current Board composition and the cost of carrying out an independent governance review would be prohibitive relative to the return in value.</p> <p>Discussions around strategy and governance are held on a continuous basis by the Board.</p> <p>Feedback from councils is received through the Statement of Intent submission process.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Meetings were held with each council's Executive Leadership Team.</p> <p>A further four Operations Committee meetings were held during the year with Executive Leadership Team representation and input provided by all shareholding councils.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2019: \$5,322 profit.</p>

Note 18 Trade and other payables

	Actual 2019 \$000	Actual 2018 \$000
Trade payables	1,378	2,435
Retained contract monies	477	313
Deposits and bonds	63	86
Accrued expenses	141	139
Rates in advance	378	348
Rates due to Bay of Plenty Regional Council	1,219	529
Total trade and other payables	<u>3,656</u>	<u>3,850</u>
Exchange transactions	1,298	2,002
Non-exchange transactions	2,358	1,848
	<u>3,656</u>	<u>3,850</u>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

Note 19 Provisions

	Actual 2019 \$000	Actual 2018 \$000
Current provisions are represented by:		
Landfill aftercare provision	7	7
	<u>7</u>	<u>7</u>
Non-current provisions are represented by:		
Landfill aftercare provision	79	83
Weathertightness claims	16	51
	<u>95</u>	<u>134</u>

	Landfill Aftercare \$000	Weathertightness Claims \$000	Development Contributions \$000
Balance at 1 July 2017	91	50	-
Additional provisions made during the year	3	35	-
Amounts used during the year	(4)	(34)	-
Unused amounts reversed during the year	-	-	-
Discount unwinding	-	-	-
Balance as at 30 June 2018	<u>90</u>	<u>51</u>	<u>-</u>
Additional provisions made during the year	3	-	-
Amounts used during the year	(7)	(35)	-
Unused amounts reversed during the year	-	-	-
Discount unwinding	-	-	-
Balance as at 30 June 2019	<u>86</u>	<u>16</u>	<u>-</u>

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 2.56% (2018 2.98%).

Weathertightness claims provision

The last of the weathertightness claims made in 2015 was settled for \$50,000 in 2017.

We are involved in the Ministry of Education claim against Carter Holt Harvey, along with 48 other Councils, which we anticipate will be concluded in the coming months. We anticipate any remaining legal costs will be no greater than the residual provision remaining of \$16,000.

Note 20 Employee benefit liabilities

	Actual 2019	Actual 2018
Annual leave	221	228
Accrued pay	162	139
Total employee benefit liabilities	<u>383</u>	<u>367</u>
Comprising		
Current	383	367
Total employee benefit liabilities	<u>383</u>	<u>367</u>

Note 21 Borrowings

	Actual 2019 \$000	Actual 2018 \$000
Current		
Secured loans	-	1,500
Total current borrowings	<u>-</u>	<u>1,500</u>
Non-current		
Secured loans	5,000	3,500
Total non-current borrowings	<u>5,000</u>	<u>3,500</u>

Secured loans

ODC's secured debt is \$5,000,000 (2018 \$5,000,000). Of this, \$nil (2018: \$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 \$5,000,000 (2018 \$5,000,000) is issued at fixed rates of interest.

ODC's loans are secured over either separate or general rates of the Council.

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

Internal Borrowings

Information about internal borrowings is provided on pages 37 to 103 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

Refinancing

ODC manages its borrowings in accordance with its funding and financial policies, which includes a Liability and investment Management policy. These policies have been adopted as part of the ODC's Long-Term Plan.

Note 22 Equity

	Actual 2019 \$000	Actual 2018 \$000
Accumulated Funds		
As at 1 July	132,122	131,185
Council created reserves	(341)	(4,249)
Transfers from:		
Council created reserves	3,456	3,261
Asset revaluation reserve	82	548
Surplus/ (deficit) for year	277	1,377
As at 30 June	<u>135,596</u>	<u>132,122</u>
Council created reserves		
As at 1 July	4,480	3,492
Transfers to:		
Accumulated funds	(3,456)	(3,261)
Transfers from:		
Accumulated funds	347	4,249
As at 30 June	<u>1,371</u>	<u>4,480</u>
Asset revaluation reserve		
As at 1 July	66,451	50,043
Revaluation gains/ (losses)	-	15,843
Transfer to Equity	(82)	565
As at 30 June	<u>66,369</u>	<u>66,451</u>
Total Equity	<u>203,336</u>	<u>203,053</u>
Asset revaluation reserve consists of:		
Operational assets		
Land and Buildings	434	483
Infrastructural Assets		
Roading	42,480	42,543
Water systems	4,938	4,954
Sewerage systems	7,948	7,952
Stormwater system	6,979	6,980
Cycle Ways	376	376
Restricted assets		
Land and buildings	3,214	3,163
	<u>66,369</u>	<u>66,451</u>

Restricted reserves relate to :

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

Note 22: Council Created Reserve Funds

Special Reserves - 2019

Special Reserves	Activity	Purpose	Balance 01-Jul-18 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-19 \$000
Cash in Lieu of Reserves	Economic Development	For general purpose funding	166	16	(8)	174
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	5	5	(5)	5
General Purposes (Electricity Proceeds)	Economic Development	For general purpose funding	39	2	(0)	41
Development Contributions - Facilities	Community Facilities	For development of recreational facilities	422	21	(2)	441
CBD Development Reserve	Community Development	For development of the town CBD	38	22	(20)	40
Road Upgrade Reserve	Land Transport	For upgrading of roading	117	15	(10)	122
Destination Playground	Community Facilities	For Development of Playground	3	58	(58)	3
Elections Reserve	Leadership	For Funding Triennial Elections	32	2	(12)	22
Coast Community Board Reserve	Community Development	For Funding CCB Projects	108	21	-	129
Library Redevelopment Reserve	Community Facilities	For the Library Development Project	317	62	(4)	375
Whakaari Taonga Management Reserve	Community Facilities	For the development of reserves	15	4	(0)	19
District Plan Reserve	District Planning	For District Plan	-	2	(2)	-
			1,262	230	(122)	1,371

Other Reserves - 2019

	Purpose	Balance 01-Jul-18 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-19 \$000
Treasury Reserves	For operating surpluses and deficits	588	-	(588)	-
Depreciation Reserves	For funding replacement of existing assets	2,630	117	(2,747)	-
		3,218	117	(3,335)	-
		4,480	347	(3,458)	1,371

Note 22: Council Created Reserve Funds- continued

Special Reserves - 2018

			Balance 1-Jul-17 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-18 \$000
Special Reserves	Activity	Purpose				
Cash in Lieu of Reserves	Economic Development	For general purpose funding	156	10	-	166
Car Parking Reserve	Land Transport	For parking operating surpluses and deficits	5	-	-	5
General Purposes (Electricity Proceeds)	Economic Development	For general purpose funding	38	1	-	39
Development Contributions - Facilities	Community Facilities	For development of recreational facilities	408	14	-	422
CBD Development Reserve	Community Development	For development of the town CBD	37	1	-	38
Road Upgrade Reserve	Land Transport	For upgrading of roading	113	4	-	117
Destination Playground	Community Facilities	For Development of Playground	3	-	-	3
Elections Reserve	Leadership	For Funding Triennial Elections	17	15	-	32
Coast Community Board Reserve	Community Development	For Funding CCB Projects	100	8	-	108
Library Redevelopment Reserve	Community Facilities	For the Library Development Project	297	20	-	317
Whakaari Taonga Management Reserve	Community Facilities	For the development of reserves	10	5	-	15
District Plan Reserve	District Planning	For District Plan	-	-	-	-
			1,184	78	-	1,262

Other Reserves - 2018

			Balance 01-Jul-17 \$000	Deposits \$000	Withdrawals \$000	Balance 30-Jun-18 \$000
		Purpose				
Treasury Reserves		For operating surpluses and deficits	588	-	-	588
Depreciation Reserves		For funding replacement of existing assets	1,720	4,171	(3,261)	2,630
			2,308	4,171	(3,261)	3,218
			3,492	4,249	(3,261)	4,480

Note 23: Capital commitments and operating leases

	Actual 2019 \$000	Actual 2018 \$000
Capital commitments		
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	1,863	1,137
	<u>1,863</u>	<u>1,137</u>
Comprising		
Water systems	585	1,045
Wastewater systems	1,089	-
Roading network	-	92
Buildings	189	-
Total capital Commitments	<u>1,863</u>	<u>1,137</u>

	Actual 2019 \$000	Actual 2018 \$000
Operating commitments		
Operating expenditure for future years contracted on non-cancellable contracts at balance date but not yet incurred	2,115	2,272
Not later than one year	2,115	2,272
Later than one year and not later than five year	-	-
Later than five years	-	-
	<u>2,115</u>	<u>2,272</u>

Operating leases as lessee

ODC leases property plant and equipment in the normal course of business. These leases have a non-cancellable term of 36 to 60 months. The future aggregate minimum lease payment under non-cancellable operating leases are as follows:

	Actual 2019 \$000	Actual 2018 \$000
Non-cancellable operating leases as lessee		
Not later than one year	49	13
Later than one year and not later than five years	70	34
Later than five years	-	-
Total non -cancellable operating leases	<u>119</u>	<u>47</u>

Note 24 Contingencies

Contingent liabilities

As disclosed in note 19, a provision of \$16,000 (2018: \$50,000) has been recognised for expected residual legal costs associated with weathertightness claims. Council may also be exposed to potential future claims which may not have yet been lodged, up until the statutory limitation period expires. The amount of potential future claims may not have yet been lodged, up until the statutory limitation period expires. The amount of potential future claims is not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claims to be eligible under the Weathertightness Homes Resolution Services Act 2006, but other statutory limitation periods could also affect claims.

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by CHH. The MOE's claim against CHH is for 833 school buildings, 3 of which are located within the Opotiki region. In 2016, CHH commenced proceedings against 48 councils, including Opotiki District Council, alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates.

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

The court has directed that the trial be staged. The first stage will be a 6 month hearing commencing in April 2020, to determine whether shadow clad is inherently defective.

At present, there is still insufficient information to conclude on potential liability and claim 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.

Waihau Bay toilet advance

ODC advanced the funding required for the construction of a toilet facility at Waihau Bay by Tamatari Enterprises. The toilet is to be operated by Tamatari Enterprises and open to the public for a term of twenty five years. Should this arrangement continue for the complete term then no repayment of the advance is required. In the event of Tamatari Enterprises withdrawing from the arrangement then the advance is repayable on a prorata basis of the unexpired portion of the term. At 30 June 2019 this amounted to \$2,439 (2018 : \$14,439)

Note 25 Related party transactions

Council has an interest in a Council Controlled Organisation, holding a one eighth shareholding in Bay of Plenty Local Authority Shared Services Ltd (BOPLASS). Council also has an interest in Toi EDA the Eastern Bay of Plenty Development Agency set up by the three local authorities (Kawerau, Opotiki and Whakatane District Councils) working together with local Iwi. This organisation has been exempted as a Council Controlled Organisation under section 7 of the Local Government Act 2002.

	Actual 2019 \$000	Actual 2018 \$000
<u>BOPLASS</u>		
Annual contribution	12	12
Services Provided	39	50

	Actual 2019 \$000	Actual 2018 \$000
<u>Toi EDA</u>		
Annual contribution	31	31
Services Provided	-	11

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 2019 \$000	Actual 2018 \$000
<i>Councillors:</i>		
Remuneration	240	215
Full time equivalent members	7	7
<i>Senior Management Team:</i>		
Remuneration	685	783
Full time equivalent members	4	4
Total key management personnel remuneration	925	998
Total full-time equivalent personnel	11	11

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

Note 26 Remuneration

Chief Executive

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

The Chief Executive received the following remuneration:

	2019	2018
Salary	227,719	214,671
Vehicle (including FBT)	15,092	15,092
	242,811	229,763
Other Benefits:		
Professional Association Fees	275	275
Total Remuneration	243,086	230,038

Elected Representatives

Council:

	Actual 2019	Actual 2018
Mayor - John Forbes (Including salary plus car plus FBT)	75,284	66,641
Deputy Mayor - Lyn Reisterer	38,807	35,048
Councillor - Audit & Risk Chair - Arihia Tuoro	36,815	33,249
Councillor - Coast Community Board Chair - Haki McRoberts	27,026	24,408
Councillor - Barry Howe	20,530	18,541
Councillor - Shona Browne	20,530	18,541
Councillor - Ken Young	20,530	18,541
	239,522	214,969

Coast Community Board:

Member - Michael Collier	4,891	4,819
Member - Gail Keepa	4,891	4,819
Member - Jack Parata	4,891	4,819
Member - Allen Waenga	4,891	4,819
	19,564	19,276
Total Elected Representative Remuneration	259,086	234,245

Staff

	Actual 2019	Actual 2018
Number of full time employees	52	45
Number of full time equivalent of all other employees	8	9
Number of employees receiving less than \$60,000	40	36
Number of employees receiving between \$60,000 and \$79,999	15	12
Number of employees receiving between \$80,000 and \$99,999	6	6
Number of employees receiving between \$100,000 and \$219,999	4	5
Total number of Employees	65	59

Note: Prior year figures have been amended. The 2018 figures were based on actual remuneration received during the year and the 2019 figures are based on contractual salaries as at 30 June as per updated LG guidance

Note 27 Severance Payments

For the year ended 30 June 2019 the Council made no severance payments (2018: one severance payment of \$24,000).

Note 28 Events after balance sheet

There were no significant events after balance date.

Note 29 Explanation of major variances against budget

Explanations for major variations from ODC's estimated figures in the 2018-28 Long Term Plan are as follows:

		2019	
Statement of Comprehensive Income		\$000	
Actual surplus of \$0,277 million versus budget surplus of \$2,150 million			
A favourable variance of \$1,873 million.			
Total revenue of \$16,009 million was \$0,424 million under budget made up as follows:			
Rates Revenue	a	391	Favourable
Subsidies and grants	b	(989)	Unfavourable
Fees and charges	c	(134)	Unfavourable
Financial Income	d	(38)	Unfavourable
Other Revenue	c	346	Favourable
Development and financial contributions	c	0	Favourable
		(424)	
Total expenditure of \$15,729 million was \$1,446 million over budget made up as follows:			
Personnel costs	e	499	Favourable
Depreciation and Amortisation	f	(494)	Unfavourable
Finance costs	g	61	Favourable
Other Expenditure	h	(1,512)	Unfavourable
		(1,446)	
Net Operating Surplus		(1,873)	
Property Plant & Equipment Revaluation		0	
		(1,873)	

a. Rates revenue is higher than budgeted due to less remissions requested than budgeted and higher penalty revenue.

b. Subsidies and grants are lower than budget due largely to the Opotiki-Ohiwa Cycleway project, and the Rose Garden redevelopment project.

Both projects had anticipated external funding, and have been deferred into 2019-20.

c. Fees and charges revenue are unfavourable due to the reclassification of rental revenue from fees and charges to other revenue. Other revenue is favourable as a result of this, and an increase in the value of investment property.

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

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

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

h. Other expenditure is unfavourable due mostly as a result of costs related to wastewater rehabilitation works, some of which was undertaken

on private property (and therefore not capitalisable).

Note 29 Explanation of major variances against budget - continued

Statement of Financial Position

Actual net equity of \$203,336 million versus budget of \$201,493 million, variance of -\$1,843 million.

An analysis of the major variances are set out below:

An decrease in cash and cash equivalents	i	(3,064)	Unfavourable
A decrease in debtors and other receivables	j	(1,239)	Unfavourable
An increase in inventory		3	Favourable
A decrease in other financial assets		(7)	Unfavourable
A decrease in Property, Plant and Equipment	k	(8,270)	Unfavourable
An increase in Investment Property	l	479	Favourable
An decrease in intangible assets		(46)	Unfavourable
An increase in prepayments		108	Favourable
An increase in investments in associates		(27)	Favourable
An decrease in creditors and other payables	m	747	Favourable
A decrease in borrowings	n	13,181	Favourable
A decrease in Provisions		46	Favourable
A increase in employee benefit liabilities		(68)	Unfavourable
		<u>1,843</u>	

i. The decrease in cash and cash equivalents is due to the budget assuming all income and funding sources would materialise during the year, whereas as mentioned in (b) above, some external funding was not obtained, and no increase in external debt (thus replenishing working capital) has occurred.

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

k. The decrease in Property, Plant and Equipment is due to the timing of capital projects which have either been delayed, deferred or were still in progress by year-end. These include Opotiki-Ohiwa Cycleway, redevelopment of Mechanics Institute and Rose Garden, and Coastal Reserves Tourism Infrastructure projects.

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

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

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

Note 29 Explanation of major variances against budget - continued

Statement of Cash Flows

2019 actual movement was an \$1,967 million decrease in cash held versus a budgeted increase in cash of \$126

Net cash flow from operating activities was \$3,310 million against a budget of \$4,734 million.

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

Net cash flow from investing activities was -\$5,277 million against a budget of -\$17,789 million.

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

Net cash flow from financing activities was \$0,000 million against a budget of \$13,181 million.

The favourable variance is due to council not uplifting additional borrowings through various projects not progressing at the rate envisaged.

Statement of Compliance and Responsibility

For the Year Ending 30 June 2019.

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 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.

In the opinion of the Council and management of the Ōpōtiki District Council, the annual financial statements for the year ended 30 June 2019, fairly reflect the financial position and operations of the Ōpōtiki District Council.



John Forbes
FORMER MAYOR
Date: 31 October 2019



A Lawrie
CHIEF EXECUTIVE
Date: 31 October 2019

Report from Audit New Zealand

Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Ōpōtiki District Council's annual report
for the year ended 30 June 2019

The Auditor-General is the auditor of Ōpōtiki District Council (the District Council). The Auditor-General has appointed me, Clarence Susan, 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 31 October 2019. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 108 to 153:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2019;
 - 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 Reduced Disclosure Regime;
- the funding impact statement on page 112, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;

- the statement of service performance referred to as Council’s activities and performance information on pages 34 to 97:
 - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2019, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 36 to 97, 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 36 to 97, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 16 to 21, 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.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Council's activities and performance information, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 5 to 15, 22 to 33, 98 to 107 and 154 to 156, but does not include the audited information and the disclosure requirements.

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

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

Independence

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

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

A handwritten signature in blue ink, appearing to read 'Clarence Susan', is positioned above the printed name.

Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

