



Opōtiki District Council

2020/21 Annual Plan

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Contents

Contents	3
Contact details	4
A message from the Mayor and the Chief Executive.....	5
What is the Annual Plan?	6
Key projects planned for the 2020/21 year	7
What's new or changed.....	11
Financial Prudence Benchmarks.....	12
Council Organisation.....	13
Council Values.....	13
Representation.....	14
Community Board.....	15
Council committees	15
Senior Management Team.....	16
Priorities for Council Action.....	17
Council Activities	18
Activity Groups.....	18
A guide to the groups of activities	18
Council groups of activities.....	19
Leadership.....	20
Community Facilities	23
Community Development	28
Economic Development	31
Regulation and Safety.....	35
Solid Waste Management.....	40
Stormwater	44
District Plan	49
Wastewater.....	52
Water Supply	57
Land Transport.....	63
Investments	68
Financial Information.....	72
Forecast Financial Statements	72
Accounting Policies.....	81
Funding Impact Statement.....	96
Scheduled Rates	103

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A message from the Mayor and the Chief Executive

This annual process has been unusual in that we went into the process with a proposal that was put together before the Covid 19 lockdown, with the engagement process running during lockdown and decisions following lockdown. There have been a number of large events that have influenced the final annual plan. Firstly, last year's revaluation process has caused big and variable impacts in our rating system. Unfortunately, our engagement document alarmed parts of our community by showing the absolute maximum impact on a specific circumstance. The reality was a much more moderate impact on the sector. Secondly, we have had several large projects approved by government. While it is fantastic to see large amounts of funding and activity flowing into our district, we need capacity to ensure they are delivered with maximum benefit to the district. Thirdly Covid 19 Lockdown has had a big impact on our organisation as we try to recover lost ground and work through backlogs of work.

Increased costs of solid waste disposal and the costs of the town wastewater repairs coming through, combined with the three big events listed above, have made it difficult to balance our rates rise for this year. With some cutting capacity from the organisation we have managed to bring to average rate rise down to 2.9% but acknowledge this will land in a variable way across ratepayers.

The coming year will see much activity in our district. We are about to let contracts for "shovel ready" footpaths and cycleway extension. The harbour project is gearing up for a start, Te Tāhuhu o te Rangi and the pound will also be underway shortly, and a housing development is planned on the old saleyards site. We are also awaiting further "COVID stimulus" funding decisions from government.

In the coming year, we will finalise the work on the sewer pipes rehabilitation and we will test how successful this has been. Consequent work on the treatment facilities will get underway and we will look at detailed options for extending sewerage into Hukutaia.

Solid waste (rubbish) management is an area Council would like to continue leading the way in reducing, reusing and recycling. This government has raised the bar on how New Zealand should deal with waste at the same time that recycling options have reduced. The consequence is that the cost of waste disposal has risen and is likely to rise further. Over the coming year, staff will review both the management and disposal of waste, and we may also have options for consultation next year.

The rose gardens have had their first phase of redevelopment, with the council recently agreeing to build some additional public toilets. These should get underway shortly. Future phases of development will depend on the ability to be supported by grant funding.

Lastly, we have a new group of Councillors around the Council table, some new, some returned, and we are working hard to form the cohesive team needed to take the district forward.



Mayor Lyn Riesterer



CEO Aileen Lawrie

What is the Annual Plan?

The purpose of the Annual Plan (AP) is to:

- Support Council's Long Term Plan (LTP) in providing integrated decision-making and coordination of resources
- Extend the opportunity for the community to participate in Council's decision-making processes relating to costs and funding
- Contribute to Council's accountability to its community
- Detail the annual budget and related funding impacts
- Identify any variances from the funding and financial information in the LTP for the coming year.

Whilst the primary purpose of the AP is to provide a basis for setting the following year's budget and rates, it also provides an opportunity to revisit what Council said it was going to do in the LTP for the coming year.

The LTP provides a long term view of Council's plans and actions. The AP looks at the near term (the following year) plans and actions and provides an opportunity to see if the LTP is still relevant or if there is any need to alter what Council said it was going to do.

For that reason, the AP primarily considers exceptions or variances from the LTP rather than bigger issues such as the role of Council, major priorities, or scope and levels of service.



Over cover image was taken just off the Ōpōtiki wharf in May 2020 as DML began bathymetry work to get accurate depth mapping of the sea floor and river mouth area for construction planning of the harbour entrance.

Key projects planned for the 2020/21 year

The following key projects (as provided for in the LTP) are planned for the 2020/21 financial year:

Wastewater

Driven by the potential for growth from a harbour and by unacceptable level of service, Council over the last 7 years has invested heavily in the investigation, data collection, and then repair of the Ōpōtiki sewer reticulation. We are reaching the end of the rehabilitation work that has been achieved under budget and with good results. Moving forward we still need to isolate and repair any outstanding faults that were not caught through the broader sweep of the relining and on-property repairs projects. We have repaired most of the engine, now it is about tuning. Spending the remaining budget in a very selective manner. Increased monitoring assets will point at the remaining problems and, alongside an effective process for finding and dealing with illegal or inadvertent stormwater connections, we should see the final reductions in inflow and infiltration that we need. It only takes 28 illegally connected stormwater down pipes to negate the millions in investment.

Additional steps moving past the sewerage reticulation revolve around dealing with the stormwater and the sewerage treatment. We have raised gully traps and fixed pipes to stop stormwater getting into the system but as the effects of climate change increase, dealing with stormwater effectively is the next challenge. Council needs to continue to invest in investigation options for stormwater detention basins, pipe upgrades and pump stations at strategic locations around the township to manage the peak of rain events, to ensure the big flooding events are sufficiently reduced to prevent flow into the sewer system and to ensure impacts on property are minimised.

The Ōpōtiki treatment has also reached a critical point. With the Harbour now underway the potential for growth is impending. Adverse effects on the treatment from the reticulation rehabilitation project leading to non-compliance with consent conditions and the immediate potential for growth have necessitated an accelerated schedule for treatment maintenance and upgrade. Council has already decided to bring forward the treatment upgrade seeking to combine it with planned maintenance and achieve increased benefits and value by dealing with both aspects simultaneously. Upgrading the treatment system will provide capacity for infill in the township, commercial development and planned reticulation of Hukutaia in coming years. It will also provide redundancy for the reticulation as the final sources of inflow and infiltration are isolated and addressed over the coming years. This year we propose we will complete the planning for the Hukutaia reticulation and consult on this in our next Long term Plan.

During the COVID-19 response our contractors had to clear blocked wastewater pipes and pumps caused by wet wipes being flushed down toilets. This put our contractors and community at risk and if there had been a storm, and the pump had gone while under high load, there would have been loss of service for a long time and severe overflows. Council continues to remind our residents and ratepayers not to flush wet/baby wipes down the toilet.

Harbour Development

In February 2020 government confirmed its investment in the long awaited Ōpōtiki Harbour. The \$99.4M project will be funded by \$79.4M from the government's Infrastructure fund and \$20M from the Bay of Plenty Regional Council Infrastructure fund, first pledged in 2013 and reconfirmed in 2020.

In the coming months council will assist to set up the project delivery structure, the governance and ownership structure, and get the project underway. Significant components will be negotiating contracts with our preferred construction tenderer and contracts with rock and aggregate suppliers. By the end of the 2020/21 financial year, Snell Road should be upgraded for heavy traffic, around half of the required rock will be delivered to site, and the contractor should be gearing up for the first works on the training walls.

There has been some interest in the Ōpōtiki wharf redevelopment, however we will not need a wharf until the harbour is completed so the wharf development is not proposed until 2023.

Stormwater

Council has been looking into the state of the stormwater system in the Ōpōtiki township, including carrying out modelling about the future impacts of Climate change. Studies show that significant impacts can be expected from rainfall alone, within the town.

The Ōpōtiki Township Stormwater scheme does not work well when we have high rainfall and it will only get worse with climate change. There is a lack of capacity in critical assets - things like pumps and pipes. We plan to improve this by installing bigger pipes and creating stormwater storage areas (ponding basins), so water can drain away from homes and businesses quicker, and subsequently be pumped to the rivers by bigger pump stations. Storage areas will also serve a secondary purpose - treatment. As stormwater passes through storage areas, plants purposely cultivated for absorbing contaminants will filter the stormwater before it reaches the river. We have also be trailing net systems for catching litter more effectively than the grates currently installed and we will be installing these alongside pump stations and storage areas.

In 2019/20 we undertook the first stage of physical construction with the street and pipe upgrade along Goring St. This is just the first piece of work to be completed. This 2020/21 year we intend to upgrade the Tarawa Creek pump station and install a new 900mm trunk main along Richard St. These projects together will begin to resolve the flooding issue we have in the Tarawa Creek catchment which extends from Church St back past Goring St to the college fields. In subsequent years we will continue to make improvement by isolating additional smaller pipes that need upgrading and by constructing the stormwater basins next to Tarawa Creek and next to Wellington St. We will also be lobbying the Bay of Plenty Regional Council toward installing a stop bank along the southern side of Duke St to prevent rural overland flow contributing to urban stormwater flooding.

Council Property

At the end of 2019, Council resolved to proceed with the Te Tāhuhu o Te Rangi – Technology and Research Centre. Consents are being finalised and a project manager has been appointed to manage the construction stage of the project. Construction works are expected to commence shortly allowing the building to be opened to the public within this financial year.

Refurbishment of the ex-Plunket building on Church Street will be undertaken this year, with budget allocated for reroofing and some internal works.

This coming year budget is also provided for the redevelopment of the animal control building. Consents are due to be submitted shortly and building works will commence within this financial year.

Council has instructed staff to reconsider the options for redevelopment of Lots 9 and 10 Church Street and it is expected this work will be informed by the Town Centre Revitalisation Project planning outcomes.

In March, Council announced central government funding of \$400,000 for Ōpōtiki's new digital hub. The space will allow existing businesses and new entrepreneurs, community groups and students of all ages to share services and a platform to thrive in the digital world.

The digital hub will initially open on a smaller scale in an existing council-owned retail unit on Church Street, just two doors down from the proposed Te Tāhuhu o Te Rangi development site and almost directly opposite the existing library. Painting is about to get underway, fit-out will follow, and we seek to deliver and have operational as soon as possible. The full-scale digital hub will open in Te Tāhuhu o Te Rangi when the build is complete next year.

Parks and Reserves

Significant enhancement and extension of the existing Motu cycle trail is planned, subject to external funding. Proposals involve the extension of the trail from Waiōtahe Beach through to Kutarere. Funding for the section from Ōpōtiki township to Waiōtahe Beach has been secured through the Provincial Growth Fund and work is expected to begin in the first half of this financial year. Work is also underway to secure an extension to the Pakihi track via the Whakaumu Old Military Track to Tirohanga. Once secured, trail construction work will commence, which when complete will provide cyclists, walkers and runners with a 35km loop from Ōpōtiki that incorporates the Dunes Trail.

Construction works are currently underway on the Church Street Reserve (Rose Garden) renovations. Subject to receiving external funding significant additional investment is planned in the 2020/21 year to upgrade the Rose Gardens to a destination reserve. Our plans include new public toilets (which Council has already agreed to proceed with), a substantial playground and additional facilities for community use.

Land Transport

Council will continue to seal unsealed roads where a 60% contribution is provided by those requesting the seal extension. A maximum of 2km (or \$200k) will be considered for sealing on an annual basis. Council has received an application to carry out seal extension on Wainui Rd (Torere) which will proceed this year. Council also invites applications from those that wish to have their roads sealed and are willing to contribute 60% towards the cost.

With the ongoing additional funding received from Waka Kotai the NZ Transport Agency (NZTA) in 2018 Council will be continuing its street upgrade programme. An additional street length (typically 3 blocks or 660 metres) will continue the programme of addressing streets lacking appropriate width, kerb and channel, and drainage across the township. We completed two section of Goring Street (King Street to Ford Street) last year and this year will we complete Goring Street (Ford Street to Bridge Street and King Street to Elliot Street). Two sections of Brabant Street (Bridge Street to Richard Street) are also programmed for the 2020/21 year.

We are also continuing our programme of footpath and street light upgrades which we started in 2019. Filling the gaps between street lights, which we started last year, will continue this year and the year after.

Footpaths have received funding from central government's Provincial Growth Fund. Over the course of the next six months we will be spending \$4.9m upgrading, replacing and repairing footpaths all over town as well as new footpaths in Te Kaha and new cycle trail extensions from town heading to Waitoaha Beach. This funding is a real win for our township and it is intended to help with the recovery out of COVID-19 by stimulating our local economy through engagement of local contractors and employment of local people.

Solid Waste

Ōpōtiki's solid waste service moved to a zero waste ethos two decades ago now, being one of the first in the country to undertake such a commitment to reducing, reusing and recycling.

Year on year Ōpōtiki has driven its residual waste volumes down well below the national average through the services of the Resource Recovery Centres and commitment of the community to follow the 3 R's – Reduce, Reuse, Recycle.

These days the drive to manage waste smarter is increasing. Where once it was a case of dropping it in a hole, reduction now revolves around education, recycling markets and an array of plant, from sorting belts and bailers, to waste to energy, and composting factories.

To continue to deliver, the solid waste service needs to innovate. There are multi-faceted issues facing solid waste service delivery in Ōpōtiki, nationally, and globally. Plastics once taken by Chinese markets are now going to landfill across the country. In efforts to curb this, central government will be multiplying landfill tariffs over the next 5 years. The intention is to use this revenue to fund national waste solutions. In the interim however waste authorities are faced with additional costs in place of returns. Drive to change producer practices and consumer habits is currently insufficient to continue reductions. The immediate emphasis is on authorities to educate and innovate.

Costs will inevitably escalate over coming years but there is opportunity to gain value through upgrading our service delivery - replacing cost with investment into operational improvements. In other words, let's spend our money doing the 3 R's better instead of spending it on sending waste to landfill.

What's new or changed

This AP covers year three of the 2018-2028 LTP. The 2018-2028 LTP confirmed a long-standing Council strategy of consolidation, prudent financial management, affordability and preparing for future growth opportunities. Specifically, the LTP describes how Council intends to invest in the Ōpōtiki Harbour Development Project and in wastewater (particularly in the Ōpōtiki township) in support of sustainable growth.

Exceptions to the previously planned work in the LTP are:

Property

The library development project was planned to start in year two of the LTP and be spread over two financial years. This project experienced delays due to failed attempts to obtain external funding. At the end of 2018 Council resolved to commit loan funding towards this project to get it across the line. This commitment attracted the external funding that we had been seeking. This long awaited project will begin this year.

Cycleways

In June Government announced funding for extending the Motu trails by 7.5km to Waiōtahe Beach, and completion of the horse trail as part of the response package to Covid. These works will be undertaken early in the next financial year. Council is continuing to work with Kawerau and Whakatāne District Councils to attract Government funding for a joined up cycleway across the Eastern Bay of Plenty.

Footpaths

The Covid response package also funded up to 34km of new footpaths in the district. Work will commence on 1 July.

Solid Waste

The changes in solid waste management within the district and across the country as a whole have increased the costs for provision of this service. We have also increased our collection days to twice a week to deal with improved health and safety practice requirements. There is more work to be done on this activity over the coming year as we look at options to go into the Long Term Plan.

Staff costs

Proposed staffing costs for next year have been reduced significantly when compared to the LTP. We did this in response to the potential impacts of Covid on our community. Whilst some sectors will be able to sustain their businesses through this pandemic there will be portions of our community that will be severely impacted. We have found savings by freezing salaries for next year, and cutting back on new roles.

Rating Impacts

The overall increase in rate revenue is 2.92% percent, down from a proposed 5.06% percent increase for year three of the LTP.

To minimise pressure on rates, Council is seeking grant funding wherever possible.

Financial Prudence Benchmarks

Annual Plan disclosure statement for period commencing 1 July 2020

WHAT IS THE PURPOSE OF THIS STATEMENT?

The Financial Prudence benchmarks are produced in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. Their purpose is to disclose the Council's financial performance in relation to various benchmarks that are also presented by other Councils. The benchmarks in the Annual Plan relate to the financial strategy prepared as part of the 2018-28 Long Term Plan. In the 2020/21 Annual Plan all benchmarks are expected to be met.

Benchmark	Limit	Planned	Met
Rates affordability benchmark			
. Income	\$8.87 m	\$8.61 m	Yes
. Increases	5.20%	2.21%	Yes
Debt affordability benchmark			
Net Interest Expense/Operating Revenue	10%	2%	Yes
Net Interest Expense/Rates Revenue	15%	8%	Yes
Net External Debt/Operating Revenue	2	30	Yes
Balanced budget	100%	241%	Yes
Essential services benchmark	100%	368%	Yes
Debt servicing benchmark	10%	2%	Yes

The full benchmark analysis, including graphs, for each measure for the ten year plan are included in the LTP 2018-2028, under the Financial Prudence section.

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.

Representation

	<p>Mayor Lyn Riesterer Ward – District</p> <p>PH 07 315 3030 Mobile 021 160 204 lynr@odc.govt.nz</p>
	<p>Deputy Mayor Shona Browne Ward – Ōpōtiki</p> <p>Mobile 027 477 3761 shonab@odc.govt.nz</p>
	<p>Councillor Barry Howe Ward – Ōpōtiki</p> <p>PH 07 315 6003 (home) PH 07 315 6335 (work) Mobile 027 315 6345 bazzshazz@extra.co.nz</p>
	<p>Councillor Steve Nelson Ward - Ōpōtiki Mobile</p> <p>027 637 0549 steven@odc.govt.nz</p>
	<p>Councillor Debi Hocart Ward - Waioeka/Waiōtahe</p> <p>Mobile 027 209 6002 debih@odc.govt.nz</p>
	<p>Councillor David Moore Ward - Waioeka/Waiōtahe</p> <p>Mobile 027 2544 2628 davidm@odc.govt.nz</p>
	<p>Councillor Louis Rāpihana Ward – Coast</p> <p>Mobile 027 354 4483 louisr@odc.govt.nz</p>

Community Board

Coast Community Board

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Gail Keepa

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Council committees

Risk and Assurance Committee

Member: Cr Steve Nelson

Mayor Riesterer Ex Officio

Interim external member: David Love

Hearings Committee – Regulatory Appeals

Member 1: Cr Howe

Member 2: Cr Rāpihana

Member 3: Cr Hocart

Committee to elect Chairperson at first meeting

Senior Management Team



Aileen Lawrie - Chief Executive Officer

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.



Ari Erickson - Engineering and Services Group Manager

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



Gerard McCormack - Planning and Regulatory Group Manager

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



Bevan Gray – Finance and Corporate Services Group Manager

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

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 Motu 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.

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 Motu Trails cycleway.

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.

Council Activities

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.

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

Each activity within the group contributes to specific community outcomes. Look for the icons to see which outcomes relate to a particular activity.

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 over time by providing Strategic Goals, Performance Measures and specific performance targets. Collectively, these provide an understanding of the levels of service Council intends to provide for groups of activities.

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. For each activity, we list any potential negative effects and how we plan to minimise any effects should they occur.

Key Projects and Programmes

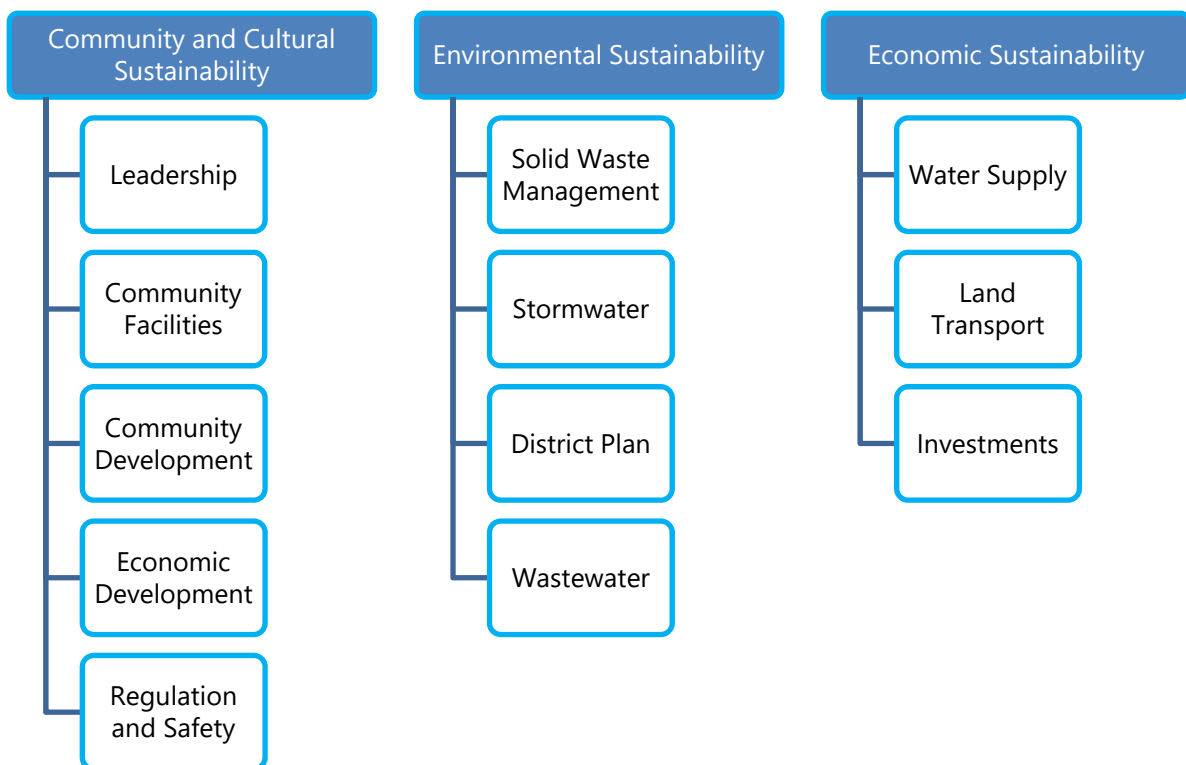
Where applicable the key projects and programmes of work to be provided.

Financial Information

The financial information provided is a set of financial forecasts for the activity. The following is provided:

- Statement of proposed capital expenditure
- Funding Impact Statement.

Council groups of activities



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 our various communities 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.

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 provides both parties with an opportunity to identify and address issues of mutual concern and encourages involvement in democracy. Council also 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.

Contribution to Community Outcomes		How this activity contributes
	Fair and efficient leadership	To ensure effective and fair community representation and support, and that policies and plans are integrated and wherever possible reflect the views of the wider community and stakeholders.
	A strong and effective community spirit	

What potential negative effects this activity may have

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic	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 at large when making decisions that impact on community well-being and seeks to use 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 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
Council will provide leadership that is visionary, community focused, efficient and inclusive.	Community satisfaction with Council leadership.	83%	71%	79%	72%
	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	No successful challenges to Council decision making process
	Level of community satisfaction with the opportunities to participate in decision making.	59%	55%	56%	60%

Funding Impact Statement for 2020/21 for Leadership

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,041	1,142	1,032
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2	2	2
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	1	3
Total Operating Funding (A)	1,045	1,145	1,037
Applications of Operating Funding			
Payments to staff and suppliers	823	929	823
Finance costs	-	-	-
Internal charges and overheads applied	205	198	195
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,028	1,127	1,018
Surplus (deficit) of operating funding (A-B)	17	18	19
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	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	17	18	19
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	17	18	19
Surplus (deficit) of capital funding (C-D)	(17)	(18)	(19)
Funding Balance ((A-B)+(C-D))	-	-	-





Community Facilities

What we do and why

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

This significant activity includes

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

Contribution to 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. 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.
	A strong and effective community spirit	
	History and culture is treasured	
	Services and facilities meet our needs	

What potential negative effects this activity may have

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic	<p>Community expectations for growth in services and facilities may exceed Council's programme.</p> <p>Ongoing maintenance and depreciation may cause increased or unexpected costs.</p> <p>Providing access to facilities and services to smaller remote communities within the district could be cost prohibitive.</p>	<p>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.</p> <p>Accurate forecasting and budgeting to accommodate ongoing costs of ownership.</p> <p>Consider alternatives such as partnerships with other agencies and transport.</p>

Level of service

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
Planned development of quality parks and recreation facilities.	Complete planning for the development of key recreation reserves.	Development plans not completed.	Development plans complete for Maraetai Bay reserve and Waiōtahe Beach frontage, Orete Point reserves	The Reserves Management Plans are currently out for consultation. Adoption is expected by year end.	Development plans complete for Upton Park, Tarawa Creek
High quality parks and recreation facilities provided and accessible to the community.	% of community satisfied with the provision of recreation facilities in annual surveys.	70%	80%	69%	80%
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%	>70%	70%

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
Public toilets are clean, safe and operational.	Public toilets are compliant, functional and clean.	Customer requests and complaints not responded to within 4 hours.	Customer requests and complaints responded to within 4 hours.	Customer requests and complaints responded to within 4 hours.	Customer requests and complaints responded to within 4 hours.
Cemeteries maintained to a high standard; accurate records maintained and accessible.	% of community satisfied with the provision of cemetery services, maintenance and records.	71%	80%	73%	80%
Provision of a comprehensive community library service for the community.	% of the community satisfied with the library facility and service.	74%	80%	66%	80%
	Number of library facilitated programmes per year.	16	6	>6	6

Key projects and programmes

	Annual Plan 2021	LTP 2021	Difference	Comments
Growth				
CBD Integration with Harbour Environment	42	-	42	Carried forward from 2019
Coastal Footpaths 4km Govt Funded	521	-	521	New government funded project
Coastal Reserves Tourism Infrastructure	521	521	-	
Mōtū Cycleway Extension - Opo to Whk	401	-	401	Reframed project as below
Mōtū Cycleway Extension x3 Govt Funded	917	-	917	New government funded project
New toilet Waiōtahe Drifts	-	52	(52)	Deferred to 2022
Ōpōtiki - Waiōtahe Beach - Ōhiwa	-	656	(656)	Reframed project as above
Recreation enhancement - Memorial Park	21	21	-	
Wharf Removal and Rebuild	42	-	42	Carried forward from 2020
Growth Total	2,464	1,250	1,214	
LOS				
Asset Management Plans Parks	10	-	10	Minor additional project
Cemetery Improvements	5	-	5	Minor additional project
Furniture and fittings new facility	-	47	(47)	Deferred to 2022
Memorial Park - Drainage & Carpark Upgrade	36	-	36	Carried forward from 2020
New Information Technology for Public Use	10	-	10	Minor additional project
Ōpōtiki Horse Trail Govt Funded	42	-	42	New government funded project
Pakowhai Bridge Lighting	21	-	21	Carried forward from 2020
Redevelopment of Mechanics Institute	1,302	-	1,302	Carried forward from 2019
Tehnology and Research Centre	2,864	1,718	1,146	Carried forward from 2020
Tirohanga Military Track	42	-	42	Carried forward from 2020
Trail enhancements	31	31	-	
Wharf Precinct	52	-	52	Carried forward from 2020
LOS Total	4,416	1,796	2,619	
Renewal				
Earthquake Prone Buildings	177	-	177	Carried forward from 2019
New play equipment	52	52	-	
Plunket Building refurbishment	52	-	52	Carried forward from 2020
Parks and reserves planned renewals	52	-	52	Minor additional project
Renewal Total	333	52	281	
Grand Total	7,213	3,098	4,115	

Funding Impact Statement for 2020/21 for Community Facilities

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	2,241	2,267	2,597
Targeted rates	52	48	74
Subsidies and grants for operating purposes	-	-	-
Fees and charges	361	370	405
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	25	107	18
Total Operating Funding (A)	2,679	2,792	3,094
Applications of Operating Funding			
Payments to staff and suppliers	1,444	1,576	1,554
Finance costs	117	310	288
Internal charges and overheads applied	816	764	713
Other operating funding applications	-	-	-
Total applications of operating funding (B)	2,377	2,650	2,555
Surplus (deficit) of operating funding (A-B)	302	142	539
Sources of capital funding			
Subsidies and grants for capital expenditure	679	1,988	837
Development and financial contributions	-	-	-
Increase (decrease) in debt	4,009	4,889	1,181
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	4,688	6,877	2,018
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,785	2,464	1,250
- to improve the level of service	2,407	4,416	1,796
- to replace existing assets	1,030	333	52
Increase (decrease) in reserves	(232)	(194)	(541)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	4,990	7,019	2,557
Surplus (deficit) of capital funding (C-D)	(302)	(142)	(539)
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.

Contribution to Community Outcomes		How this activity contributes
	A strong and effective 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	

What potential negative effects this activity may have

Affected well-being/s	Significant negative effect	Sustainable solution
Social Cultural	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 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
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%	100%
	Memorandum of understandings and administration agreements for community grants are in place.	100%	100%	100%	100%
Enhance community safety.	Continual expansion to CCTV camera system in town.	100%	1	1	1

Key projects and programmes

	Annual Plan 2021	LTP 2021	Difference	Comments
LOS				
CCTV camera and internet expansion	-	21	(21)	Moved to operational
LOS Total	-	21	(21)	
Grand Total	-	21	(21)	

Funding Impact Statement for 2019/20 for Community Development

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	258	269	299
Targeted rates	-	-	-
Subsidies and grants for operating purposes	37	-	38
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	3	2
Total Operating Funding (A)	298	272	339
Applications of Operating Funding			
Payments to staff and suppliers	271	239	277
Finance costs	2	4	3
Internal charges and overheads applied	49	47	49
Other operating funding applications	-	-	-
Total applications of operating funding (B)	322	290	329
Surplus (deficit) of operating funding (A-B)	(24)	(18)	10
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	(8)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	(8)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	21
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(24)	(18)	(19)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	(24)	(18)	2
Surplus (deficit) of capital funding (C-D)	24	18	(10)
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 the i-SITE service in Ōpōtiki Township; and facilitating new events. Key components of this significant activity are the economic growth opportunities associated with Ōpōtiki Harbour Transformation Project and the developing aquaculture industry which is considered central to our future well-being. Economic Development is seen as an essential element to growing a more thriving and cohesive community as it will:

- Impact positively on the overall social, economic and cultural well-being of the Ōpōtiki Community and the Eastern Bay of Plenty
- Promotes investment, industry and employment in the district
- Enhance recreation opportunities and public access to the coast
- Capitalise on opportunities from the aquaculture industry already under development offshore from Ōpōtiki
- Assist in flood mitigation for the Ōpōtiki Township and surrounding area
- 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.

Contribution to Community Outcomes	How this activity contributes
 Development and protection of the natural environment	To create a sustainable economic future by broadening the District’s economic and therefore employment base.
 Services and facilities meet our needs	
 Purposeful work and learning opportunities	
 Development supports the community	

What potential negative effects this activity may have

Affected well-being/s	Significant negative effect	Sustainable solution
Economic Environmental	<p>Increasing visitor and population numbers may put pressure on infrastructure, environment and other resources, particularly in summer periods.</p> <p>Capital costs associated with Ōpōtiki Harbour Transformation Project are not sustainable for the Ōpōtiki District alone.</p>	<p>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.</p> <p>To partner with Central and Regional Government and potentially the private sector to fund the Harbour Transformation Project.</p>

Levels of service

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
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%	100%	100%
	<u>Crown Funding</u> Complete funding agreement with Crown.	Not measurable	N/A	Positive funding decision announced 28 February 2020 and draft agreement received.	N/A
	Manage the contract for design and construction of the Ōpōtiki Harbour Development Project.	N/A	Construction commenced	Snells road upgrade contract started, HEB contracted for Harbour Early works.	N/A

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
Investigate and promote investment in a range of economic development opportunities.	Implement Economic Development Strategy.	Achieved	100%	100%	100%
	Maintain a current database of business contacts.	Not currently measurable	Database revised quarterly	Database up-to-date.	Database revised quarterly
	Communicate regularly with business sector.	8 bulletins posted	4 bulletins posted per annum	Quarterly updates provided to business sector.	4 bulletins posted per annum
Promote the district as a tourism destination; support tourism operators and events.	Increase \$ tourism spend.	3% increase in tourism spend	Increase in \$ tourism spend over last year	13% increase in tourism spend from \$29 million in 2018 to \$33 million for the year to 31 December 2019.	Increase in \$ tourism spend over last year
	Facilitate community events.	5 events	Two events per year	>2 events	Two events per year
	Maintain a current database of tourism sector.	Database revised quarterly	Database revised quarterly	Database revised quarterly	Database revised quarterly
	Communicate regularly with tourism contacts.	6 bulletins posted	4 bulletins posted per annum	4 bulletins posted	4 bulletins posted per annum

Key projects and programmes

	Annual Plan 2021	LTP 2021	Difference	Comments
Growth				
Harbour Entrance	19,904	18,438	1,467	Carried forward from 2020
Growth Total	19,904	18,438	1,467	
Grand Total	19,904	18,438	1,467	

Funding Impact Statement for 2020/21 for Economic Development

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	708	597	839
Targeted rates	96	84	108
Subsidies and grants for operating purposes	20	689	21
Fees and charges	16	27	16
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	38	5
Total Operating Funding (A)	845	1,435	989
Applications of Operating Funding			
Payments to staff and suppliers	637	1,252	719
Finance costs	35	7	96
Internal charges and overheads applied	174	175	174
Other operating funding applications	-	-	-
Total applications of operating funding (B)	846	1,434	989
Surplus (deficit) of operating funding (A-B)	(1)	1	-
Sources of capital funding			
Subsidies and grants for capital expenditure	15,345	19,695	16,552
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,848	208	1,886
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	17,193	19,903	18,438
Applications of capital funding			
Capital expenditure			
- to meet additional demand	17,186	19,904	18,438
- to improve the level of service	6	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	17,192	19,904	18,438
Surplus (deficit) of capital funding (C-D)	1	(1)	-
Funding Balance ((A-B)+(C-D))	-	-	-





Regulation and Safety

What we do and why

This Significant Activity works towards ensuring a healthy and safe environment for residents and visitors to the Ōpōtiki District. It 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 community's best interest. 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)
- District Plan Implementation (issuing of resource consents for land use and subdivision and monitoring of consents for compliance with conditions).

Contribution to Community Outcomes	How this 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 (Environment Health, Liquor and Noise Control) and fit for purpose bylaws.
 Services and facilities meet our needs	
 A strong and effective community spirit	To protect the interest of public health, safety, infrastructure and ensure the welfare of animals through the delivery of animal (particularly dog) control.
 Development supports the community	<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>

What potential negative effects this activity may have

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic	Some could consider that the enforcement nature of the 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 at large and the protection of public and private property must take priority over individual needs and desires. Council will also 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.
	That the cost associated with monitoring and enforcement is beyond the community's ability to pay.	

Levels of service

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
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%	100%
	As per Food Act 2014, food premises are checked and verified as their registrations become due.	100%	100%	100%	100%

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
	% of known dogs registered within the District (as recorded on the 1st June)	96%	92%	>92%	92%
	All animal control complaints of an aggressive or threatening nature are responded to within 2 hours from receipt of complaint.	83%	100%	83%	100%
	% of building consents issued within the statutory timeframes.	94%	100%	88%	100%
	% of customer satisfaction with level of service (as measured by the annual Building Control Authority survey).	N/A	>90%	80%	>90%
	% of roles identified and staffed for 24 hours operation of the Emergency Coordination Centre.	97%	100%	97%	100%

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
	% of staff identified for roles in the Emergency Operations Centre that are trained to an appropriate level agreed by the Group.	54%	100%	88%	100%
	% of resource consents issued within the statutory timeframes.	100%	100%	100%	100%
Council actively engages with the wider community to increase the level of awareness preparedness and resilience.	Minimum number of council delivered initiatives to promote community resilience and safety.	4 initiatives delivered	4 initiatives delivered	4 initiatives delivered	4 initiatives delivered

Key projects and programmes

	Annual Plan 2021	LTP 2021	Difference	Comments
LOS				
Civil Defence Alternative EOC needs	89	-	89	Carried forward from 2020
LOS Total	89	-	89	
Renewal				
Civil Defense Renewals	21	21	-	
Renewal Total	21	21	-	
Grand Total	110	21	89	

Funding Impact Statement for 2020/21 for Regulation and Safety

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	843	601	640
Targeted rates	83	88	89
Subsidies and grants for operating purposes	-	-	13
Fees and charges	569	649	513
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	27	5
Total Operating Funding (A)	1,495	1,365	1,260
Applications of Operating Funding			
Payments to staff and suppliers	1,146	1,018	926
Finance costs	-	3	2
Internal charges and overheads applied	347	336	314
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,493	1,357	1,242
Surplus (deficit) of operating funding (A-B)	2	8	18
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	18	102	3
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	18	102	3
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	89	-
- to replace existing assets	20	21	21
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	20	110	21
Surplus (deficit) of capital funding (C-D)	(2)	(8)	(18)
Funding Balance ((A-B)+(C-D))	-	-	-

Environmental Sustainability

Why we provide this group of activities:

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

Significant activities in this group:

Solid Waste Management, Stormwater, District Plan 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

Contribution to Community Outcomes		How this activity contributes
 Development and protection of the natural environment		Ensure the environmentally safe collection and disposal of waste.
 Services and facilities meet our needs		Minimise the creation of waste within the District.
 Development supports the community		

What potential negative effects this activity may have

Affected well-being/s	Significant negative effect	Sustainable solution
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 waste disposal, 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 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
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)	42	<20	<20	<20

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
Provision of effective waste service for the community.	Customer satisfaction rating of waste transfer stations good or better.	86%	>80%	81%	>80%
Waste minimisation education reduces household waste and increases good recycling practices.	Number of public education activities completed.	6	3	>3	3
Service provided keeps residual waste to minimum quantity.	Residual waste per year does not exceed 120 kg per person per year.	155 kg / person	<120 kg / person / year	> 120 kg / person / year	<120 kg / person / year

Funding Impact Statement for 2020/21 for Solid Waste Management

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	913	1,011	893
Targeted rates	423	446	365
Subsidies and grants for operating purposes	36	37	37
Fees and charges	282	292	288
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	1,654	1,786	1,583
Applications of Operating Funding			
Payments to staff and suppliers	1,316	1,454	1,259
Finance costs	6	9	5
Internal charges and overheads applied	333	323	308
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,655	1,786	1,572
Surplus (deficit) of operating funding (A-B)	(1)	-	11
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	164	-	(11)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	164	-	(11)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	143	-	-
- to replace existing assets	20	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	163	-	-
Surplus (deficit) of capital funding (C-D)	1	-	(11)
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.

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

This significant activity includes

Stormwater collection and disposal.

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

What potential negative effects this activity may have

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic Environmental	The discharge of pollutants to stormwater reticulation can be harmful to the natural environment.	Mitigate risk through education, monitoring and where necessary enforcement. Reduce the risk by developing stormwater treatment systems
	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 and developing 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 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
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	0
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).	0	0	0	0
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	<4 hrs	<4 hrs

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
	Number of complaints received about the performance of the stormwater system per 1000 connections to the Council's stormwater system.	<6/1000 connections	<20/1000 connections	<20/1000 connections	<10/1000 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	0
	b) infringement notices	0	0	0	0
	c) enforcement orders	0	0	0	0
	d) convictions	0	0	0	0
received by Council in relation to those resource consents.					

Key projects and programmes

	Annual Plan 2021	LTP 2021	Difference	Comments
LOS				
Tarawa Creek Pump Station	524	524	-	
Upgrade to Richard St Gravity Main	1,363	-	1,363	Carried forward from 2019
Wellington/Brabant St Pump Station	-	241	(241)	Budget used in 2020
LOS Total	1,887	765	1,122	
Renewal				
Ōpōtiki Reticulation Replacements	37	37	-	
Replacement of section of 900 gravity main	63	-	63	Minor additional project
Renewal Total	100	37	63	
Grand Total	1,987	802	1,185	

Funding Impact Statement for 2020/21 for Stormwater

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	469	573	612
Targeted rates	52	64	68
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	521	637	680
Applications of Operating Funding			
Payments to staff and suppliers	274	214	216
Finance costs	22	106	105
Internal charges and overheads applied	161	149	149
Other operating funding applications	-	-	-
Total applications of operating funding (B)	457	469	470
Surplus (deficit) of operating funding (A-B)	64	168	210
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	336	1,819	592
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	336	1,819	592
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	303	1,887	765
- to replace existing assets	97	100	37
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	400	1,987	802
Surplus (deficit) of capital funding (C-D)	(64)	(168)	(210)
Funding Balance ((A-B)+(C-D))	-	-	-




District Plan

What we do and why

The purpose of the District Plan significant activity is to provide a framework for managing future growth and land use activities to 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 (RMA). 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).

Contribution to Community Outcomes		How this activity contributes
	Development and protection of the 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. To provide a District Plan that responds to and manages growth and development in terms of environmental sustainability.
	Services and facilities meet our needs	
	Development supports the community	

What potential negative effects this activity may have

Affected well-being/s	Significant negative effect	Sustainable solution
Economic	The District Plan could be seen as either a barrier to growth or as enabling environmental degradation. Cost of process could be seen by some as excessive.	Ensure that any amendments to the District Plan balance the need for environmental protection and desirable development. Efficient processes while ensuring purpose of the RMA is met.

Levels of service

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
Review District Plan in accordance with the RMA.	Review and update the District Plan subject to appeal.	100%	N/A	Waiting for one final consent order to be signed off relating to forestry and expect to take final plan to Council for adoption August / September 2020.	N/A
Council develops appropriate controls for the Ōpōtiki District and monitors and enforces provisions.	Review and adopt all Council Bylaws over the next 3 years.	33%	33%	33%	33%

Funding Impact Statement for 2020/21 for District Plan

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	256	344	260
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	13	-	37
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	269	344	297
Applications of Operating Funding			
Payments to staff and suppliers	195	270	221
Finance costs	-	-	-
Internal charges and overheads applied	74	74	76
Other operating funding applications	-	-	-
Total applications of operating funding (B)	269	344	297
Surplus (deficit) of operating funding (A-B)	-	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C-D)	-	-	-
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 Waiotahi Drifts while the other serves a small subdivision at Waihau Bay. Both schemes discharge primary treated effluent to field soakage systems. All other dwellings in the District are serviced by privately owned septic tank systems.

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

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

This significant activity includes

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

Contribution to Community Outcomes	How this activity contributes
 Development and protection of the natural environment	To protect public health and property from sewage overflows.
 Services and facilities meet our needs	To enable economic growth with quality of life benefit.
 Development supports the community	To protect the environment from the adverse effects of wastewater.

What potential negative effects this activity may have

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic Environmental	Groundwater infiltration & stormwater inflow could overload the treatment and reticulation systems. Limit new connections, creating a barrier to community growth and development And causing adverse effects on the environment and public health	Robust wastewater asset management planning and design avoids adverse effects on the environment. Council's dedication to a sustainable reticulation renewal programme will mitigate groundwater infiltration and stormwater inflow.

Levels of service

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
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	<5	<5
	b) sewerage system faults	<6	<10	<10	<10
	c) sewerage system blockages	<4	<5	<5	<5
	d) Council's response to issues with its sewerage system	<1	<3	<3	<3
	expressed per 1000 connections to Council's sewerage system.				
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system.	6.5 minutes	<4 hours	< 4 hours	<4 hours
	Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system.	<1 day	<2 days	> 2 days	<2 days

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
Sewage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system.	1	0	0	0
	The number of dry weather overflows from Council's sewerage system expressed per 1000 sewerage connections to that sewerage system.	<2/1000 connections	<2	<2	<2
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	0
	b) infringement notices	0	0	0	0
	c) enforcement orders	0	0	0	0
	d) convictions	0	0	0	0
	received by Council in relation to those resource consents.				

Key projects and programmes

	Annual Plan 2021	LTP 2021	Difference	Comments
LOS				
Factory Rd Wastewater Extension Stage 2	-	157	(157)	Deferred to 2022
LOS Total	-	157	(157)	
Renewal				
Relocate primary treatment to pond site	524	-	524	Budget brought forward from 2025
Wastewater Reticulation Rehabilitation	524	-	524	Carried forward from 2020
Wastewater Reticulation Renewals Ōpōtiki	47	47	-	
Wastewater Reticulation Renewals Waihau Bay	3	3	-	
Wastewater Treatment Renewals Ōpōtiki	210	73	136	Carried forward from 2020
Renewal Total	1,308	124	1,185	
Grand Total	1,308	281	1,028	

Funding impact statement for 2020/21 for Wastewater

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	533	496	574
Targeted rates	860	907	1,051
Subsidies and grants for operating purposes	-	-	-
Fees and charges	6	6	6
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	1
Total Operating Funding (A)	1,400	1,410	1,632
Applications of Operating Funding			
Payments to staff and suppliers	485	429	515
Finance costs	203	278	289
Internal charges and overheads applied	405	368	369
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,093	1,075	1,173
Surplus (deficit) of operating funding (A-B)	307	335	459
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	4,067	973	(178)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	4,067	973	(178)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	51	-	157
- to replace existing assets	4,323	1,308	124
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	4,374	1,308	281
Surplus (deficit) of capital funding (C-D)	(307)	(335)	(459)
Funding Balance ((A-B)+(C-D))	-	-	-

Economic Sustainability

Why we provide this group of activities:

The group of activities are those that provide infrastructure that enables the community to grow and prosper. The Ōpōtiki District needs reliable infrastructure to support business and industry development. Primary industries, for example, depend on a reliable transport network to get produce to market. The developing aquaculture industry will need a secure and reliable potable water supply for processing its products.

Significant activities 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 provide to approximately 5,750 of the Ōpōtiki District population in Te Kaha, Ōpōtiki, Hukutaia Waiotahi Drifts and Ōhiwa. Efficient, safe and sustainable water supplies are essential for the social, economic and environmental well-being of the District. Reliable drinking water supports public health outcomes, industry growth and development and community safety by way of providing firefighting capacity in urban areas.

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

This significant activity includes

Extraction, treatment and reticulation of potable water.

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

What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic Environmental	Growth could exceed the capacity of the water supply infrastructure. Excessive abstraction of raw water at the point of intake has the potential for negative impact on the environment.	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. Robust assessment of effects carried out in support of resource consent to take water. Regional Council monitoring of aquifer.

Levels of service:

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
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	0	<5	>5	<5
	Drinking water taste	0	<5	<5	<5
	Drinking water odour	0	<5	<5	<5
	Drinking water pressure or flow	<2/1000 connections	<5	<5	<5
	Continuity of supply	0	<5	<5	<5
	Council's response to any of these issues	<1/1000 connections	<3	<3	<3
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).		<table border="1"> <thead> <tr> <th data-bbox="539 347 714 453">Location</th> <th data-bbox="714 347 978 453">Criteria</th> <th data-bbox="978 347 1205 453">Achieved 2018/19</th> <th data-bbox="1205 347 1431 453">Targets 2019/20</th> <th data-bbox="1431 347 1677 453">Expected achievement 2019/20</th> <th data-bbox="1677 347 1895 453">Targets 2020/2021</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 453 714 491">Ōpōtiki</td> <td data-bbox="714 453 978 491">Bacterial</td> <td data-bbox="978 453 1205 491">100%</td> <td data-bbox="1205 453 1431 491">100%</td> <td data-bbox="1431 453 1677 491">100%</td> <td data-bbox="1677 453 1895 491">100%</td> </tr> <tr> <td data-bbox="539 491 714 529">Ōpōtiki</td> <td data-bbox="714 491 978 529">Protozoal</td> <td data-bbox="978 491 1205 529">100%</td> <td data-bbox="1205 491 1431 529">100%</td> <td data-bbox="1431 491 1677 529">100%</td> <td data-bbox="1677 491 1895 529">100%</td> </tr> <tr> <td data-bbox="539 529 714 568">Te Kaha</td> <td data-bbox="714 529 978 568">Bacterial</td> <td data-bbox="978 529 1205 568">100%</td> <td data-bbox="1205 529 1431 568">100%</td> <td data-bbox="1431 529 1677 568">100%</td> <td data-bbox="1677 529 1895 568">100%</td> </tr> <tr> <td data-bbox="539 568 714 606">Te Kaha</td> <td data-bbox="714 568 978 606">Protozoal</td> <td data-bbox="978 568 1205 606">Non-compliant</td> <td data-bbox="1205 568 1431 606">100%</td> <td data-bbox="1431 568 1677 606">Non-compliant</td> <td data-bbox="1677 568 1895 606">100%</td> </tr> <tr> <td data-bbox="539 606 714 644">Ōhiwa</td> <td data-bbox="714 606 978 644">Bacterial</td> <td data-bbox="978 606 1205 644">100%</td> <td data-bbox="1205 606 1431 644">100%</td> <td data-bbox="1431 606 1677 644">100%</td> <td data-bbox="1677 606 1895 644">100%</td> </tr> <tr> <td data-bbox="539 644 714 683">Ohiwa</td> <td data-bbox="714 644 978 683">Protozoal</td> <td data-bbox="978 644 1205 683">Non-compliant</td> <td data-bbox="1205 644 1431 683">100%</td> <td data-bbox="1431 644 1677 683">Non-complaint</td> <td data-bbox="1677 644 1895 683">100%</td> </tr> </tbody> </table>	Location	Criteria	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021	Ōpōtiki	Bacterial	100%	100%	100%	100%	Ōpōtiki	Protozoal	100%	100%	100%	100%	Te Kaha	Bacterial	100%	100%	100%	100%	Te Kaha	Protozoal	Non-compliant	100%	Non-compliant	100%	Ōhiwa	Bacterial	100%	100%	100%	100%	Ohiwa	Protozoal	Non-compliant	100%	Non-complaint	100%					
Location	Criteria	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021																																												
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Te Kaha	Bacterial	100%	100%	100%	100%																																												
Te Kaha	Protozoal	Non-compliant	100%	Non-compliant	100%																																												
Ōhiwa	Bacterial	100%	100%	100%	100%																																												
Ohiwa	Protozoal	Non-compliant	100%	Non-complaint	100%																																												

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
Failures and service requests are responded to promptly.	Fault response times:	<1 hour	<4 hours	< 4 hours	<4 hours
	a) Median response time to attend urgent call-outs				
	b) Median response time to resolve urgent call-outs	<3 hours	<1 day	<1 day	<1 days
	c) Median response time to attend non-urgent call-outs	<1 hour	<1 day	< 1 day	<1 day
	d) Median response time to resolve non-urgent call-outs	1 day, 1 hour and 12 minutes	<4 days	< 4 days	<4 days
Water resources are used efficiently and sustainably.	Average consumption of drinking water per day per resident.	Ōpōtiki - 194L Te Kaha - 233L Ōhiwa - 159L	<400L	< 400L	<400L
	Percentage of real water loss from networked reticulation system.	Ōpōtiki – 8%	<20%	<20%	<15%
		Te Kaha – 13%	<20%	<20%	<15%
		Ōhiwa – 60%			

Key projects and programmes

	Annual Plan 2021	LTP 2021	Difference	Comments
LOS				
Ōpōtiki Water Treatment UV	-	210	(210)	Deferred to 2022
Reservoir Replacement	21	262	(241)	Deferred to 2022
LOS Total	21	472	(451)	
Renewal				
Ōhiwa Treatment Renewals	2	2	-	
Reticulation Renewals Ōpōtiki	63	63	-	
Reticulation Renewals Te Kaha	21	21	-	
Treatment Renewals Ōpōtiki	52	52	-	
Treatment Renewals Te Kaha	19	19	-	
Renewal Total	157	157	-	
Grand Total	178	629	(451)	

Funding Impact Statement for 2020/21 Water Supplies

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	195	132	170
Targeted rates	1,013	1,077	1,272
Subsidies and grants for operating purposes	-	-	-
Fees and charges	8	8	8
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	1,216	1,217	1,450
Applications of Operating Funding			
Payments to staff and suppliers	700	550	637
Finance costs	91	163	114
Internal charges and overheads applied	282	272	264
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,073	985	1,015
Surplus (deficit) of operating funding (A-B)	143	232	435
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	328	(54)	194
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	328	(54)	194
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	318	21	472
- to replace existing assets	153	157	157
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	471	178	629
Surplus (deficit) of capital funding (C-D)	(143)	(232)	(435)
Funding Balance ((A-B)+(C-D))	-	-	-

Land Transport





What we do and why

Council provides on-going management, development and maintenance of the District's 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 Roothing, Unsubsidised Roothing.

Contribution to Community Outcomes	How this activity contributes
 Development and protection of the 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.
 Services and facilities meet our needs	
 Development supports the community	
 A strong and effective community spirit	

What potential negative effects this activity may have

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

Levels of service

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
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%	95%
	- Non-urgent requests within 4 days	89%	90%	93%	90%
	Percentage of sealed road network resurfaced.	>5%	>5%	>5%	>5%
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.	80%	85%	82%	>85%
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.	80%	>85%	63%	>85%

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
	The average quality of a ride on a sealed local road network, measured by the smooth travel exposure.	97%	N//A	N/A	91-95% every other year.
	Change from previous year in number of fatalities and serious injury crashes on Council maintained roads.	-1	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend	No increase	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend
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.	63%	>70%	59%	>75%
	Percentage of footpaths in Ōpōtiki district that fall within the level of service or service standard for the condition of footpaths as set in plans.	100%	70% of qualifying footpath faults scheduled for repair	Footpaths brought up to minimum standard last year.	80% of qualifying footpath faults scheduled for repair

Key projects and programmes

	Annual Plan 2021	LTP 2021	Difference	Comments
LOS				
New Roads (Harbour access 3km @600k/km)	-	836	(836)	Budget in 2020
Ōpōtiki Footpaths 29km Govt Funded	3,029	-	3,029	New government funded project
Seal Extension (Subject to council approval)	209	230	(21)	
Street Lighting Upgrade - Cap	150	-	150	Extending the LED lighting
Urban undergrounding share with Horizon	104	104	-	
LOS Total	3,492	1,170	2,322	
Renewal				
Drainage renewals	110	98	12	NZTA increased budget
Emergency Reinstatement	104	-	104	Capital portion of project
Footpath	52	52	-	
Minor improvements 2015-18 - Local Roads	280	214	66	NZTA increased budget
Sealed road pavement rehabilitation	192	178	13	NZTA increased budget
Sealed road resurfacing	465	416	49	NZTA increased budget
Structures component replacements	79	49	30	NZTA increased budget
Traffic services renewals	53	47	6	NZTA increased budget
Urban Kerb & Channel	33	33	-	
Renewal Total	1,368	1,087	280	
Grand Total	4,860	2,257	2,602	

Funding Impact Statement for 2020/21 for Land Transport

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	1,409	1,659	1,502
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,643	1,660	1,679
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	80	81	77
Total Operating Funding (A)	3,132	3,400	3,258
Applications of Operating Funding			
Payments to staff and suppliers	2,377	2,706	2,397
Finance costs	12	45	42
Internal charges and overheads applied	625	580	598
Other operating funding applications	-	-	-
Total applications of operating funding (B)	3,014	3,331	3,037
Surplus (deficit) of operating funding (A-B)	118	69	221
Sources of capital funding			
Subsidies and grants for capital expenditure	1,489	4,140	1,378
Development and financial contributions	-	-	-
Increase (decrease) in debt	644	655	658
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	2,133	4,795	2,036
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,124	3,492	1,170
- to replace existing assets	1,252	1,368	1,087
Increase (decrease) in reserves	(125)	4	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	2,251	4,864	2,257
Surplus (deficit) of capital funding (C-D)	(118)	(69)	(221)
Funding Balance ((A-B)+(C-D))	-	-	-




Investments

What we do and why:

The Investment Activity provides for Council's ownership stake in Council Controlled Organisation namely BOP LASS Ltd (Bay of Plenty Shared Services) and TOI-EDA (Eastern Bay of Plenty Regional Economic Development Agency). 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 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.

Contribution to Community Outcomes	How this activity contributes
 Services and facilities meet our needs	Council's investments contribute to the social and economic well-being of the district.
 A strong and distinctive community spirit	
 Fair and efficient leadership	

What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic	<p>Other parties with an ownership stake withdraw support.</p> <p>CCOs are perceived as a threat to community autonomy.</p>	<p>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.</p> <p>Council will continue to be an active member of CCOs at a governance and operational level to ensure they continue to be about advancing common objectives.</p>

Levels of service:

Goal	Key Performance Indicator	Achieved 2018/19	Targets 2019/20	Expected achievement 2019/20	Targets 2020/2021
BOPLASS	Investigate new joint procurement initiatives for goods and service for BOPLASS councils.	>4	Minimum of 4	Minimum of 4	Minimum of 4
	Communicate with each shareholding Council through a minimum of one meeting with each Executive Leadership Team.	100%	100%	100%	100%
Toi-EDA	Develop and implement a strategy and annual work plan that supports and develops key sectors in the Eastern Bay economy to grow employment and wealth.	100%	80%	>80%	80%
	Submissions lodged on all regional and EBOP district plans.	100%	100%	100%	100%

Funding Impact Statement for 2020/21 for Investments

	Annual Plan 2019/2020 \$000's	Annual Plan 2020/2021 \$000's	LTP 2020/2021 \$000's
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	72	57	74
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total Operating Funding (A)	72	57	74
Applications of Operating Funding			
Payments to staff and suppliers	59	45	61
Finance costs	-	-	-
Internal charges and overheads applied	13	12	13
Other operating funding applications	-	-	-
Total applications of operating funding (B)	72	57	74
Surplus (deficit) of operating funding (A-B)	-	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	-	-	-
Surplus (deficit) of capital funding (C-D)	-	-	-
Funding Balance ((A-B)+(C-D))	-	-	-

Key projects and programmes – Support Activities

	Annual Plan 2021	LTP 2021	Difference	Comments
LOS				
AssetFinda Upgrade	21	-	21	Carried forward from 2019
Mobile Capture Project	21	-	21	Carried forward from 2020
New software systems and improvements	31	31	-	
Online building consent program	21	-	21	Carried forward from 2020
Online Resource Consent Module	-	10	(10)	Project deferred
Project Management to separate systems	63	-	63	Carried forward from 2020
Property File Digitisation Project	157	-	157	Carried forward from 2020
Sphere Online Services	42	10	31	Carried forward from 2020
LOS Total	355	52	303	
Renewal				
Fleet vehicle and plant renewal	264	264	-	
Hardware and software renewal	63	42	21	Minor increase in budget
Renewal Total	327	306	21	
Grand Total	682	358	324	

Financial Information

This section outlines how Council will finance its activities.

Forecast Financial Statements

Introductions

Prospective Statement of Comprehensive Income

This statement discloses the net surplus or deficit and the components of the net surplus (deficit), arising from activities or events during the year that are significant for the assessment of past and future financial performance.

Prospective Statement of Financial Position

Information about the economic resources controlled by Council and its capacity to modify those resources is useful in assessing Council's ability to generate cash and/or provide services in the future. Information about the financing structure is useful in assessing future borrowing needs and how future surpluses and cash flows may be distributed among those with an interest in the Council. The information is also useful in assessing how successful the Council is likely to be in raising additional finance.

Prospective Statement of Changes in Equity

This financial statement contributes to the objectives of general purpose financial reporting by combining information about net surplus (deficit) with other aspects of the Council's financial performance in order to give a degree of measure of comprehensive income.

Prospective Statement of Cash Flows

This statement reflects Council's cash receipts and cash payments during the year and provides useful information about Council's activities in generating cash through operations to:

- repay debt; or
- re-invest to maintain or expand operating capacity.

It also provides useful information about the cash flows generated from Council's investing and financing activities, both debt and equity.

Prospective Statement of Borrowing

Provides the public debt level and measures it against Council's policy levels.

Prospective Capital Expenditure Programme

This statement summarises Council's capital expenditure by significant activity.

Statement of Accounting Policies

Provides details of policies adhered to in the preparation of financial statements.

Cautionary Note: Prospective financial information is based on assumptions about the future and thus relate to events and actions that have not yet occurred and may not occur. While evidence may be available to support assumptions on which the prospective financial information is based, such evidence is itself generally future orientated and therefore, speculative in nature. Therefore, the actual results achieved for the period of the AP are likely to vary from this document, and the variations may be material.

The prospective financial statements comply with FRS.42: *Prospective Financial Statements*

Disclosures

In some instances capital expenditure projects have been carried forward from year one of the 2018-2028 LTP. These projects have been restated in the 2020/21 Annual Plan to ensure they remain in the work programme. Restating the projects in this manner does not result in any funding impact i.e. there is no additional call on rate, loan of any other funding as a result of the carry forward(s).

Prospective Statement of Comprehensive Income

	Annual Plan 2019/2020	Annual Plan 2020/2021	LTP 2020/2021
Revenue			
General rates and UAGC	8,429	8,615	8,813
Targeted Rates			
Targeted rates for water supply	1,013	1,077	1,272
Other targeted rates	1,566	1,637	1,754
Subsidies and grants	19,249	28,209	20,555
Fees and Charges	1,256	1,355	1,389
Other Revenue	257	409	282
Finance revenue	102	42	104
Total operating revenue	31,872	41,344	34,169
Expenditure			
Depreciation and amortisation expense	2,878	3,027	2,984
Personnel costs	5,019	4,654	4,967
Finance costs	489	928	945
Other expenses	7,501	8,529	7,289
Total operating expenditure	15,887	17,138	16,185
Operating surplus (deficit)	15,985	24,206	17,984
Other comprehensive revenue and expense			
Gain on revaluation of property, plant and equipment	-	3,056	10,712
Total other comprehensive revenue and expense	-	3,056	10,712
Total comprehensive revenue and expense	15,985	27,262	28,696

Prospective Statement of Changes in Equity

	Annual Plan 2019/2020	Annual Plan 2020/2021	LTP 2020/2021
Equity balance at 1 July	203,095	210,732	219,560
Comprehensive income for year	15,985	27,262	28,696
Equity Balance 30 June	219,080	237,994	248,256
Components of Equity			
Retained Earnings at 1 July	136,030	137,076	152,469
Transfers to/(from) Retained Earnings	46	(160)	974
Net Surplus/(Deficit)	15,985	24,206	17,984
Retained earnings 30 June	152,061	161,122	171,427
Asset Revaluation Reserves at 1 July	66,075	72,712	65,987
Revaluation Gains	-	3,056	10,712
Revaluation Reserves 30 June	66,075	75,768	76,699
Council Created Reserves at 1 July	990	944	1,104
Transfers to / (from) reserves	(46)	160	(974)
Council created Reserves 30 June	944	1,104	130
Equity at 30 June	219,080	237,994	248,256

Prospective Statement of Financial Position

	Annual Plan 2019/2020	Annual Plan 2020/2021	LTP 2020/2021
ASSETS			
Current Assets			
Cash and cash equivalents	3,938	4,000	5,186
Debtors and other receivables	3,726	3,866	4,521
Prepayments	132	139	65
Total Current Assets	7,796	8,005	9,772
Non-Current Assets			
Plant, property and equipment	237,414	256,681	275,178
Intangible assets	137	146	170
Investment Property	2,551	2,606	2,361
Other financial assets			
Investment in CCOs and other similar entities	-	-	110
Investment in Associates	190	201	112
Total Non-Current Assets	240,292	259,634	277,931
TOTAL ASSETS	248,088	267,639	287,703
LIABILITIES			
Current Liabilities			
Creditors and other Payables	4,520	4,730	5,168
Employee entitlements	387	399	337
Borrowings	-	-	1,500
Total Current Liabilities	4,907	5,129	7,005
Non-Current Liabilities			
Provisions	156	164	163
Borrowings	23,944	24,351	32,279
Total Non-Current Liabilities	24,100	24,515	32,442
TOTAL LIABILITIES	29,007	29,644	39,447
EQUITY			
Retained Earnings	152,061	161,122	171,427
Asset Revaluation Reserves	66,075	75,768	76,699
Council Created Reserves	944	1,104	130
TOTAL EQUITY	219,080	237,994	248,256

Prospective Statement of Cash Flows

	Annual Plan 2019/2020	Annual Plan 2020/2021	LTP 2020/2021
Cash flows from operating activities			
Receipts from rates revenue	10,861	11,172	11,685
Receipts from other revenue	20,712	29,918	22,174
Interest received	102	42	104
Payments to suppliers and employees	(12,105)	(12,710)	(11,906)
Interest paid	(489)	(928)	(945)
Net Cashflow from Operating Activity	19,081	27,494	21,112
Cash flow from investing activities			
Receipts from sale of property, plant and equipment	-	-	-
Receipts from sale of investments	-	-	-
Acquisition of investments	-	-	-
Purchases of property, plant and equipment	(31,127)	(36,242)	(25,905)
	-	-	-
Net Cashflow from Investing Activity	(31,127)	(36,242)	(25,905)
Cash flow from financing activities			
Proceeds from borrowings	12,314	9,064	4,988
Repayment of borrowings	-	-	-
Net Cashflow from Financing Activity	12,314	9,064	4,988
Net Increase (Decrease) in Cash & Cash Equivalents	268	316	195
Add Opening Cash brought forward	3,668	3,685	4,991
Closing Cash & Cash Equivalents	3,936	4,001	5,186

Prospective Capital Expenditure Programme

Capital Expenditure by Activity	Increases in Levels of		
	Service	Growth	Renewal
Community Development	-	-	-
Community Facilities	4,416	2,464	333
Economic Development	-	19,904	-
Land Transport	3,492	-	1,368
Regulation & Safety	89	-	21
Solid Waste Management	-	-	-
Stormwater	1,887	-	100
Support Services	355	-	327
Wastewater	-	-	1,308
Water Supplies	21	-	157
	10,260	22,368	3,613

Prospective Statement of Internal Borrowing

Activity	Opening	Additional		Closing	
	Balance 01/07/2020	Funds Borrowed	Funds Repaid	Balance 30/06/2021	Interest Paid
Support	854	682	(430)	1,106	-
Wastewater	6,826	1,308	(335)	7,799	278
Stormwater	1,198	1,987	(168)	3,017	106
Solid Waste	240	-	-	240	9
Water Supplies	4,565	178	(232)	4,511	163
Land Transport	632	720	(65)	1,287	45
Regulation & Safety	15	110	(3)	122	4
Economic Development	-	210	-	210	7
Community Facilities	3,827	5,225	(336)	8,716	310
Community Development	122	-	-	122	4
	18,279	10,420	(1,569)	27,129	928

Council Reserve Funds

	Activities to which the reserve relates	Purpose	Opening Balance 01/07/2020	Transfer to Reserve	Transfer from Reserve	Closing Balance 30/06/2021
Council Created Reserves						
Cash in Lieu of Reserves	Economic Development	For general purpose funding	174	127	-	301
Road Upgrading	Land Transport	For upgrading of roading	122	11	-	133
Carpark Contribution	Land Transport	For the upgrade of carparks	5	-	(5)	-
CBD Development	Property	For the development of town CBD For development of recreational facilities	40	265	-	305
Development Contribution	Parks and Reserves	For funding triennial elections	441	-	(196)	245
Elections	Leadership	For the Library Development Project	22	14	-	36
Library Development	Library	For funding CCB projects	375	-	(375)	-
Coast Community Board	Community Development		129	-	(60)	69
Whakaari Taonga Management	Planning	For the development of reserves	19	-	(3)	16
Destination Playground	Playgrounds	For development of playgrounds	3	-	(3)	-
General Purpose (Electricity Proceeds)	Economic Development	For general purpose funding	41	-	(41)	-
			1,371	417	(683)	1,104

Asset Revaluation Reserves	Opening Balance 01/07/2020	Transfer to Reserve	Transfer from Reserve	Closing Balance 30/06/2021
<i>Operational Assets</i>				
Land	-	-	-	-
Buildings	382	307	-	689
Site Improvements	52	15	-	67
<i>Infrastructural Assets</i>				
Roading	49,180	-	-	49,180
Water Systems	4,938	914	-	5,852
Sewerage Systems	7,948	955	-	8,903
Stormwater Systems	6,979	433	-	7,412
Harbour Development	-	-	-	-
Cycleways	376	75	-	451
<i>Restricted Assets</i>				
Land	2,727	-	-	2,727
Buildings	49	-	-	49
Site Improvements	438	-	-	438
	73,069	2,699	-	75,768

Accounting Policies

Statement of accounting policies for the 2020/21 Annual Plan

REPORTING ENTITY

Ōpōtiki District Council (the Council) 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 includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure and 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 financial reporting purposes.

The prospective financial statements of the Council are for the year commencing 1 July 2020.

The Council, who is authorised to do so and believe that the assumptions underlying these prospective financial statements are appropriate, has approved the Annual Plan for distribution.

BASIS OF PREPARATION

The prospective 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 prospective 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 prospective financial statements have been prepared in accordance with the reduced disclosure of a Tier 2 PBE accounting entity. The Council 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 prospective financial statements comply with PBE Standards.

The statements comply with PBE FRS 42 Prospective Financial Statements and other applicable Financial Reporting Standards as appropriate for public benefit entities. The prospective financial statements use opening balances from period ending 30 June 2019; estimates have been restated accordingly if required. The prospective financial statements are prepared using the historical cost basis, except for asset and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Council is New Zealand dollars.

Standards issued and not yet effective, and not early adopted

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

2018 Omnibus Amendments to PBE Standards, issued November 2018

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

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.

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 the Council has received an application that satisfies its rates remission policy
- Rates collected on behalf of Bay of Plenty Regional Council (BOPRC) are not recognised in the prospective financial statements as the Council is acting as agent for BOPRC.

New Zealand Transport Agency Rooding 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 rooding 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 the Council 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), the Council 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 or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog 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 or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

Borrowing Costs

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

Grant Expenditure

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

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

Leases

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.

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 (PPE)

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 the Council 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 25 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.

Creditors and other 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 the Council anticipates it will be used by staff to cover those future absences.

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

Presentation of Employee Entitlements

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

Superannuation schemes

Defined contribution schemes

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

Provisions

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

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

Equity

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The Council 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.

Critical accounting estimates and assumptions

In preparing these prospective financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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.

Cautionary note

The information in the prospective financial statements is uncertain and the preparation requires the exercise of judgment. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted, or the Council may subsequently take actions that differ from the planned course of action on which the prospective financial statements are based.

The information contained within these prospective financial statements may not be suitable for use in another capacity.

Assumptions underlying prospective financial information

The financial information presented within these policies and documents is prospective financial information in terms of FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by the Council over the next financial year and to provide a broad accountability mechanism of the Council to the community.

The reader is referred to a full list of underlying assumptions adopted with the 2018-28 Long Term Plan.

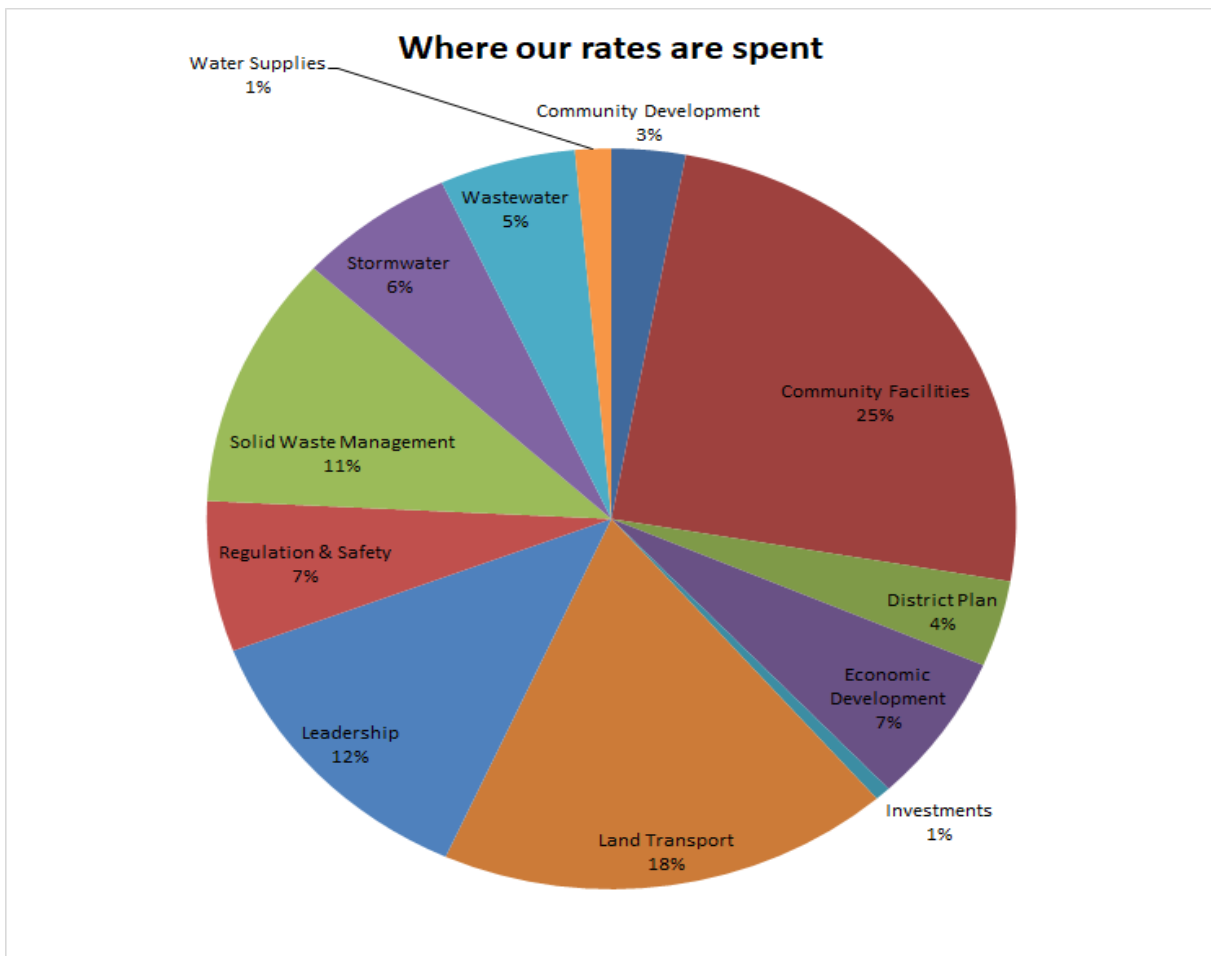
Funding Impact Statement

The funding impact statement provides an overview of how the Council obtains its funding.

The Council has set out the sources of its funding in the Revenue and Financing Policy. Each property in the district pays toward the provision of facilities and services for the community by way of rates.

All rateable properties pay a **Uniform Annual General Charge** which is the same amount for all properties. They also pay **General Rates** which are calculated on the capital value of the property.

Where services are provided to some areas of the district and not others, or where Council believes there is a greater benefit to some properties, a **Targeted Rate** is applied to those properties that have access to or benefit from a particular service. More information on the sources of the Ōpōtiki District Council's funding is provided in the following information.



Funding Impact Statement for 2020/21 (Whole of Council)

	Annual Plan 2019/2020	Annual Plan 2020/2021	LTP 2020/2021
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	8,429	8,610	8,813
Targeted rates	2,579	2,719	3,026
Subsidies and grants for operating purposes	1,736	2,386	1,787
Fees and charges	1,256	1,355	1,389
Interest and dividends from investments	102	42	104
Local authorities fuel tax, fines, infringement fees, and other receipts	207	354	230
Total Operating Funding (A)	14,309	15,466	15,349
Applications of Operating Funding			
Payments to staff and suppliers	12,521	13,184	12,255
Finance costs	489	928	945
Other operating funding applications	-	-	-
Total applications of operating funding (B)	13,010	14,112	13,200
Surplus (deficit) of operating funding (A-B)	1,299	1,354	2,149
Sources of capital funding			
Subsidies and grants for capital expenditure	17,513	25,823	18,767
Development and financial contributions	-	-	-
Increase (decrease) in debt	12,314	9,064	4,988
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	29,827	34,887	23,755
Applications of capital funding			
Capital expenditure			
- to meet additional demand	18,971	20,529	19,687
- to improve the level of service	4,933	12,099	4,434
- to replace existing assets	7,222	3,613	1,783
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	31,126	36,241	25,904
Surplus (deficit) of capital funding (C-D)	(1,299)	(1,354)	(2,149)
Funding Balance ((A-B)+(C-D))	-	-	-

The following rates (including GST) are proposed to be set and assessed within the District for the 2020/21 year:

District Wide Rates

1 General Rates

A general rate set under section 13 of the Local Government (Rating) Act 2002 for the purposes of providing all or some of the cost of the Council activities set out in this 2020/21 Annual Plan.

For the 2020/21 year this rate will be 0.3080 cents per dollar (including GST) based on the rateable capital value of all land within the district.

2 Uniform Annual General Charge

A rate set under section 15 of the Local Government (Rating) Act 2002 per rating unit within the district. This rate is for the purpose of providing some of the cost the Council activities set out in this 2020/21 Annual Plan.

For the 2020/21 year this rate will be \$476.65 (including GST).

General rates and uniform annual general charges are used to fund the following activities;

Community Development	3%	Leadership	12%
Community Facilities	25%	Regulation & Safety	7%
District Plan	4%	Solid Waste Management	11%
Economic Development	7%	Stormwater	6%
Investments	1%	Wastewater	5%
Land Transport	18%	Water Supplies	1%

Definitions:

Separately Used or Inhabited Parts of a Rating Unit

A separately used or inhabited part of a rating unit is defined as:

Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, licence or other agreement.

Examples of separately used or inhabited parts of a rating unit:

- For residential rating units, each self-contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance
- Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations.

Targeted Rates

Lump sum payments will not be invited for targeted rates. These are generally done by Councils to fund capital projects, and come with a long list of complexities that would require ongoing management. We would however consider these in the future should there be a request from the community.

3 Communities of Interest

Targeted rate set under section 16 of the Local Government (Rating) Act 2002 across the whole district based on land use. The rates are set on a uniform basis on all rateable rating units as follows:

(a) Residential Communities of Interest

This targets a charge for certain activities to the Ōpōtiki Town Ward plus all rating units less than 0.5 hectares outside the Ōpōtiki Town Ward on the seaward side of the area commencing from Ōhiwa Harbour at the intersection of Ruatuna Road and State Highway 2 and following State Highway 2, Waiotahi Valley Road, Gabriels Gully Road, Browns Road, Verralls Road, Paerata Ridge Road, Old Creamery Road, Crooked Road, Dip Road, Armstrong Road, McGregor Road, line from intersection of McGregor and Woodlands Road to intersection of State Highway 2 and Clarks Cross Road, Stump Road, line bisecting Tablelands and Tirohanga Road to Te Wakanui Road, Te Wakanui Road concluding at intersection with State Highway 35. The activities include litter control, playgrounds, compliance, economic development, animal control, and stormwater.

For the 2020/21 year this rate will \$41.97 per rating unit.

(b) Rural Communities of Interest

This targets the rural areas of the district excluding properties included in the residential communities of interest, and commercial/industrial communities of interest. The activities include rural stormwater, cycleway, economic development, compliance, and rural litter control.

For the 2020/21 year this rate will be \$24.78 per rating unit.

(c) Commercial/Industrial Communities of Interest

This targets a charge for certain activities to rating units where the land use is commercial or industrial. The activities include cycleway, litter control, stormwater, economic development, compliance, property, tourism, and health.

For the 2020/21 year this rate will be \$826.96 per rating unit.

4 Water Supply Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit or per rating unit as set out below. The purpose of this rate is to fund water supplies for Ōpōtiki/Hukutaia, Te Kaha and Ōhiwa.

The purpose of this rate is to fund the maintenance, operation and capital upgrades of water supplies and treatment in those parts of the districts where these systems are provided.

The rate is subject to differentials as follows:

- (a) A charge per separately used or inhabited part of a rating unit connected in the Ōpōtiki/Hukutaia, Te Kaha and Ōhiwa communities.
- (b) A half-charge per rating unit which is serviceable in the above locations.

For this rate:

- “Connected” means a rating unit to which water is supplied.
- “Serviceable” means a rating unit to which water is not being supplied, but the property is situated within 100 metres of the water supply.

For the 2020/21 year these rates will be:

	WATER RATES	
	Connected	Serviceable
Ōpōtiki/Hukutaia	279.18	139.58
Te Kaha	324.53	162.26
Ōhiwa	785.37	392.69

5 Metered Water Rate

A targeted rate under Section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, to any property that is connected to one of the water supplies in Ōpōtiki, Te Kaha or Ōhiwa Districts.

	METERED WATER
	Connected
Ōpōtiki/Hukutaia	65.5 cents per cubic metre
Te Kaha	\$1.15 per cubic metre
Ōhiwa	\$1.15 per cubic metre

6 Sewerage Rates

A targeted rate set under Section 16 of the Local Government (Rating) Act 2002 for the Council’s sewage disposal function of fixed amounts in relation to which the Council’s sewage disposal service is provided or available as follows:

The purpose of this rate is to fund the maintenance, operation and capital upgrades of sewerage collection, and treatment and disposal systems in those parts of the district where these systems are provided.

- (a) A charge per separately used or inhabited part of a rating unit connected.
- (b) A charge per pan within the separately used or inhabited part of a rating unit, where there are multiple connections.
- (c) A charge per rating unit which is serviceable but not connected.

For this rate:

- “Connected” means the rating unit is connected to a public sewerage system and not liable for the multiple connections charge.
- “Serviceable” means the rating unit is not connected to a public drain, but the property is situated within 30 metres of such a drain
- A rating unit used primarily as a residence for one household is treated as not having more than one pan

- For rating units with multiple connections each pan will be rated at 80 percent of the full charge. This relates to properties other than those defined as a residence and applies instead of the charge per SUIP for connected rating units.

For the 2020/21 year these rates will be:

	SEWERAGE	RATES (GST INCL)	
	Connected	Serviceable	Multi-connection
Ōpōtiki	576.31	288.15	461.04 per pan
Waihau Bay	498.20	249.10	

(d) Waioeka Wastewater Extension Charge

A targeted rate set under Section 16 of the Local Government (Rating) Act 2002 for each rating unit connected to the wastewater extension to Factory Road, Ōpōtiki of \$23,285.78 per rating unit. This covers the loan cost for the capital works involved in providing the extension to the properties following a formal to Council to provide the infrastructure ahead of schedule. 2020/21 will be the final year for this rate and then it will be included as part of the total scheme costs.

7 Refuse Collection Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the purposes of funding collection of household refuse in the Ōpōtiki district.

The collection area is:

- Within the Ōpōtiki Ward with the exception of Dip Road, Crooked Road and State Highway 2 west of Baird Road
- Within the Waiotahi/Waioeka Ward for the Waiotahi Drifts Subdivision, Appleton Road, State Highway 2 between Waiotahi Drifts and Paerata Ridge Road, Whakaari Road and Paerata Ridge Road up to but excluding Thompson Road, Otara Road to Factory Road, Factory Road, Stoney Creek Road and Waioeka Road/State Highway 2 to rural number 126.

The rate is subject to differentials as follows:

- A full charge of \$233.52 on each separately used or inhabited part of a rating unit (that is used or inhabited) within the collection area.
- A half-charge of \$116.76 on each separate rating unit where the property is not used or inhabited within the collection area.

8 Due dates for payment of rates

Instalment No	Period	Invoice Date	Date for last day of payment (before penalties apply)
1	Jul – Sept 2020	1 July 2020	21 August 2020
2	Oct – Dec 2020	1 October 2020	20 November 2020
3	Jan – Mar 2021	1 January 2021	26 February 2021
4	Apr – June 2021	1 April 2021	21 May 2021

9 Additional charges (penalties)

An additional charge of 10% is to be added to all rates levied in respect of the 2020/21 financial year and which, although due, remain unpaid on the following dates:

Instalment No 1	26 August 2020
Instalment No 2	25 November 2020
Instalment No 3	3 March 2021
Instalment No 4	26 May 2021

Rating Base information as at 30 September 2019

Number of rating units – 5,670

Capital Value of all rating units – \$2,699,553,800

Land Value of all rating units - \$1,377,965,300

The rating base information disclosed is based on the rating base information following the district rating revaluation undertaken in September 2019.

Scheduled Rates

The following schedule details the rates for 2020/21 (excl GST).

Description	Land Liabe	Differential	Factor of Liability	Rate Value (Excl GST)	Amount Sought
District Wide Rates					
General	All rateable property	Uniform	Capital Value	0.2678 cents in the dollar	\$ 7,185,622
Uniform Annual General Charge	All rateable property	Uniform	Fixed amount per rating unit	\$ 414.48	\$ 1,962,148

Targeted Rates

Opotiki/Hikutaia Water	Service available	Service available/connected	Amount per SUIP	\$242.74 Connected	\$ 556,848
			Amount per rating unit	\$121.37 Available	
Te Kaha Water	Service available	Service available/connected	Amount per SUIP	\$282.2 Connected	\$ 100,150
			Amount per rating unit	\$141.1 Available	
Ohiwa Water	Service available	Service available/connected	Amount per SUIP	\$682.93 Connected	\$ 14,683
			Amount per rating unit	\$341.465 Available	
Opotiki Sewerage	Service available	Service available/connected	Amount per SUIP	\$501.14 Connected	\$ 855,539
			Amount per rating unit	\$250.57 Available	
			Amount per pan	\$400.91 Multiple	
Waihau Bay Sewerage	Service available	Service available/connected	Amount per SUIP	\$433.22 Connected	\$ 11,047
			Amount per rating unit	\$216.61 Available	
Waioeka Wastewater Extension	Service available	Service	Amount per rating unit	\$20248.5 Connected	\$ 40,497
Refuse Collection	Service available	Service available/provided	Amount per SUIP	\$203.06 Collected	\$ 446,331
			Amount per rating unit	\$101.53 Available	

Communities of Interest Rates

Residential	Residential property	Uniform	Amount per rating unit	\$ 36.49	\$ 77,002
Rural	Rural property	Uniform	Amount per rating unit	\$ 21.55	\$ 51,821
Commercial	Commercial/Industrial	Uniform	Amount per rating unit	\$ 719.09	\$ 154,605

Metered Water Rates

Ōpōtiki/Hikutaia	Service connected	Uniform	Amount per cubic metre	\$ 0.57	\$ 285,000
Ōhiwa	Service connected	Uniform	Amount per cubic metre	\$ 1.00	\$ 5,000
Te Kaha	Service connected	Uniform	Amount per cubic metre	\$ 1.00	\$ 62,500

Rating Examples

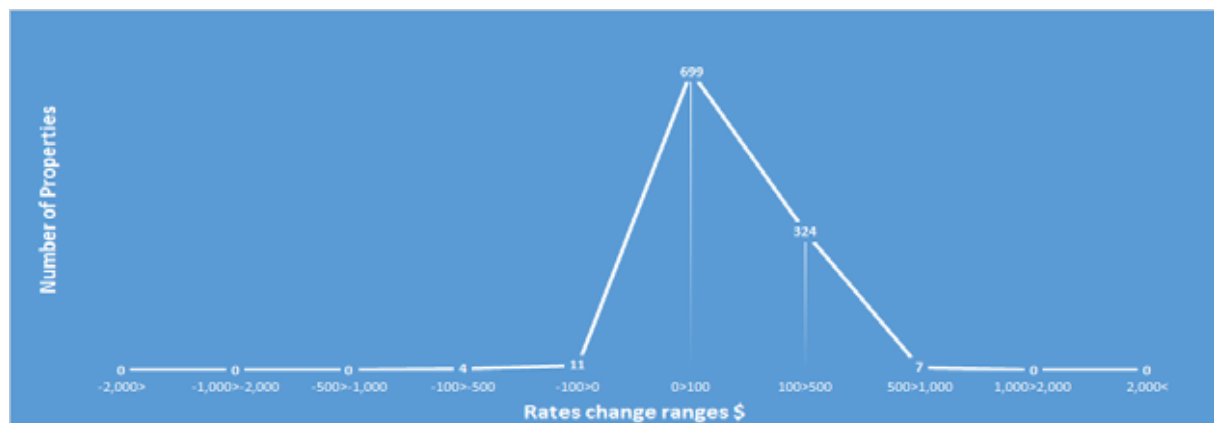
Excludes GST and BOPRC Rates.

Ōpōtiki Township

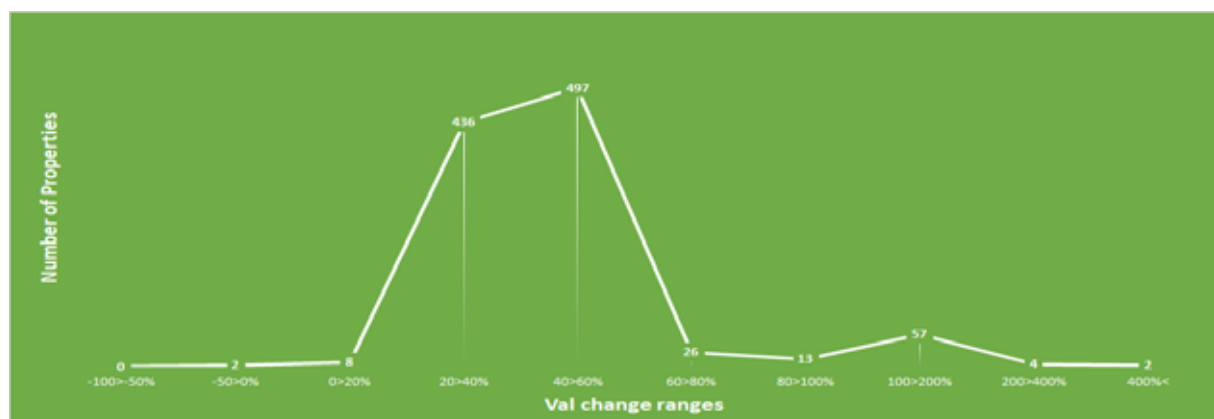
67% of the residential properties in town will have a rates increase for next year of less than \$100. 31% will have an increase between \$100 and \$500. These increases are driven by increased costs for targeted rate funded activities such as Wastewater, Water Supplies, and Kerbside Collection.

Rate	2020/21	2019/20	% Change
General Rate	\$0.3080	\$0.4032	-23.6%
UAGC	\$476.65	\$502.86	-5.2%
Opotiki Water Supply	\$279.15	\$247.04	+13.0%
Opotiki Wastewater	\$576.31	\$544.71	+5.8%
Opotiki Refuse Collection	\$233.52	\$221.24	+5.6%
Communities of Interest	\$41.97	\$39.41	+6.5%

	Capital Value	2020/21 Rates	2019/20 Rates	Change in rates
Lower Quartile	\$190,000	\$1,935	\$1,829	6%
Median	\$225,000	\$2,029	\$1,931	5%
Upper Quartile	\$270,000	\$2,230	\$2,141	4%



42% of Ōpōtiki township properties had a valuation increase of between 20% and 40%, 48% had a valuation increase of between 40% and 60%, and 9% had an increase of greater than 60%.



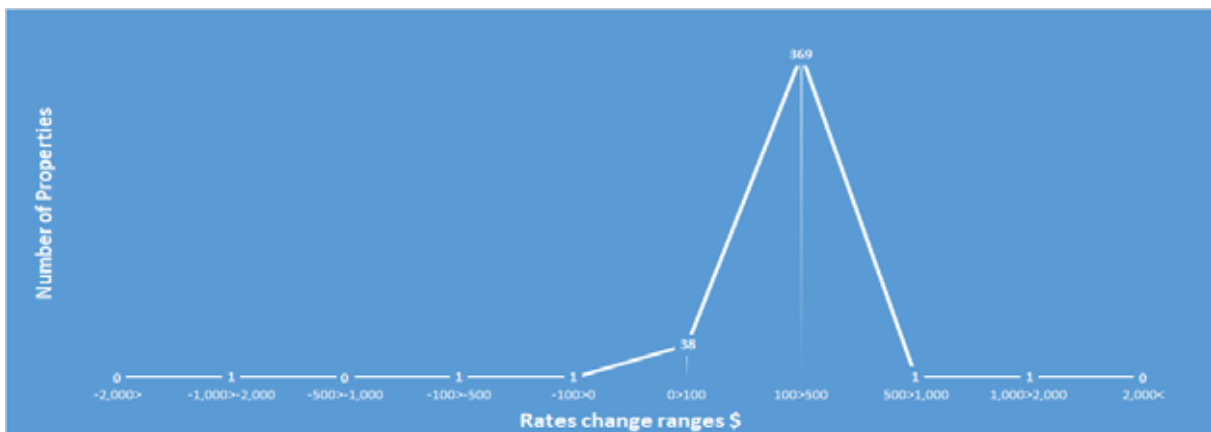
Hukutaia/Woodlands

90% of the residential properties in Hukutaia and Woodlands have a rates increase range between \$100 and \$500. The increases here are largely related to the revaluation, which is higher than the district average, and the increase in kerbside collection costs and Ōpōtiki Water Supply.

A property at the lower quartile here is worth \$350,000 and pays less than a property in town worth \$190,000. Properties in town also pay a targeted rate for wastewater.

Rate	2020/21	2019/20	% Change
General Rate	\$0.3080	\$0.4032	-23.6%
UAGC	\$476.65	\$502.86	-5.2%
Ōpōtiki Water Supply	\$279.15	\$247.04	+13.0%
Ōpōtiki Refuse Collection	\$233.52	\$221.24	+5.6%
Communities of Interest	\$41.97	\$39.41	+6.5%

	Capital Value	2020/21 Rates	2019/20 Rates	Change in rates
Lower Quartile	\$350,000	\$1,861	\$1,703	9%
Median	\$425,000	\$2,062	\$1,878	10%
Upper Quartile	\$520,000	\$2,316	\$2,119	9%



90% of the properties in Hukutaia and Woodlands had a valuation increase in the range of 40% to 60%.



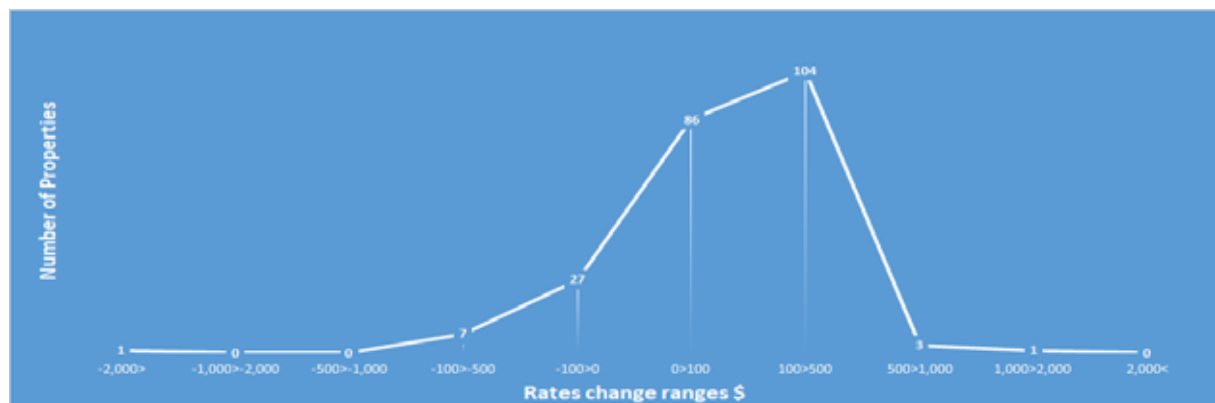
Ohiwa

12% of residential properties in Ohiwa have a rates reduction of less than \$100, 38% have a small increase of less than \$100, and 45% have an increase between \$100 and \$500.

The increases here are driven by the reallocation of rates due to revaluation. Valuation increases greater than the district average of 34% result in rates increases, conversely those that had a valuation increase of less than 34% generally receive a rates decrease. There were some small savings in cost associated with the Ohiwa Water Supply as management found efficiencies. This resulted in a 9% reduction in the Ohiwa Water Supply targeted rate.

Rate	2020/21	2019/20	% Change
General Rate	\$0.3080	\$0.4032	-23.6%
UAGC	\$476.65	\$502.86	-5.2%
Ohiwa Water Supply	\$785.37	\$861.69	-8.7%
Communities of Interest	\$42.00	\$39.41	+6.6%

	Capital Value	2020/21 Rates	2019/20 Rates	Change in rates
Lower Quartile	\$330,750	\$1,353	\$1,308	3%
Median	\$560,000	\$2,010	\$1,865	8%
Upper Quartile	\$737,500	\$2,592	\$2,400	8%



The bulk of the properties here had a valuation increase between 20% and 60%, 27% had an increase between 20% and 40%, with 64% having a larger increase between 40% and 60%. 6% of the properties here had a valuation increase of greater than 60%.



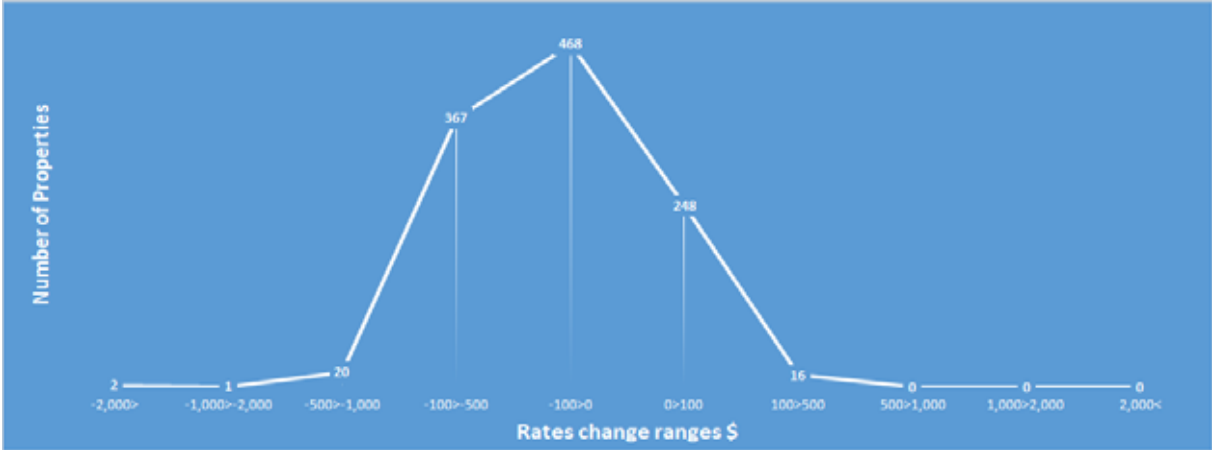
Coast Residential Properties

39% of the residential properties on the coast will receive a reduction between \$100 and \$500, 44% have a reduction of less than \$100, and the balance have an increase of less than \$100.

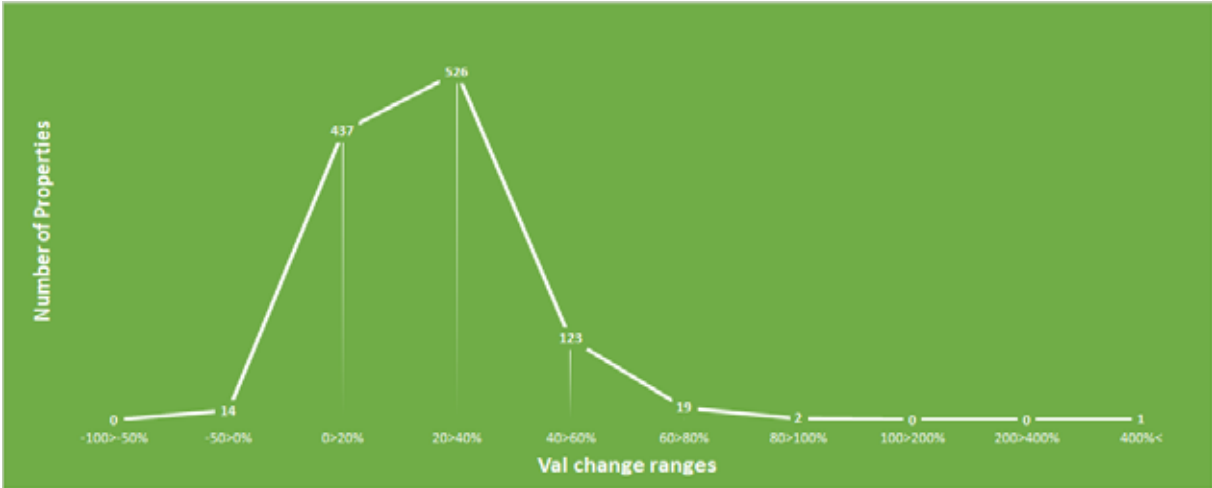
The reason for the reductions are related to the revaluation which for the most parts of the Coast was less than the district revaluation increase of 34%. The targeted rate for the Te Kaha Water Supply was also reduced as cost efficiencies were found in treatment costs.

Rate	2020/21	2019/20	% Change
General Rate	\$0.3080	\$0.4032	-23.6%
UAGC	\$476.65	\$502.86	-5.2%
Te Kaha Water Supply	\$324.96	\$347.92	-6.6%
Communities of Interest	\$24.81	\$25.81	-3.9%

	Capital Value	2020/21 Rates	2019/20 Rates	Change in rates
Lower Quartile	\$120,000	\$672	\$719	-7%
Median	\$233,000	\$1,105	\$1,182	-7%
Upper Quartile	\$362,950	\$1,575	\$1,693	-7%



46% of the residential properties on the Coast had a valuation increase of less than 20%, with the balance increasing between 20% and 40%.



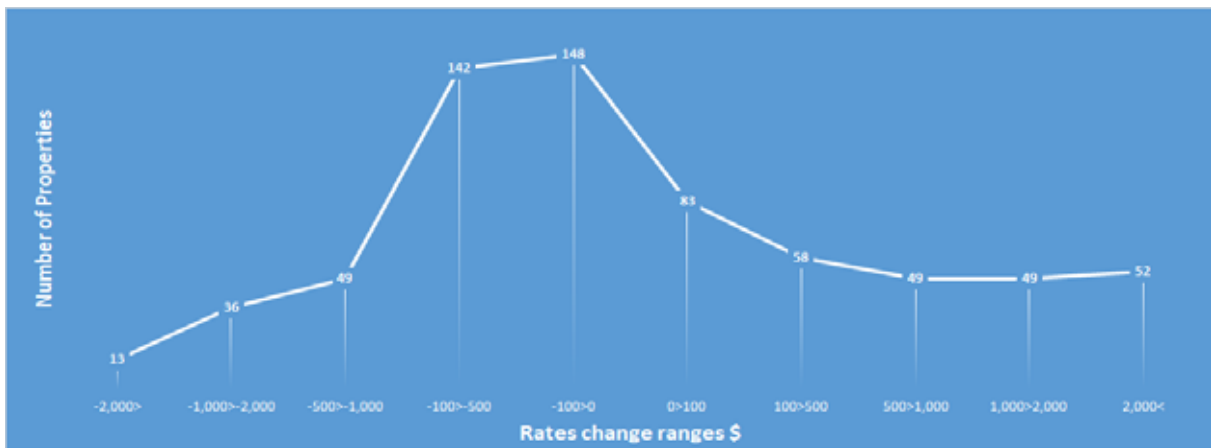
Primary Sector

57% of the primary sector properties have a rates reduction for next year, and 43% have a rates increase.

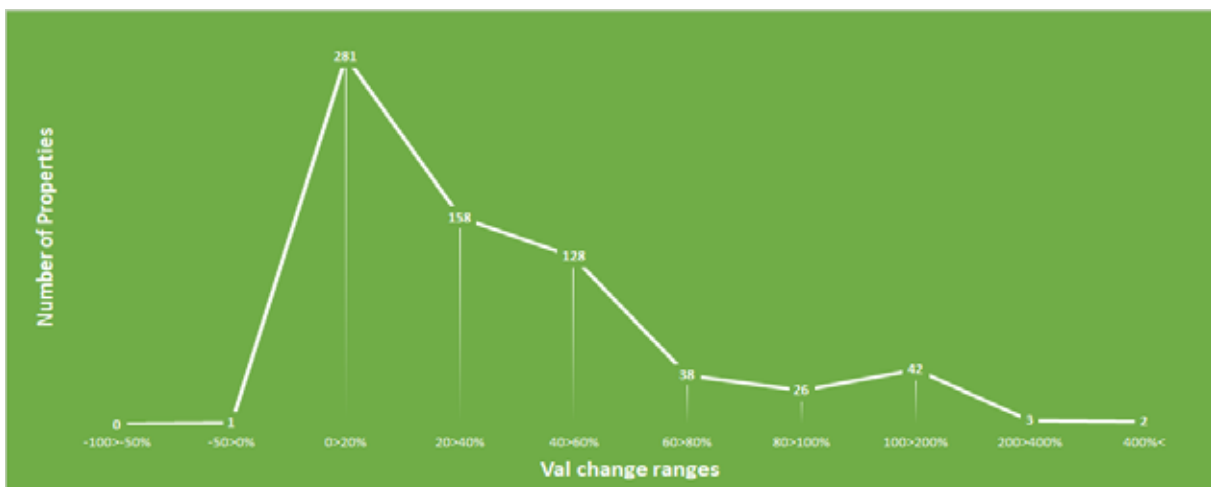
The rates increases and decreases for next year are largely driven by revaluation. If your property value increased by less than the district average of 34% it is likely that you will have a decrease in rates, and vice versa.

Rate	2020/21	2019/20	% Change
General Rate	\$0.3080	\$0.4032	-23.6%
UAGC	\$476.65	\$502.86	-5.2%
Communities of Interest	\$24.78	\$25.81	-4.0%

	Capital Value	2020/21 Rates	2019/20 Rates	Change in rates
Lower Quartile	\$201,750	\$864	\$905	-5%
Median	\$817,500	\$2,663	\$2,606	2%
Upper Quartile	\$1,890,000	\$5,608	\$5,094	10%



Across the primary sector group of properties, which includes farms and orchards, the valuation movements were extremely variable. 41% had an increase of less than 20%, 23% had an increase of between 20% and 40%, 19% had an increase between 40% and 60%, and 16% had increases greater than 60% in value.

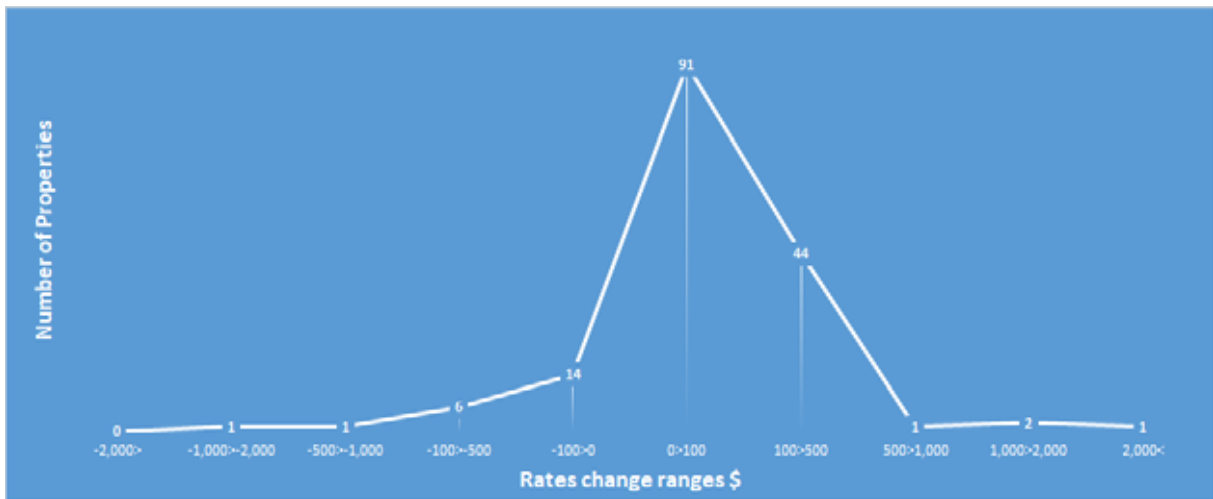


Commercial and Industrial

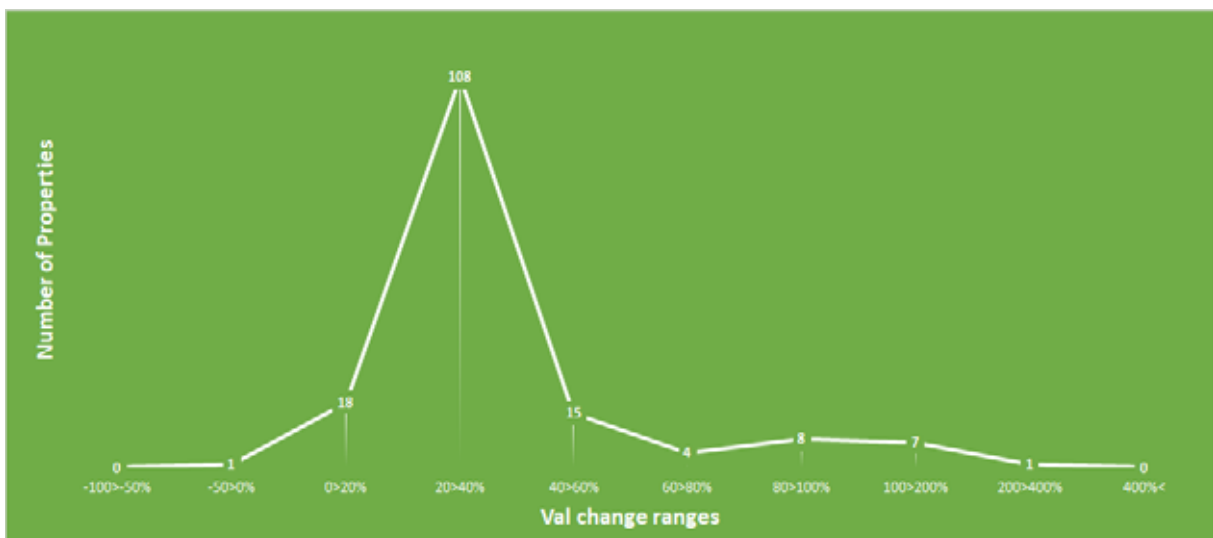
84% of the commercial and industrial properties will get a rates increase next year between \$0 and \$500 depending on where the property is located and what services are available to it.

Rate	2020/21	2019/20	% Change
General Rate	\$0.3080	\$0.4032	-23.6%
UAGC	\$476.65	\$502.86	-5.2%
Ōpōtiki Water Supply	\$279.15	\$247.04	+13.0%
Ōpōtiki Wastewater	\$576.31	\$544.71	+5.8%
Ōpōtiki Refuse Collection	\$233.52	\$221.24	+5.6%
Communities of Interest	\$826.96	\$840.63	-1.6%

	Capital Value	2020/21 Rates	2019/20 Rates	Change in rates
Lower Quartile	\$150,000	\$2,389	\$2,356	1%
Median	\$255,000	\$2,833	\$2,758	3%
Upper Quartile	\$472,500	\$3,791	\$3,662	4%



Across the sector of commercial and industrial properties the values have increased in general between 20% and 40%.



Kiwifruit Orchards

Although these have been included above under primary sector properties, we have decided to also disclose these separately given the recent interest from the kiwifruit sector.

The median value of all the kiwifruit orchards in the district is \$2.1 million, meaning half of the orchards have a value higher than that, and half have a value lower than that. The median proposed rates increase for kiwifruit orchards next year is \$898 or 17%, and the median valuation increase for orchards was 56%. The most valuable kiwifruit orchard in the district has a value of close to \$15 million as at the September 2019 rating revaluation. This orchard will have a rates decrease next year of close to \$4,000 because the value only went up by 20% from \$12.5 million.

The rates increases and decreases for kiwifruit orchards is driven by movements in revaluation. If your orchard has increased in value by less than the district average of 34%, then it is likely that you will have a decrease in rates.

	2020/21			
	Capital Value	Proposed Rates	2019/20 Rates	Change in rates
Lowest 1%	\$97,000	\$1,116	\$940	19%
Lower Quartile	\$1,440,000	\$4,505	\$3,729	21%
Median	\$2,100,000	\$6,238	\$5,012	24%
Upper Quartile	\$3,040,000	\$8,722	\$6,949	26%
Highest 1%	\$15,050,000	\$40,292	\$44,003	-8%

