



# Opotiki District Council

## *Summary Annual Report*

*For year ended  
30 June 2007*

ISSN 1173-1842







## Background

This document provides an overview of Council's financial and operational performance for the 2006 / 07 financial year.

## Disclaimer

This summary Annual Report was authorised for issue by the Chief Executive Officer on 12 December, 2007. The specific disclosures included in this report have been extracted from the full Annual Report adopted by Council on 14 November, 2007. The Summary Annual Report cannot be expected to provide as complete an understanding as provided in the full Annual Report of the financial and service performance, financial position and cash flows of Council. The Summary Annual Report has been audited for consistency with the full Annual Report and a copy of the Summary Unqualified Audit Report is included in this document.

A copy of the Opotiki District Council 2006/2007 Annual Report is available from Council's Office, 108 St John Street, Opotiki.

For more information on the Opotiki District Council please visit [www.odc.govt.nz](http://www.odc.govt.nz).

## Contents

Mayor and Chief executive's Reports

Audit Report

Summary Financial Reports

How Council performed in 2006/2007



## FROM THE MAYOR



**John Forbes**  
Mayor of Opotiki

It has been a year of quiet progress for Opotiki District Council.

The current elected membership has been together for two terms and in the last year of the triennium it has worked very effectively, making steady gains toward district growth and development.

A directive for efficiency gains saw management continually looking to ensure ratepayers receive value for money. Opotiki can be pleased for the way the Council works and manages to meet all the requirements of being a Territorial Local Authority while keeping costs at an acceptable level. Council staff can take credit for innovation and thinking that goes towards efficiency and effectiveness. Elected members can take credit for requiring this and then giving staff the space to achieve it.

During the year construction was commenced on the sports pavilion at Waioweka Domain and DHI was contracted to undertake a major study of the harbour entrance. We also embarked on a project to increase tourism in the district and to increase employment opportunities, particularly for young people.

Every year I have the pleasure of attending and opening a variety of community events. The Community Contributions Awards are one of my favorite as it is this two yearly event, that recognises the wonderful people who volunteer so much of their time and skill to making Opotiki the strong and vibrant community that it is.

Opotiki has also had a strong presence on a national stage with my own involvement in LGNZ National Council and the Rural Sector and the National Access Panel and Task Force For Jobs providing an opportunity to introduce our district to a New Zealand wide audience.

It is very satisfying to be part of a team and a community that works well together and sees progress as a result. Having gained good ground it is important that we continue to increase our communication to all sectors of the community in order to keep the momentum toward our vision –a strong community and a strong future.

A handwritten signature in black ink that reads "John Forbes". The signature is written in a cursive, flowing style.

**John Forbes**  
MAYOR

## CHIEF EXECUTIVE'S REVIEW



Vaughan Payne  
**Chief Executive Officer**

Tena koutou

This is the first year of implementing our ten year plan which identifies four strategic platforms to achieve the district vision.

Economic growth

Quality of life

Strong community spirit

Environmental quality

In addition to the matters listed as annual report highlights the following are examples of projects undertaken to achieve this strategic direction:

- Engaging engineering and environmental consultants to undertake preparatory work such as consent applications, for the Harbour development project,
  - Obtaining resource consents for the new Te Kaha Refuse Recycling Centre site and commencing construction,
  - Lodging applications to become an accredited Building Control Authority,
  - Creating and supporting a wide range of new and existing events that entertain residents and visitors to the District,
  - Creating new tourist attractions through the Fun Unplugged Festival held in January,
  - Holding workshops with councillors to refine and confirm strategic issues and projects,

The Council, the Coast Community Board, and the two Council committees (Sport and Recreation and Tourism and Promotion) continue to operate well.

Council continues to look for efficiencies and to this end achieved a 12% saving on discretionary operational budgets. Council has also progressed various shared services initiatives with other local authorities (e.g. Toi EDA) and the wider community (e.g. Opotiki Museum)

The year concluded on a very positive note with the second Opotiki Community Contributions Awards recognising the valuable contribution to our community by volunteers.

Lastly, I wish to thank His Worship the Mayor, councillors and staff for their continued efforts to make Opotiki a strong community so as to secure a strong future for the district.

Vaughan Payne  
**Chief Executive Officer**

**REPORT OF THE AUDITOR GENERAL**

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

**AUDIT REPORT**

**TO THE READERS OF OPOTIKI DISTRICT COUNCIL'S  
SUMMARY ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2007**

We have audited the summary annual report.

**Unqualified Opinion**

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 14 November 2007, on:

- the full financial statements; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

**Basis of Opinion**

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in the District Council.

**Responsibilities of the Council and the Auditor**

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.



B H Halford, Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand  
12 December 2007

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE**

For the Year Ended 30 June 2007

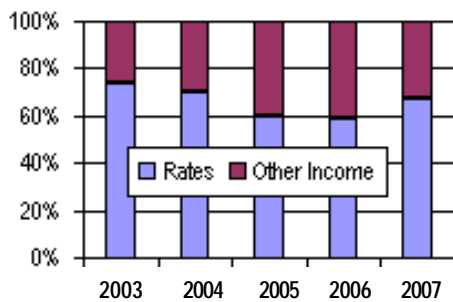
	Actual 2007 \$000	Budget 2007 \$000	Actual 2006 \$000
<b>Income</b>			
Rates revenue	6,369	6,304	6,052
Other revenue	2,991	3,766	4,096
Other gains / (losses)	84	12	174
<b>Total Income</b>	<b>9,444</b>	<b>10,082</b>	<b>10,322</b>
<b>Expenditure</b>			
Employee benefit expenses	2,303	2,418	2,004
Depreciation and amortisation	1,533	1,545	1,543
Other expenses	3,911	4,078	3,754
Finance costs	327	418	388
Assets transferred	0	0	935
<b>Total operating expenditure</b>	<b>8,074</b>	<b>8,459</b>	<b>8,624</b>
<b>Operating surplus / (deficit)</b>	<b>1,370</b>	<b>1,623</b>	<b>1,698</b>
Share of associate surplus / (deficit)	0	0	(60)
<b>Surplus / (deficit)</b>	<b>1,370</b>	<b>1,623</b>	<b>1,638</b>

**Statement of financial performance**

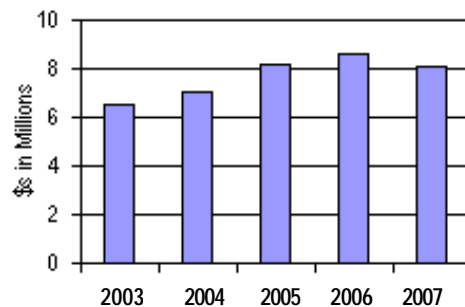
Explanations for major variations from ODC's estimated figures in the 2006/2007 Long Term Council Community Plan are:

Vested assets budgeted to be received from the Waitahi Drifts subdivision. Delays in development of stage iv of the subdivision have meant that the development contributions have not materialised.

Revaluation of investment assets.  
Harbour development which has proceeded slower than anticipated resulting in under expenditure of \$176,000 together with grant income being \$165,000 less than budget.



**Revenue Ratios**



**Cost of Service**

**SUMMARY STATEMENT OF FINANCIAL POSITION**

As at 30 June 2007

	Actual 2007 \$000	Budget 2007 \$000	Actual 2006 \$000
<b>Assets</b>			
Total current assets	4,443	3,406	2,968
Total non-current assets	140,907	140,527	140,962
<b>Total Assets</b>	<b>145,350</b>	<b>143,933</b>	<b>143,930</b>
<b>Liabilities</b>			
Total current liabilities	4,076	2,486	2,501
Total non-current liabilities	3,294	4,815	4,819
<b>Total liabilities</b>	<b>7,370</b>	<b>7,301</b>	<b>7,320</b>
<b>Net Assets (Equity)</b>	<b>137,980</b>	<b>136,632</b>	<b>136,610</b>

**Statement of financial position**

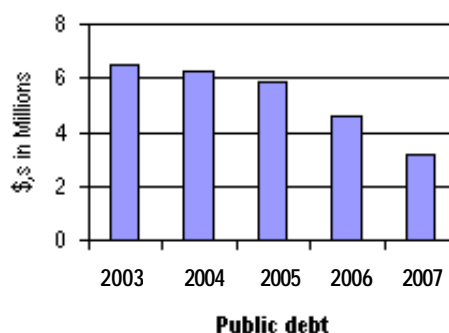
Explanations for major variations from ODC's estimated figures in the 2006/2007 Long Term Council Community Plan are:

Non-current assets held for sale represent the pensioner housing units which Council negotiated a sale for just prior to balance date.

Capital expenditure on the Waioeka Domain pavillion and Te Kaha refuse recovery site being behind schedule.

The current portion of borrowing being recalculated to reflect total repayments due rather than the net after expected refinancing.

Adjustment arising from NZ IFRS



**SUMMARY STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 30 June 2007

	Actual 2007 \$000	Budget 2007 \$000	Actual 2006 \$000
<b>Balance at 1 July</b>	<b>136,610</b>	<b>135,009</b>	<b>121,420</b>
<i>Property, plant and equipment</i>			
Revaluation gains / (losses) taken to equity	0	0	13,676
Revaluation reserve/loss on transferr of property to Whakatane	0	0	(124)
Net income / (expense) recognised direct in equity	0	0	13,552
Surplus / (deficit) for the year	1,370	1,623	1,638
Total recognised revenue and expenditure for the year	1,370	1,623	15,190
<b>Equity at end of the year</b>	<b>137,980</b>	<b>136,632</b>	<b>136,610</b>

**Statement of movements in equity**

Explanations for major variations from ODC's estimated figures in the 2006/2007 Long Term Council

Community Plan are:

Capital expenditure on the Waioeoka Domain pavillion and Te Kaha refuse recovery site being behind schedule.

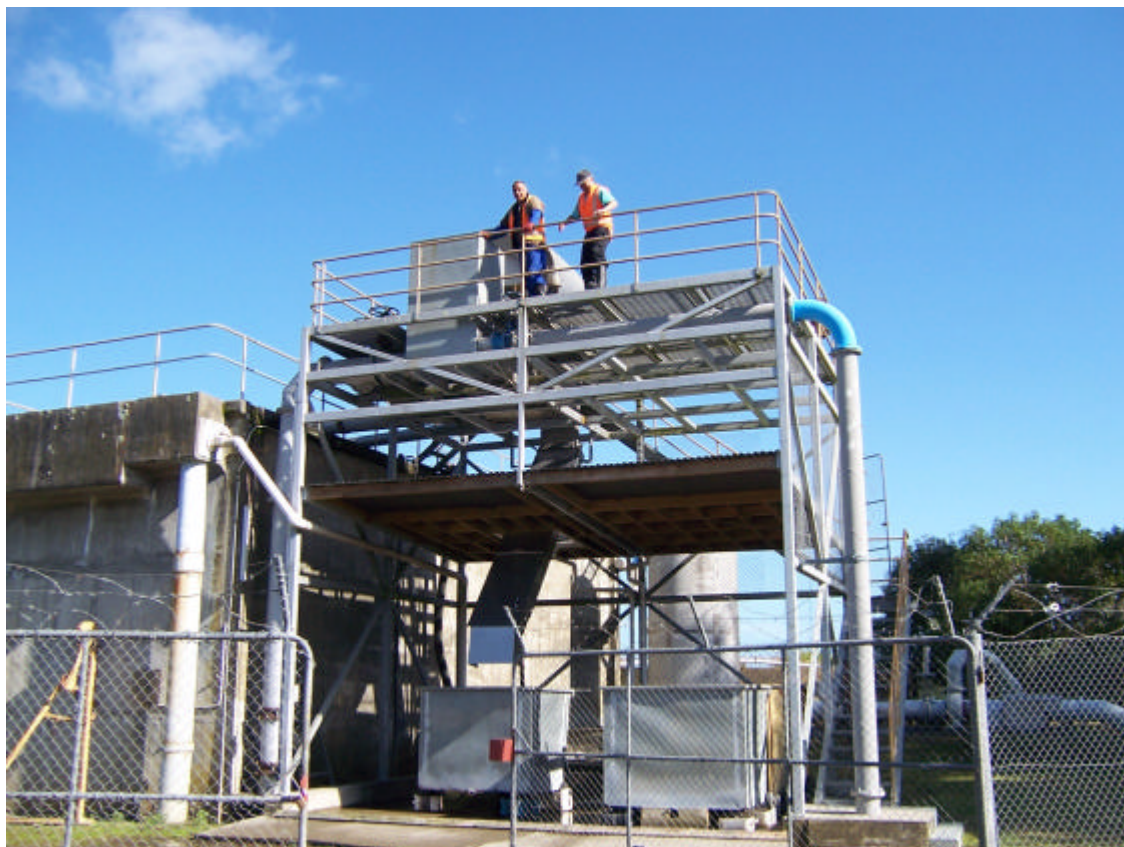
**SUMMARY STATEMENT OF CASH FLOWS**

For the Year Ended 30 June 2007

	Actual 2007 \$000	Budget 2007 \$000	Actual 2006 \$000
<b>Cash flows from operating activities</b>			
Total operating cash provided	9,164	9,208	8,178
Total operating cash applied	(6,521)	(7,018)	(6,332)
<b>Net cash from operating activities</b>	<b>2,643</b>	<b>2,190</b>	<b>1,846</b>
<b>Cash flows from investing activities</b>			
Total investing cash provided	36	576	94
Total investing cash applied	(1,987)	(2,696)	(1,753)
<b>Net cash from investing activities</b>	<b>(1,951)</b>	<b>(2,120)</b>	<b>(1,659)</b>
<b>Cash flows from financing activities</b>			
Total financing cash provided	1,275	1,215	0
Total financing cash applied	(1,317)	(1,370)	(1,587)
<b>Net cash from financing activities</b>	<b>(42)</b>	<b>(155)</b>	<b>(1,587)</b>
<b>Net increase / ( decrease ) in cash, cash equivalents held</b>	<b>650</b>	<b>(85)</b>	<b>(1,400)</b>
Cash, cash equivalents at beginning of the year	1,612	1,689	3,012
<b>Cash, cash equivalents at end of the year</b>	<b>2,262</b>	<b>1,604</b>	<b>1,612</b>

## RECONCILIATION OF NET SURPLUS / ( DEFICIT ) TO NET CASH FLOW FROM OPERATING ACTIVITY

	Actual 2007 \$000	Actual 2006 \$000
<b>Surplus / (deficit )</b>	1,370	1,638
<b>Add / (less ) non-cash items:</b>		
Depreciation and amortisation	1,533	1,543
Write back depreciation on transfer of non-current assets held for sale	(74)	
Impairment charges	0	11
Vested assets	0	(1,715)
<b>Add / (less ) items classified as investing or financing activities</b>		
( Gains ) / losses on disposal of property, plant and equipment	(4)	984
( Gains ) / losses on revaluation of Investment Property	(67)	(154)
<b>Add / (less ) movements in working capital items</b>		
Accounts receivable	(207)	(148)
Accounts payable	125	(264)
Provisions	1	10
Employee benefits	(34)	(59)
<b>Net cash inflow / ( outflow ) from operating activities</b>	<b>2,643</b>	<b>1,846</b>



## EXPLANATION OF TRANSITION TO NZ IFRS

### Transition to NZ IFRS

ODC's financial statements for the year ended 30 June 2007 are the first financial statements that comply with NZ IFRS. ODC has applied NZ IFRS 1 in preparing these financial statements.

ODC's transition date is 1 July 2005. ODC prepared its opening NZ IFRS balance sheet at that date. The reporting date of these financial statements is 30 June 2007. The ODC's NZ IFRS adoption date is 1 July 2006.

In preparing these consolidated financial statements in accordance with NZ IFRS 1, ODC has applied the mandatory exceptions and certain optional exemptions from full retrospective application of NZ IFRS.

### Exemptions from full retrospective application elected by ODC

ODC has elected to apply the following optional exemptions from full retrospective application:

#### Fair value as deemed cost exemption

ODC has elected to measure its land, buildings, infrastructural assets and land under roads at fair value as at 1 July 2005 and use that fair value as the deemed cost at that date.

ODC is required to make the following mandatory exception from retrospective application:

#### Estimates exception

Estimates under NZ IFRS at 1 July 2005 are consistent with estimates made for the same date under previous NZ GAAP.

### Reconciliation of equity

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS as at 1 July 2005 and 30 June 2006.

	Note	Previous NZ GAAP 1 July 2005 \$000	Effect on transition to NZ IFRS 1 July 2005 \$000	NZ IFRS 1 July 2005 \$000	Previous NZ GAAP 30 June 2006 \$000	Effect on transition to NZ IFRS 30 June 2006 \$000	NZ IFRS 30 June 2006 \$000
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents		3,012		3,012	1,612		1,612
Trade and other receivables	e	1,268	(60)	1,208	1,416	(60)	1,356
Other financial assets		3	(1)	2	2	(2)	0
<b>Total current assets</b>		<b>4,283</b>	<b>(61)</b>	<b>4,222</b>	<b>3,030</b>	<b>(62)</b>	<b>2,968</b>
<b>Non-current assets</b>							
Property, plant and equipment	a, b, d, e	126,344	(608)	125,736	140,616	(399)	140,217
Intangible assets	a		84	84		58	58
Investment property	b		530	530		684	684
Investment in associate		60		60	0		0
Other financial assets	e	49	(41)	8	43	(40)	3
<b>Total non-current assets</b>		<b>126,453</b>	<b>(35)</b>	<b>126,418</b>	<b>140,659</b>	<b>303</b>	<b>140,962</b>
<b>Total assets</b>		<b>130,736</b>	<b>(96)</b>	<b>130,640</b>	<b>143,689</b>	<b>241</b>	<b>143,930</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Trade and other payables	e	2,416	27	2,443	2,149	30	2,179
Provisions		7		7	6		6
Employee benefit liabilities	c	276	5	281	214	0	214
Borrowings		424		424	102		102
<b>Total current liabilities</b>		<b>3,123</b>	<b>32</b>	<b>3,155</b>	<b>2,471</b>	<b>30</b>	<b>2,501</b>

<b>Non-current liabilities</b>							
Provisions		37		37	48		48
Employee benefit liabilities		160		160	168		168
Borrowings		5,868		5,868	4,603		4,603
Total non-current liabilities		6,065	0	6,065	4,819	0	4,819
<b>Total liabilities</b>		<b>9,188</b>	<b>32</b>	<b>9,220</b>	<b>7,290</b>	<b>30</b>	<b>7,320</b>
<b>Equity</b>							
Retained earnings	c, d, e	101,874	18,458	120,332	103,236	18,624	121,860
Other reserves	d, e	19,674	(18,586)	1,088	33,163	(18,413)	14,750
<b>Total equity</b>		<b>121,548</b>	<b>(128)</b>	<b>121,420</b>	<b>136,399</b>	<b>211</b>	<b>136,610</b>

#### Explanatory notes – Reconciliation of equity due to transition to NZ IFRS

##### a. Intangible assets

Computer software was classified as part of property, plant and equipment under previous NZ GAAP. The net book value of computer software reclassified as an intangible asset on transition to NZ IFRS is \$83,600 and at 30 June 2006 is \$57,414

##### b. Investment property

The Mechanic's Institute properties previously classified as part of property, plant and equipment have been reclassified as investment property. This property was an endowment to ODC from the former Mechanics Institute to be held specifically to generate an income for library purposes. NZ IFRS 40 requires investment property to be measured at its fair value. The reclassification of these properties together with the change in the measurement basis of investment property on transition to NZ IFRS is \$530,200 and at 30 June 2006 is \$683,500.

##### c. Sick leave

Sick leave was not recognised as a liability under previous NZ GAAP for 2005, however a liability was recognized in 2006. NZ IAS 19 requires ODC to recognize employees unused sick leave entitlement that can be carried forward at balance date, to the extent that ODC anticipates it will be used by staff to cover future absences.

##### d. Deemed cost

ODC has applied the deemed cost exemption that is available under NZ IFRS 1, for land, buildings, infrastructural assets and land under roads. This exemption allows ODC to measure an item of property, plant and equipment at its fair value, and use that fair value as its deemed cost on transition to NZ IFRS. The effect of this change is to transfer revaluation reserves attributable to land, buildings, infrastructural assets and land under roads to retained earnings.

##### e. Reconciliation of equity due to correction of prior period errors

###### Provision for Doubtful debts

The provision for doubtful debts was not adequately assessed in line with previous GAAP, and as such has been reassessed to provide for unrecoverable debts in relation to statute barred debts, as well as other historic uncollectible debts.

###### Reserve Transfer

Three minor trust accounts that have historically been included as reserves under equity have been transferred to other payables as they are future payables of Council

###### Derecognition of loan as an asset

Council previously recognized a loan advance to a community organization as an asset. However given the future receipt or benefit of cashflows to Council is contingent on the unlikely occurrence of a future event, the asset has been derecognized.

###### Asset revaluation

The revaluation of Councils infrastructural assets was undertaken on 1 July 2005. Unfortunately there was an error in the addition of the Opotiki water scheme component schedule which resulted in the asset valuation being understated by \$176,000.



## Reconciliation of surplus for the year ended 30 June 2006

	Note	Previous NZ GAAP 30 June 2006 \$000	Effect on transition to NZ IFRS 30 June 2006 \$000	NZ IFRS 30 June 2006 \$000
<b>Income</b>				
Rates revenue		6,052		6,052
Other revenue		4,096		4,096
Other gains / ( losses )	b	20	154	174
<b>Total Income</b>		<b>10,168</b>	<b>154</b>	<b>10,322</b>
<b>Expenditure</b>				
Employee benefit expenses		2,004		2,004
Depreciation and amortisation	a	1,550	(7)	1,543
Other expenses		3,754		3,754
Finance costs		388		388
Assets transferred		935		935
<b>Total operating expenditure</b>		<b>8,631</b>	<b>(7)</b>	<b>8,624</b>
<b>Operating surplus / ( deficit )</b>		<b>1,537</b>	<b>161</b>	<b>1,698</b>
Share of associate surplus loss		(60)		(60)
<b>Surplus / ( deficit )</b>		<b>1,477</b>	<b>161</b>	<b>1,638</b>

## Explanatory notes - Reconciliation of surplus

**a. Depreciation and amortisation**

The Mechanics Institute properties previously included in property, plant and equipment has now been classified as Investment property. Under the property plant and equipment the properties were depreciated on a straight line basis. NZ IFRS does not permit this depreciation and these assets will, instead be valued annually with any adjustment in value being adjusted through the Statement of Financial Performance.

**b. Investment property revaluation**

The revaluation of the former Mechanic's Institute property, now investment property, at 30 June, 2007 has increased the value by \$153,500 which under NZ IFRS is to be recognized in the Statement of financial performance.

**Statement of cash flows**

On transition to NZ IFRS the statement of cash flows for the year ended 30 June 2006 now reflects short term deposits with maturities less than three months as part of cash and cash equivalents, increasing the amount of cash and cash equivalents from \$419,000 to \$1,612,000 and the corresponding adjustment to proceeds from sale of investments. There have been no other material adjustments to the Statement of cashflows for the year ended 30 June 2006 on transition to NZ IFRS



<b>SUMMARY COST OF SERVICE</b>			
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>2007</b>	<b>2007</b>	<b>2006</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Income</b>			
Representation	0	0	7
Tangata Whenua relationships	0	0	0
Community sponsorship	6	0	7
Parks & recreation	507	856	1,113
Library	26	24	23
Property	99	99	100
Solid waste	974	963	902
Water supplies	868	844	831
Sanitary services	369	392	416
Stormwater	0	0	0
Transport services	1375	1,770	2,022
Emergency management	30	6	4
Animal control	44	47	38
Regulatory	217	143	159
Environmental management	57	90	77
Tourism & promotion	99	40	45
Harbour development	110	325	0
Support Services	0	0	54
<b>Total activity income</b>	<b>4,781</b>	<b>5,599</b>	<b>5,798</b>
Other income	332	181	382
Less internal income	(83)	(76)	(40)
General rates and penalties	4,414	4,378	4,182
<b>Total income</b>	<b>9,444</b>	<b>10,082</b>	<b>10,322</b>
<b>Expenditure</b>			
Representation	730	786	774
Tangata Whenua relationships	13	16	11
Community sponsorship	253	249	244
Parks & recreation	773	803	760
Library	209	221	201
Property	187	299	108
Solid waste	961	922	938
Water supplies	787	776	833
Sanitary services	293	354	333
Stormwater	68	71	80
Transport services	2,525	2,518	3,381
Emergency management	142	137	99
Animal control	143	151	136
Regulatory	241	245	195
Environmental management	337	348	302
Tourism & promotion	222	193	167
Harbour development	273	446	48
Support Services	0	0	54
<b>Total activity expenditure</b>	<b>8,157</b>	<b>8,535</b>	<b>8,664</b>
Less internal expenditure	(83)	(76)	(40)
<b>Total expenditure</b>	<b>8,074</b>	<b>8,459</b>	<b>8,624</b>

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer to note 4). In order to reflect the total external operations for Council in the Statement of Financial Performance, these transactions are eliminated as shown above.

Other income not allocated to activities represents profit on sale of vehicles, business unit profit and interest.

## Summary Extract from the Statement of Accounting Policies for the Year Ended 30 June 2007

### Reporting Entity

Opotiki District Council (ODC) is a territorial local authority governed by the Local Government Act 2002.

The Opotiki District Council 50% equity share of its associate Eastern Bay of Plenty Mayoral Disaster Relief Fund Trust is equity accounted.

The primary objective of ODC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, ODC has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Opotiki District Council is a qualifying entity that has applied differential reporting concessions.

The financial statements of ODC are for the year ended 30 June 2007. The financial statements were authorised for issue by Council on 14 November 2007.

### Basis of preparation

The financial statements of ODC have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The first set of financial statements prepared using NZ IFRS and comparatives for the year ended 30 June 2006 have been restated to NZ IFRS accordingly. Reconciliations of equity and net surplus/(deficit) for the year ended 30 June 2006 under NZ IFRS to the balances reported in the 30 June 2006 financial statements are detailed in the explanation of transition to NZIFRS.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 1 July 2005 for the purposes of the transition to NZ IFRS.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property and financial instruments.

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

The financial statements have been prepared in accordance with financial reporting standard 43.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

Standards and interpretation issued and not yet adopted

There are no standards, interpretations, and amendments that have been issued, but are not yet effective, that ODC has not yet applied.

### Associates

ODC has a 50% control of the Eastern Bay of Plenty Mayoral Disaster Relief Fund Trust.

ODC accounts for an investment in the associate in the financial statements using the equity method. An associate is an entity over which the ODC has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise ODC's share of the surplus or deficit of the associate after the date of acquisition. ODC's share of the surplus or deficit of the associate is recognised in ODC's statement of financial performance. Distributions received from an associate reduce the carrying amount of the investment.

If ODC's share of deficits of an associate equals or exceeds its interest in the associate, ODC discontinues recognising its share of further deficits. After ODC's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that ODC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, ODC will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

ODC's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the ODC and its associates is eliminated.

**EVENTS AFTER BALANCE SHEET DATE**

Subsequent to balance date the contract for the sale of pensioner housing became unconditional. Pensioner housing was held as non current assets held for sale at balance date.

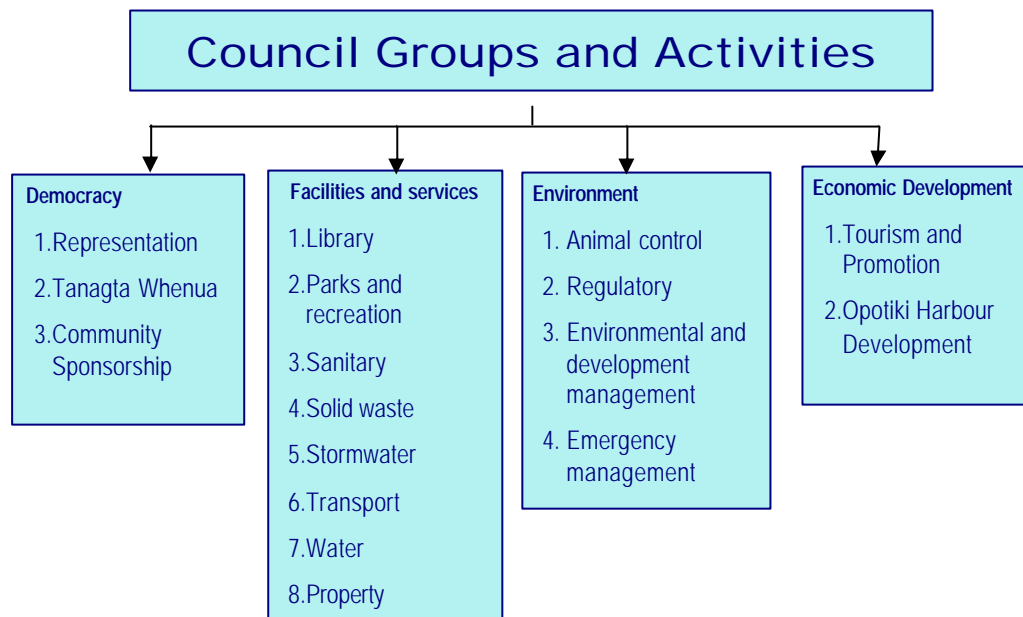
There were no other significant events after balance date.

**LEGISLATIVE COMPLIANCE**

The requirement of section 98(3) of the Local Government Act 2002 which requires completion and adoption of the Annual Report within four month of the end of the financial year has not been met.

This occurred mainly through the conversion to NZIFRS and having insufficient financial staffing resources to undertake the tasks along with the usual day to day operation of Council.

# How Council Performed in 2006 - 2007



## Democracy

### What we do

The democracy group:

- Maintains a system of democratic representation for the district community, including three yearly elections
- Supports and advises elected members
- Maintains relationships with Tangata Whenua
- Provides financial support to community groups and services

### Why we do it

It is essential that the Opotiki community has strong leadership.

### Effects on community wellbeing

All activities within the democracy group have had a positive effect on the social, economic, environmental and cultural wellbeing of the community, including:

- Enabling community views to be considered in Council decision making,
- Contributing to the maintenance of urupa,
- Supporting and recognizing the contribution of community volunteers.

There has been no material change to the potential negative impacts of activities undertaken by Council as identified in the LTCCP 2006/16.

## Activity 1: Representation

### How did we do?

Measure	Target	Result	Level of Achievement
• Council will hold at least 8 meetings throughout the year	8	Achieved	8 ordinary and 5 extra ordinary meetings held.
• The number of occasions that Opotiki issues represented in regional, national forums will increase. (LGNZ, BOP forum)	8	Achieved	District represented at 15 national and 8 regional forums.

## Activity 2: Tangata Whenua

### How did we do?

Measure	Target	Results	Level of Achievement
• An Annual meeting with the three iwi authorities	3	Not achieved	Meetings were held at staff level.
• Contribute to the upkeep of 22 hapu marae urupa / cemeteries.	22	Not achieved	\$10,185 distributed to 21 Marae committees.

## Activity 3: Community Sponsorship

### How did we do?

Measure	Target	Results	Level of Achievement
• A memorandum of understanding will be completed for all grants.	100%	Not achieved	7 of 8 grants have memorandum of understandings complete.
• The bi-annual Community Contributions Awards and day will be organised.	2007/08	Achieved	Community Contributions Awards held 29 and 30 June 2007

## Group - Facilities and Services

### What we do

Facilities and services are delivered by Council's Asset Management division and provide the essential services to the Opotiki community. The eight significant activities within the group enhance the health, safety and well being of the district.

### Why we do it

Facilities and services are provided for the following reasons:

- Statute law requires our involvement and sets the standards of operation for the service
- Historically we have delivered the service
- The lack of a competitive alternative, for example recycling and residual waste management.

### Effects on community well being

All activities within the Facilities and Services group have had a positive effect on the social, economic, environmental and cultural wellbeing of the community, including:

- maintaining and enhancing the roading network, including seal extensions and kerb and channeling,
- purchasing of property to secure future landuse options,
- transferring the care of pensioner housing and tenants to specialist providers,
- maintaining and enhancing the sewage, stormwater and water infrastructure,
- continuing to manage the districts solid waste including the commencement of a new resource centre at Te Kaha.

There has been no material change to the potential negative impacts of activities undertaken by Council as identified in the LTCCP 2006/16.

## Activity 4: Parks and Recreation

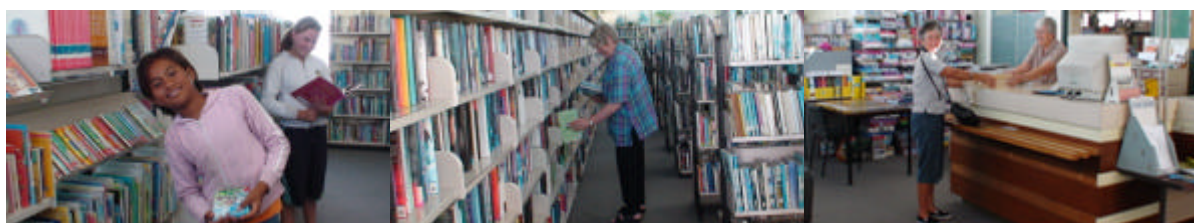
### How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>• No more than 20 complaints regarding parks and facilities.</li> </ul>	Less than 20	Achieved	6 complaints and service requests received.
<ul style="list-style-type: none"> <li>• Capital development as set out in the annual plan is carried out on time, within budget and to New Zealand standards.</li> </ul>	100%	Not achieved	Omaio and Ohiwa toilet construction carried forward to 2007/08. Waioeke Domain Pavilion to be finished September 2007.

## Activity 5: Library

### How did we do?

Measure	Target	Result	Level of Achievement
<ul style="list-style-type: none"> <li>• Membership is increased each year from 4,700</li> </ul>	1%	Achieved	Membership increased 3.6% from 6632 to 6872.
<ul style="list-style-type: none"> <li>• There is an increase in issues per head of population</li> </ul>	2%	Not achieved	Issues reduced 5.6% to 63,946
<ul style="list-style-type: none"> <li>• % of increase in access to and the uptake of technology (Baseline established Contact report June 2005)</li> </ul>	2%	Not measured	Uptake of technology not measured



## Activity 6: Property

### How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>Expenditure for the property activity will be greater than 5% above budget with any variance justified.</li> </ul>	100%	Not achieved	Property expenditure within budget except for \$12,500 deferred maintenance charged to pensioner housing for outstanding building requisition.
<ul style="list-style-type: none"> <li>Occupancy of Council buildings. (Levels of service influenced by pensioner housing review)</li> </ul>	85%	Achieved	89% occupancy of pensioner units. Other buildings fully occupied.

## Activity 7: Solid Waste

### How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>The landfill is monitored to the requirements of Consent with no non-compliances issued.</li> </ul>	100%	Achieved	100% - Landfill monitored to Consent requirements with no non-compliance notices issued.
<ul style="list-style-type: none"> <li>The residual waste reduction targets that are a part of the 'Zero Waste Strategy' are met. (Baseline 1,800 tonnes collected)</li> </ul>	1500 tonne	Achieved	Residual waste target met – Actual 1190.08 tonnes.
<ul style="list-style-type: none"> <li>Reduction on number of complaints recorded. (Baseline established June 2006)</li> </ul>	2 %	Not measured	Not recorded.

## Activity 8: Water

### How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>% of time water available to consumers. (Baseline 99%)</li> </ul>	100%	Achieved	100% availability on all supplies.
<ul style="list-style-type: none"> <li>Compliance with NZ water quality standards</li> </ul>			
Bacterial compliance	100%	Not achieved	Only achieved 75% as Te Kaha water scheme failed. Other schemes compliant.
Protozoal compliance.	33%	Not achieved	Not achieved as water are schemes unable to provide protozoal compliance without ultra violet treatment.

## Activity 9: Sanitary

### How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>% of time the wastewater scheme operated to the requirements of resource consent conditions with no non-compliance notices issued.</li> </ul>	100%	Achieved	Wastewater scheme operated 100% of time. Consent conditions were met with no non-compliance notices issued.
<ul style="list-style-type: none"> <li>% of time pan overflows are investigated cleared up and repaired within one day.</li> </ul>	100%	Achieved	100% No recorded pan overflow.

## Activity 10: Storm Water

### How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>Capital development as set out in the annual plan is carried out on time, within budget and to NZ Standards.</li> </ul>	100%	Achieved	100% Brabant St Pump station installed on time to budget.
<ul style="list-style-type: none"> <li>% of times inundation report are investigated and appropriate action taken that ensures a resolution within 7 days.</li> </ul>	100%	Achieved	100% All section inundation reports investigated and appropriate action undertaken with resolution within 7 days.
<ul style="list-style-type: none"> <li>Five pumping stations available for use during flood (with auxiliary and portable power)</li> </ul>	5	Achieved	5 – All five pump stations available at all times.

## Activity 11: Transport

### How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>No more than two notified accidents per year.</li> </ul>	<2	Achieved	Only one notified accident in 2006/07 year.
<ul style="list-style-type: none"> <li>Road maintenance meets Land Transport NZ criteria.</li> </ul>	100%	Achieved	100% Road maintenance meets LTNZ criteria – Technical Audit August 14 2007.

## Group - Environment

### What we do

The Environment group:

- Manages district growth while providing for development and direction
- Implements the Resource Management Act 1991 by managing change in a sustainable way through the administration of the District Plan.
- Prepares, informs and monitors the District Plan
- Processes resource and building consents
- Inspects and licences liquor and food premises
- Controls animals and noise
- Regulates hazardous substances
- Prepares the community for emergencies

### Why we do it

Council is required by law to regulate a number of activities in the district and maintaining environmental quality is important to the community.

### Effects on community wellbeing

All activities within the Environment group have had a positive effect on the social, economic, environmental and cultural wellbeing of the community, including:

- Maintaining local emergency management response capability, including the preparation of a pandemic plan,
- Providing animal control services,
- Processing building and resource consent applications, including applying to become a Building Control Authority.

There has been no material change to the potential negative impacts of activities undertaken by Council as identified in the LTCCP 2006/16.

## Activity 12: Emergency Management

How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>A current rural fire plan and civil defence plan in operation.</li> </ul>	100%	Achieved	A current rural fire plan & Civil Defence plan are in operation.

## Activity 13: Animal Control

How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>% of reduction on the number of identified unregistered dogs in the district. (Baseline established June 2006)</li> </ul>	5%	Not measured	The number of identified unregistered dogs in district not recorded.
<ul style="list-style-type: none"> <li>% of animal complaints that are responded to within two hours and resolved within one day. (Baseline – Contact Centre reports)</li> </ul>	90%	Not achieved	80.9% of animal complaints were responded to within two hours and 92.0% were resolved within one day.

## Activity 14: Regulatory

How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>% of time consents are issued within statutory timeframes</li> </ul>	80%	Achieved	Resource Consents 96% Building Consent 95%

## Activity 15: Environmental and development management

How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>Maximum number of non-complying activities identified.</li> </ul>	2	Achieved	No non-complying activities have been identified.
<ul style="list-style-type: none"> <li>How much of the growth policy developed.</li> </ul>	10%	Achieved	An assessed 50% of growth policy has been developed to 30 June 2007.



## Group – Economic Development

### What we do

Council contributes to economic development by:

- Providing infrastructure
- District planning
- Promoting the district to encourage visitors and residents
- Involvement in specific projects such as the harbour development.
- Council will employ a full time events officer.

### Why we do it

Council provides these services to create a sustainable economic future for the district.

### Effects on community wellbeing

All activities within the Economic Development group have had a positive effect on the social, economic, environmental and cultural wellbeing of the community, including:

- Increasing the number of visitors to the Visitor Information Centre,
- Increasing the number of district events and visitor activities,
- Advancing the harbour access project.

There has been no material change to the potential negative impacts of activities undertaken by Council as identified in the LTCCP 2006/16.

## Activity 16 - Tourism and Promotion

### How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>• Increased visitors to the Information Centre (Baseline 11,000 VIN reports)</li> </ul>	5%	Achieved	8% increase from baseline and 1.2% increase from 11736 to 11883 for year.
<ul style="list-style-type: none"> <li>• % increase pa in guests nights (Baseline Tourism NZ Stats)</li> </ul>	2%	Not measured.	Tourism NZ statistics do not provide detail for Opotiki District.

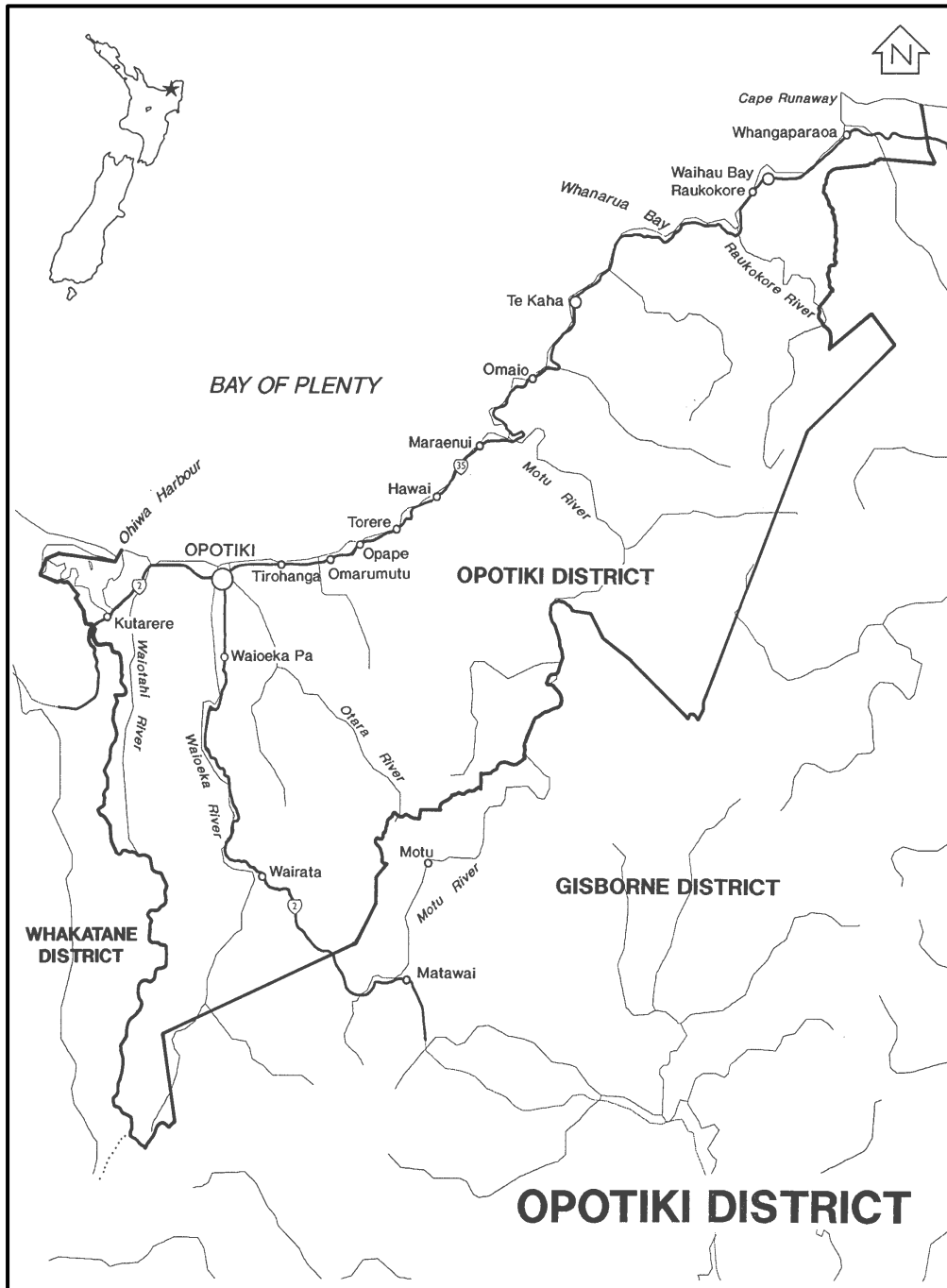
## Activity 17 - Opotiki Harbour Development

### How did we do?

Measure	Target	Results	Level of Achievement
<ul style="list-style-type: none"> <li>• Groynes constructed by 2001/12</li> </ul>	2011/12	2011/12 measure	Not measured this year.
<ul style="list-style-type: none"> <li>• Major investment decisions made by Eastern Seafoods Ltd by 2009.</li> </ul>	2007/09	2008/09 measure	Not measured this year.



MAP OF THE DISTRICT



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