



Opotiki District Council
STRONG COMMUNITY STRONG FUTURE

OUR PLAN IN ACTION

Information on year three of the 2021-2031 Long Term Plan



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on our website for...

Your Councillors



Deputy Mayor Shona Browne
Ward – Ōpōtiki



Councillor Barry Howe
Ward – Ōpōtiki



Councillor Tom Brooks
Ward – Ōpōtiki



His Worship the Mayor
David Moore
Ward – District



Councillor Maxie Kemara
Ward – Coast



Councillor Steve Nelson
Ward - Waioeka-Waiōtahe-Otara



Councillor Dean Petersen
Ward - Waioeka-Waiōtahe-Otara

Nau mai, haere mai

Welcome

Tēnā koutou katoa,

I'm pleased to present to you the information document for the Annual Plan 2023/24. It is an exciting time for Ōpōtiki district, but the upcoming year certainly won't be without its challenges.

As we move into year three of our Long Term Plan, your councillors and I have spent a large amount of time carefully considering how to best deliver for the district. You will have seen the articles in the newspaper, the mayoral column in the Panui, and our workshop notes on the Council website about the proposed rates rises for the coming year.

Council is not immune to a crisis which is impacting almost every corner of the globe, and inflation is hurting our activities. Councillors and staff have been working hard to reduce the impact of rates rises on the community by absorbing as much of the cost as possible and by delaying or deferring things where we can. However, the reality is that we still need to continue to function and it is important to maintain our current levels of service. Unfortunately, there isn't any other way around it and we strongly encourage you to read through this information document which we trust will provide you with the reasoning and information behind our decision making.

In addition to global financial pressures, the council continues to navigate through large amounts of central government reform. Resource management reform is moving through parliament, and we are looking forward to the release of the Future for Local Government final report. Three Waters has been reset as Affordable Waters, and we are working through what that looks like for the Ōpōtiki district.

It is encouraging to see the government take on concerns raised by the local government sector, and we welcome district-level representation as part of the new Affordable Waters entities.

Finally, the next six months will see the Ōpōtiki harbour entrance become a reality after more than two decades of planning and hard work. The benefits that the harbour project will bring to Ōpōtiki are incredibly exciting and we are looking forward to seeing the transformation of the district continue.

We look forward to hearing from you about the Annual Plan for 2023/24 and encourage you to get in touch with your councillors and provide feedback.

Ngā mihi,



David Moore





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We know you'll be asking

What is this document all about?

In a nut shell? It's about giving you the opportunity to have your say in Council's decision making.

We're about to put together our Annual Plan for 2023/34 and we need to make sure you know about our plans and have the chance to be involved and have your say on the activities, costs and funding that we are proposing.

When putting this document together for you, we follow Section 95A of the Local Government Act. It says that we must let you know about any significant or material differences between what we're proposing in the Annual Plan and the content of the Long Term Plan for the relevant financial year. Basically it means we need to let you know if our plans have changed a lot from what we told you we would do previously.

The Act also says if there are significant changes in the financial statements or the funding impact statement we must let you know about those and give descriptions of any significant new spending proposals, the costs associated with those proposals, and how these costs will be met.

There are no significant or material changes between the adopted Long Term Plan (2021-2031), and the proposed 2023/24 Annual Plan. However, the Annual plan budget does show the funding required to maintain current operations and activities for the coming year will need to increase by approximately 14%. This increase exceeds what was expected for the year 3 budget specified in the Long Term Plan.

Work to date

Staff and elected members have undertaken significant work to develop the Annual Plan and considered a range of options in relation to the proposed increase. They held a number of workshops to identify where savings could be made with minimal impact on service delivery.

There are several ways that councils can make up the difference between current income and expected expenditure:

- Rates increases
- Fee and charges increases
- Debt increases
- Asset sales
- Operational savings
- Service cuts or levels of service changes.

Council does not have significant assets for income or that could be sold to buffer these costs. Debt is an option but using Council debt to fund ongoing operational costs would mean that the debt is not available for future projects and infrastructure – those things that are best funded by sharing costs over longer periods of time. This would be considered a temporary fix that would need to be addressed later and adds operational costs in terms of servicing the loan.



Councillors attend induction training.

Additional cost saving considerations already in play include:

- Depreciation non-funding consistent with LTP and prior Council decision making
- Applied grant funding to roles where appropriate
- Moved maintenance budgets between activities to where it is needed most
- Considered capitalisation of roles where appropriate
- Reassessed software license requirements, moved to lower cost alternatives where appropriate
- Development of an ICT strategy to assist in consideration of long-term cost savings.

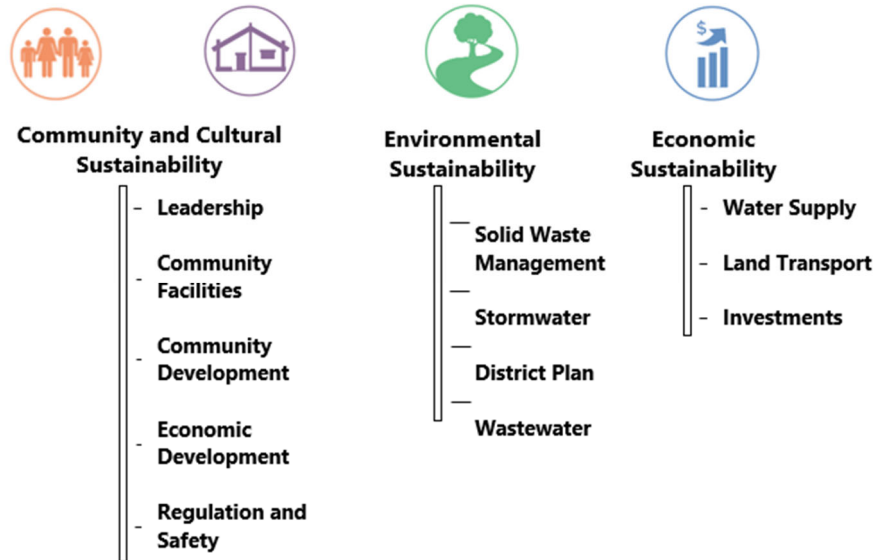
Council asked staff to review the fees and charges schedules to look at where additional revenue may be found from this. Increases in fees and charges related to solid waste, water supply and reserve hire are being considered. There is an awareness that increased fees and charges still places much of cost burden on the community.

How rates are distributed across property types is also another consideration. Additional funding avenues are also being investigated but this will not necessarily create short term solutions.

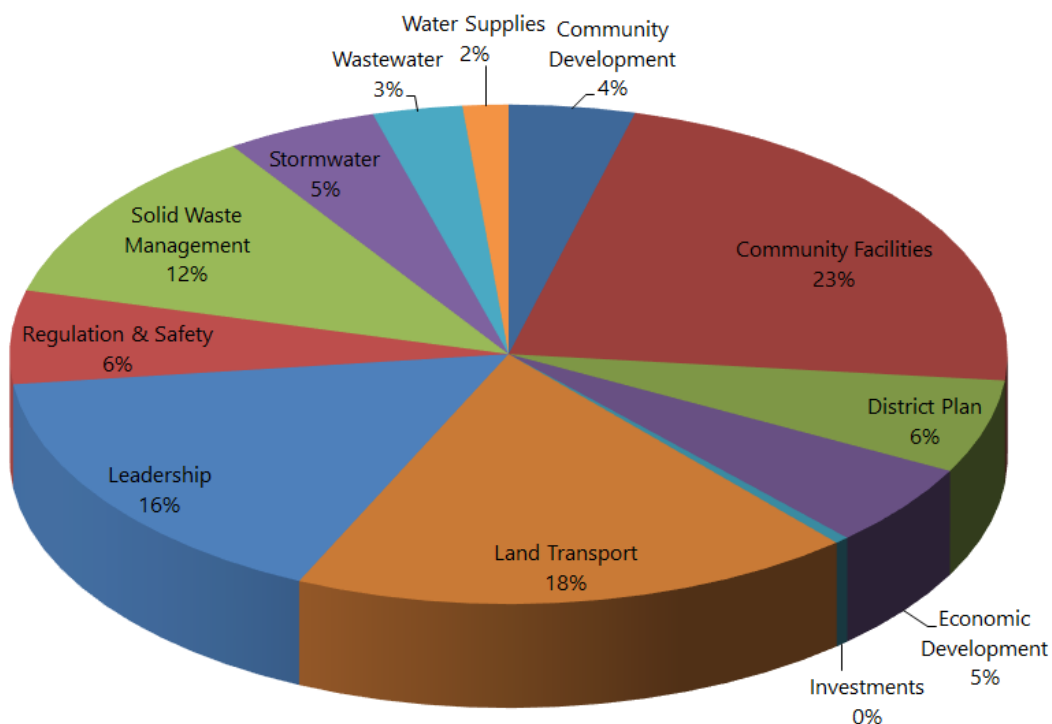
Council does not believe the community would want service reduced further as this would significantly impact on delivering the community outcomes that are identified in the in the Long Term Plan. Council must also ensure staffing levels, and how services are delivered, meet our health and safety obligations for both staff and our community.

Where your rates dollar goes

All of Council's Significant Activities contribute to the future of the district and the Community Outcomes. They align with the four areas of community well-being – social, cultural, environmental, and economic. Council has combined its activities into three Groups of Activities according to their contribution to the sustainable development of the well-being areas. There are some 50 odd activities which are grouped across these 12 significant activity areas.



Where your rates are spent





We've got some major projects in the pipeline

This section gives you some details of our major projects or pieces of work for 2023/24. Read on to find out about:



Those pipelines! There's a LOT happening this year with Water, Stormwater and Wastewater



Snell Road set to be upgraded and a speed review is well underway



Solid Waste is in for a weighty year with a new weighbridge on the cards



You won't be short of a place to park with the Wharf Masterplan works continuing



Buildings are going up in Ōpōtiki at an ever-increasing rate – we're upping our staff and software to match



Three projects from our Town Centre Masterplan are in our sights this year as we continue work to revitalise the CBD



It's big picture planning with big benefits – we're joining forces on the Eastern Bay Spatial Plan



Wastewater

Operating Costs: \$614,000

Capital Expenditure: \$1,806,000

Wastewater Treatment Plant New Consent and Upgrade

The existing Wastewater Treatment Plant consent to discharge treated wastewater to land at the existing Land Disposal System site near the coast expires on 31 July 2025. A new consent will be needed to continue to accept, and discharge, treated wastewater effluent generated from the Ōpōtiki Township.

Council has some existing challenges with meeting consent conditions with surface water ponding on the disposal field and the number of overflows to the wastewater overflow pond. The first is thought to be largely a result of algae passing through the treatment process clogging the disposal field and the second a result of ongoing inflow and infiltration in the upstream network during wet weather.

We will be progressing work to further consider our long-term options for wastewater treatment and disposal and work towards submitting a new consent application to Bay of Plenty Regional Council.

Wastewater Pumpstation 01 Upgrade

Our Wastewater Pumpstation 01 (our largest wastewater pumpstation) has a concrete roof which requires reconstruction. While doing that work there are additional works we would like to carry out such as mechanical pipework and electrical upgrades to ensure this pump station is well positioned to service the township into the future. We will be progressing the design through this financial year.

Wastewater Model

The original Ōpōtiki wastewater model build was undertaken in 2018. With an upcoming \$5M renewals programme planned to start in 2025 and growth projects such as Hukutaia and other developments progressing (i.e. Kainga Ora Wellington St/Union St), it is important our model is kept up to date so it can be relied upon to inform good investment into our reticulation infrastructure. We will be progressing the model update through this financial year.



Stormwater

Operating Costs: \$282,000
Capital Expenditure: \$1,335,000

Tarawa Creek Stormwater Pump Station Upgrade

The design for the replacement Tarawa Creek Stormwater Pump Station (our biggest stormwater pump station) is complete.

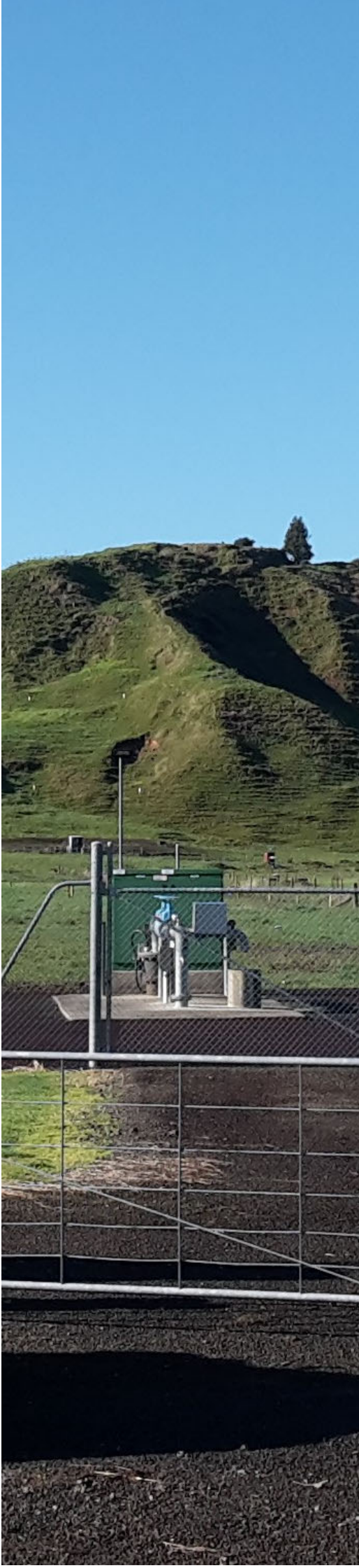
The project is currently being advertised in the open market for construction with plans for it to be delivered in this coming financial year. This will upgrade the pumpstations capacity significantly.

Wellington St Stormwater Basin

A proposal was developed to concept stage in 2017 to excavate a site Council purchased to create a stormwater basin.

Through 2022/23 we have progressed detailed design of this basin. Additionally, part of the site along Union Street has been subdivided and sold to Kainga Ora and we are exploring opportunities to provide surplus soil from the stormwater basin site to build up the land for the housing development.

All going well with completing the detailed design and getting consents arranged we plan to construct the stormwater basin this financial year.



Water Supply

Operating Costs: \$910,000

Capital Expenditure: \$282,000

Ōpōtiki Reservoir Investigation

The Ōpōtiki water supply reservoir has an ongoing water leak. The leak has been relatively stable, meaning it does not appear to have increased in flow rate, however given how critical the asset is to the water supply, we need to investigate the cause of the leak and make firmer plans about its ongoing management and or repair.

Te Kaha New Water Source and Water Treatment Plant

The Te Kaha water supply is currently sourced from a stream which presents a number of challenges for us during wet weather periods which makes the stream run dirty.

We will be continuing investigations into an alternative bore water source. Progress was hampered this year when one of the tria006C bores collapsed. A bit of a rethink has been required.

We hope to confirm the feasibility this year and make progress toward constructing a new more resilient Water Treatment Plant for the Te Kaha community.



Land Transport

Operating Costs: \$2,922,000
Capital Expenditure: \$2,483,000

Snell Rd Upgrade

The upgrade of Snell Rd will continue, with design currently underway and will extend into 2023/24.

The project involves construction of a new sealed road to provide access to the new harbour entrance.

Physical works will be expected to start in 2023/24 with a view to have early stages completed in time for the opening of the harbour entrance.

Transport - Speed Limit Review

Through 2022/23 we have been initiating and will be completing conversations and consultation with regard to implementing an Interim Speed Management Plan for our local district roads.

Subject to completing the Speed Management Plan our plan will be to roll out speed limit infrastructure and changes through 2023/24. Further consultation will also be conducted through 2023/24 for the 10 year Regional Speed Management Plan.



Solid Waste

Operating Costs: \$1,880,000

Capital Expenditure: \$75,000

Resource Consents

We do not currently have resource consents for our Resource Recovery Centres. When they were initially established there was not a requirement for it. However, times have changed and consents are now required – in particular for air (odours etc) and land discharges (stormwater runoff) that come from the facilities. We are investigating and making steps towards ensuring our facilities are consented and in compliance with regulations.

Asset Management Plans

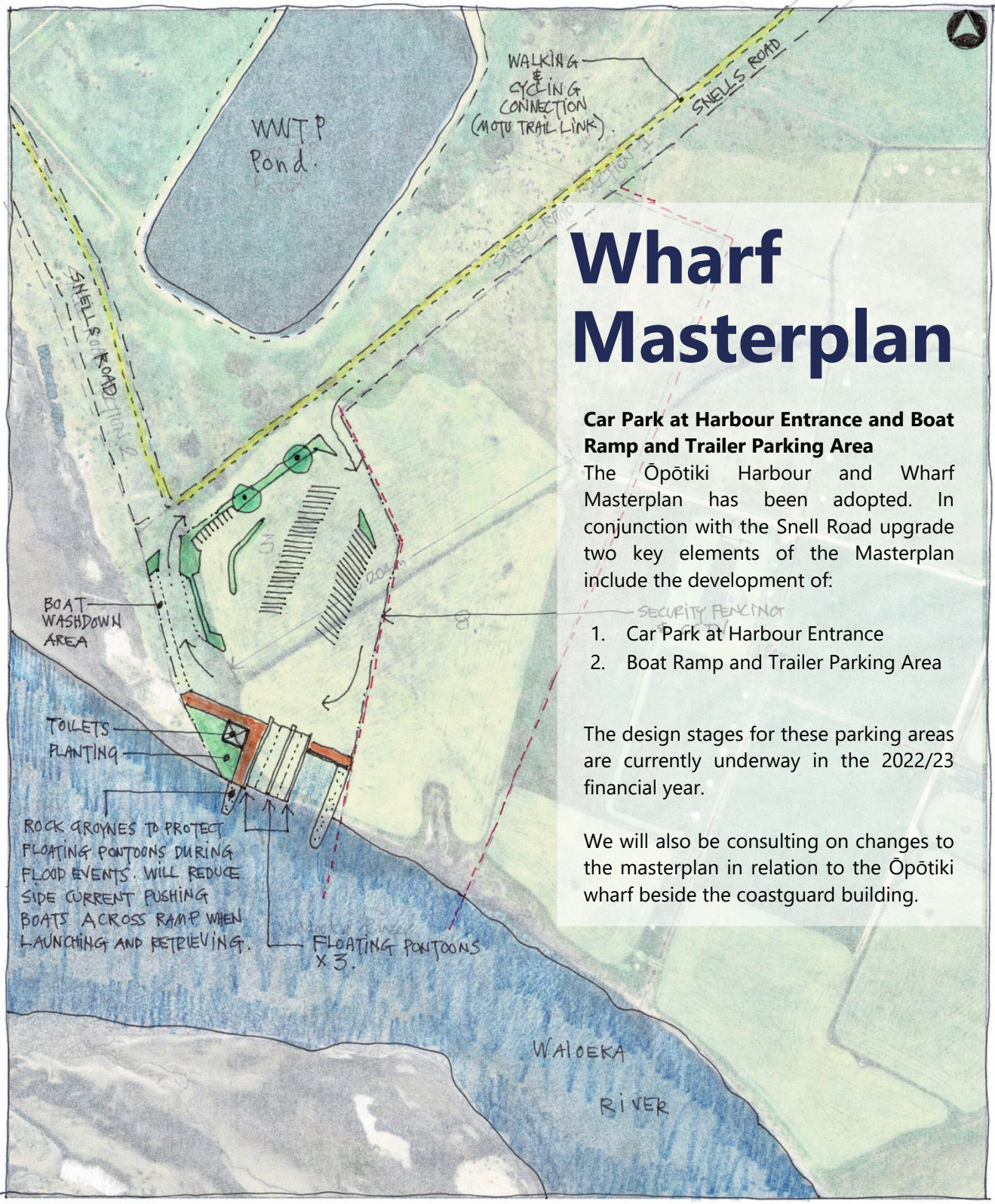
Asset management plans are technical documents which outline how we manage our assets through their lifecycles to ensure we deliver services in cost-effective ways. We currently do not have an asset management plan for our solid waste assets. We aim to deliver our first asset management plan in this space this year.

A Waste Minimization and Management Plan

Council is required to produce a Waste Minimisation and Management Plan (WMMP) under the Waste Minimisation Act (2008) every six years. We are due to update our plan by July 2024. This plan describes how we manage our waste in Ōpōtiki at the moment, how the Council will manage our waste in the future, and what we can all do to make this happen.

Weighbridge

We have received an eternal funding contribution to install a weighbridge at the Ōpōtiki, Wellington Street, Resource Recovery Centre (RRC). The weighbridge will improve transparency of fees and charges based on weight rather than just visual assessment. A weighbridge will also improve the quality of, and ability to monitor, waste data. Council will have access to breakdowns in waste disposal trends by residential/commercial, sectors, customers and materials. The facility is also a strategic asset for the wider region, it is where residual waste from the coastal RRCs in the district are combined for transport to landfill. This improvement in data quality will allow council to better understand waste generation trends in the region and better target services to assist in meeting the council's waste minimization targets.



Wharf Masterplan

Car Park at Harbour Entrance and Boat Ramp and Trailer Parking Area

The Ōpōtiki Harbour and Wharf Masterplan has been adopted. In conjunction with the Snell Road upgrade two key elements of the Masterplan include the development of:

- 1. Car Park at Harbour Entrance
- 2. Boat Ramp and Trailer Parking Area

The design stages for these parking areas are currently underway in the 2022/23 financial year.

We will also be consulting on changes to the masterplan in relation to the Ōpōtiki wharf beside the coastguard building.



Building Control Authority

Regulatory and Safety Activity
Operating Costs: \$1,545,000

About

Since the announcement of the Harbour and with the project nearing completion, the number of building consent applications has been increasing.

The increase in application numbers has put pressure on our small building control team and in order to meet the demand we need to invest in improving our IT and increasing staff resources. If we don't invest now then there is a risk that timeframes will not be met and it may impact on the Council's accreditation as a Building Consent Authority.

The building service is subsidised by the general rate as set out in Council's Revenue and Financing Policy. This approach has been taken to encourage development and growth of the District.

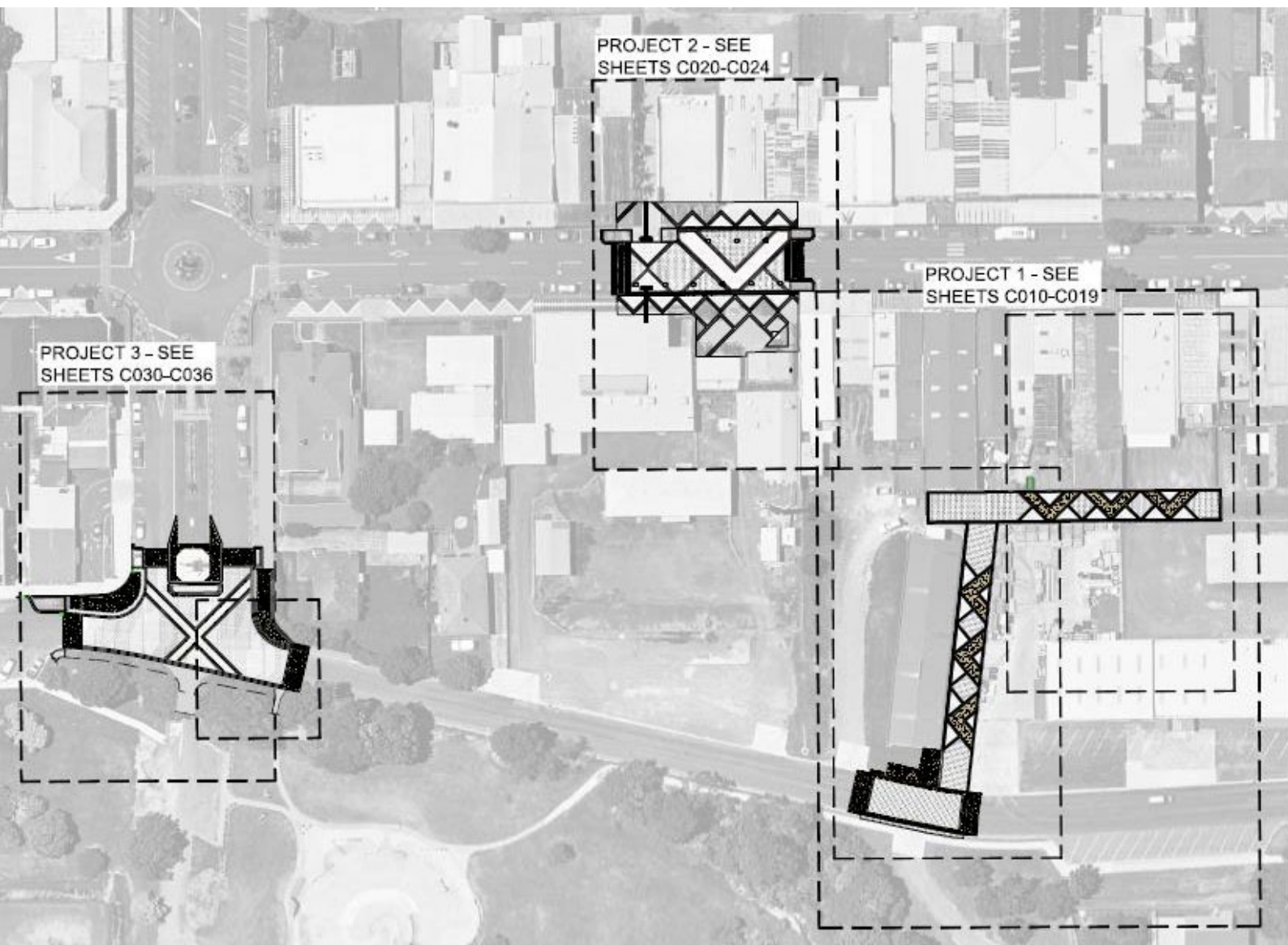
There has been a 152% increase in the number of new homes approved between 2018 and 2022.

What's happening this year

The major improvements to the software package should be completed by January 2024. Additional resources will be brought in to meet the continued demand, with the view of improving the skill set in relation to commercial consents.

We'll know we've got it right when

The customer satisfaction survey score improves and is maintained at a level of over 70%. Consents are on average processed in less than 15 working days and inspections are carried out within 48 hours of a booking being sought.



Town Centre Masterplan

Town Centre Public Realm Projects

We will continue to implement the objectives of the Town Centre Masterplan and designs have been completed for the following three project sites:

- Project 1 - Pedestrian linkage
- Project 2 - Church St Shared space
- Project 3 - Elliott Street (West)

With remaining funding from the Provincial Growth Fund we anticipate we can deliver at least two of these projects and hope to be able to deliver all three depending on construction costs.



Eastern Bay Spatial Plan

About

Ōpōtiki District, along with the other Districts in the Eastern Bay of Plenty, are experiencing steady population and economic growth. A Spatial Plan is needed to support and guide combined future planning and investment decisions. A Spatial Plan will help position the Eastern Bay of Plenty in the development of a Regional Spatial Strategy (RSS) and Infrastructure Strategies, and in the Three Waters Reform. Being joined up, with a shared vision for development, will also provide a guiding framework for our investment partners – both public, private and iwi. This helps them align their forward investment priorities, infrastructure planning, business cases, and project funding applications, to an agreed future direction.

What's happening this year

Work has commenced on the Eastern Bay Spatial Plan and it is expected to be adopted within the next two years following consultation with the public and key stakeholders.

We'll know we've got it right when

The Spatial Plan will have two complementary focuses: growth management and broader outcomes. While addressing the infrastructure and land use requirements to manage growth, the spatial plan will also identify appropriate wellbeing outcomes.

The wellbeing outcomes include where communities can live and access the lifestyle they desire, including valuable employment, recreation, and cultural and social opportunities.



What your rates might look like and why

The tables on pages 20-23 show indicative rates across a range of properties of different values and property types. The values are based on the recent rating valuation completed in 2022. You will be able to see the expected percentage and dollar movement across each property based on what was set last year, and what is proposed to be set this year.

This year we have an additional factor effecting the distribution of rates. The recently completed valuations will have an impact on the distribution of the general rate. The impact of these revaluations is shown in the tables.

It is important to note that the valuations shown are based on the ranges of values we expect to see in that property category. The figures for the valuations have been arrived at by starting with the previous expected values and applying the average increase for each sector.

This means that if the change in value of your property is higher or lower than the average for the category your property is in, the movement in your rates will be higher or lower respectively. The percentage applied to each property category is shown in the description next to each table.

The numbers exclude GST and are indications only. They also don't include Bay of Plenty Regional Council rates as they now bill you directly. If we need to make changes to our proposed budgets as a result of this consultation it will change these examples.

We know everyone is affected by cost increases and many are doing it hard. Feel free to vent when you give us your feedback but please also let us know if you have ideas of other things we might do to keep these increases down. Don't forget you can contact our rates team if you think you will have difficulty paying your rates – you may be eligible for a rates rebate or remission.

Your rates in context

Affordability has been a key consideration for Ōpōtiki District Council over many trienniums. This has meant that over time Ōpōtiki has maintained some of the lowest rates in the country. Ōpōtiki still has the same legislative and compliance requirements as many of our neighbours. A number of the factors impacting on this year's rates increase are due to additional resources to ensure we meet these requirements.

For context, the average residential rates in the Ōpōtiki district for 2022 was approximately \$2,350 for our neighbouring districts across the Bay of Plenty the average residential rates during the same period ranged from approximately \$2,900 to \$3,500 as shown in their Annual Plan documents.

This means that while most ratepayers will be facing a 14% increase as shown throughout this document the dollar value of that increase may be similar to neighbouring districts even though they might have a lesser percentage increase.

What has contributed to our increased costs

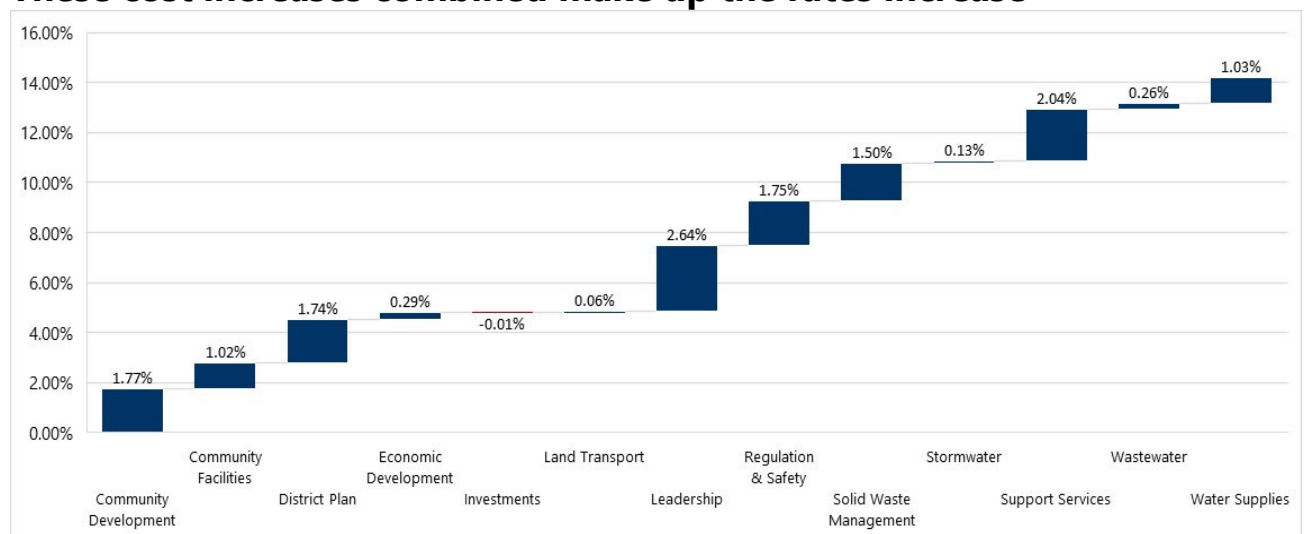
Council, like individuals and business across the country, is facing challenges with the cost of products and services that we purchase increasing significantly. Council has seen unavoidable increases across the board, with notable increases shown in the graph below. Through this plan we have had to increase our resourcing in some areas to ensure we continue to meet our legislative requirements. These changes were made in response to items raised in our recent Audit reports.

We have planned to increase our resourcing within the finance function, as well as an additional role to meet the requirements of the Long Term Plan process.

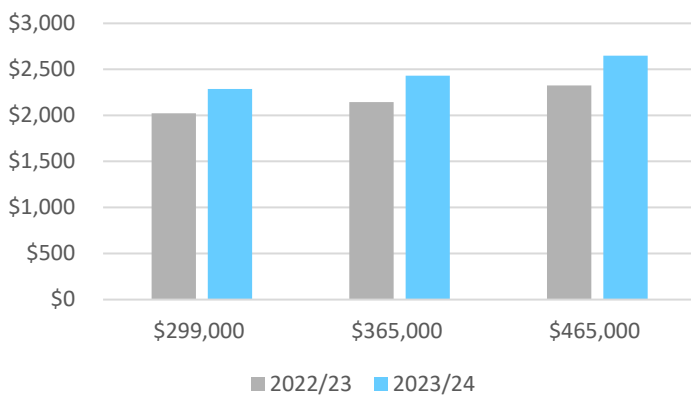
Council continues to invest in its Building Control function in line with the increase in volume and complexity of consents in this activity.

Costs associated with the transport and disposal of solid waste have all increased substantially. We are also needing to invest in our resource recovery sites to ensure they are able to continue operating effectively. Other significant increases in costs are in the information technology space, with software licensing costs seeing particularly high increases.

These cost increases combined make up the rates increase

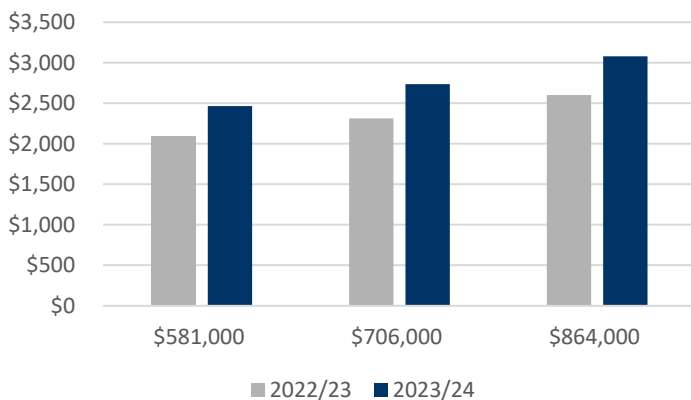


Ōpotiki house property



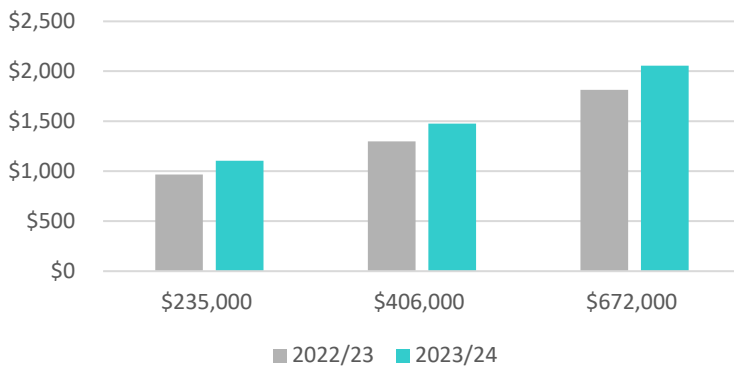
This table shows the expected movement in rates for a property in the Opotiki township that is connected to all the services available and has seen an increase in value of 66.1%

Hukutaia/Woodlands Property



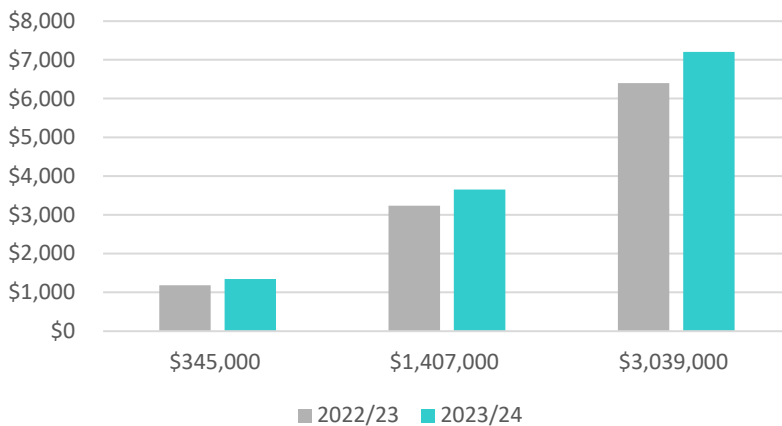
The Hukutaia/Woodlands property table shows the expected movement in rates for properties in the Hukutaia / Woodlands area that are connected to the water supply and receiving the kerbside collection. The percentage increase in valuation applied to the properties in this table is 66.1%

Rural Residential Property (including Coast)



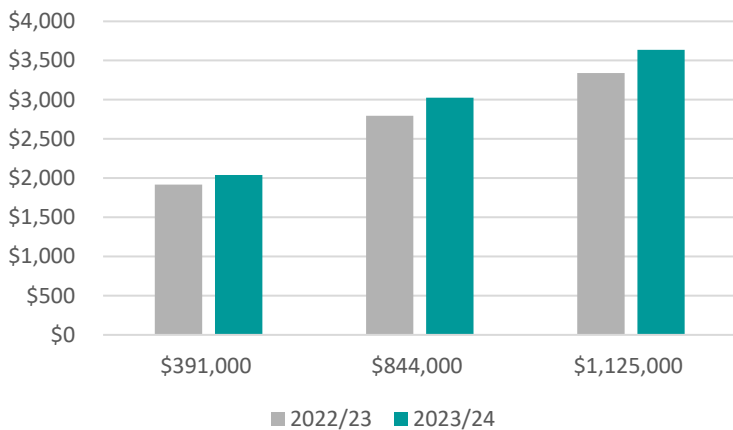
The rural residential table shows the expected movement in rates for all residential properties not in one of the other identified areas and not receiving services paid for through a targeted rate, such as water supply or wastewater. This includes properties on the coast. The percentage increase in valuation applied to the properties in this table is 56.3%

Rural Property



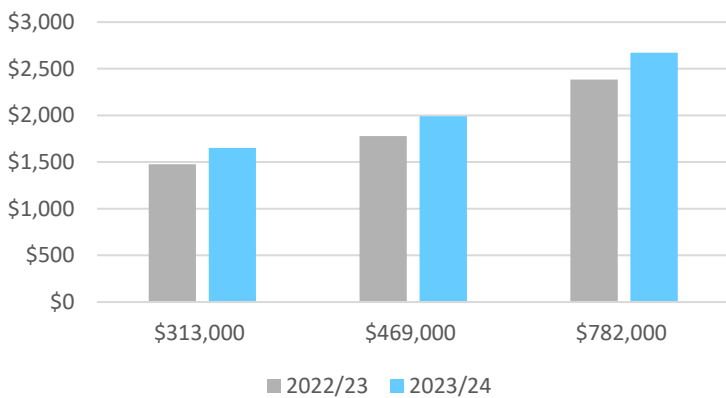
The rural property table shows the expected movement in rates for all rural properties not in one of the other identified categories and not receiving services paid for through a targeted rate, such as water supply or wastewater. This includes properties on the coast. The percentage increase in valuation applied to the properties in this table is 56.3%

Ohiwa Property



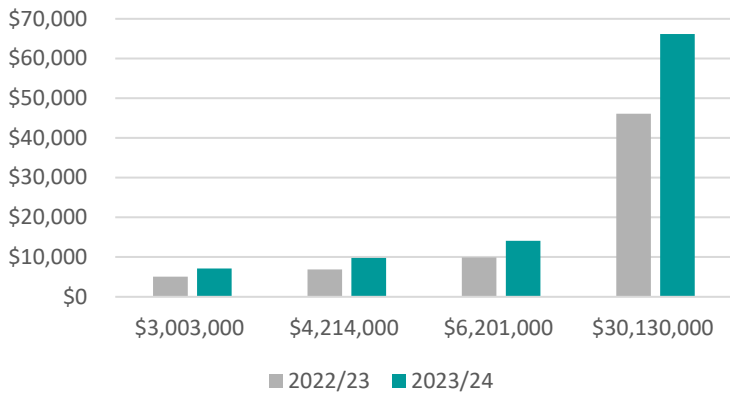
This table shows the expected movement in rates for a property in Ohiwa that is connected to the water supply and has seen an increase in value of 56.3%

Te Kaha on water



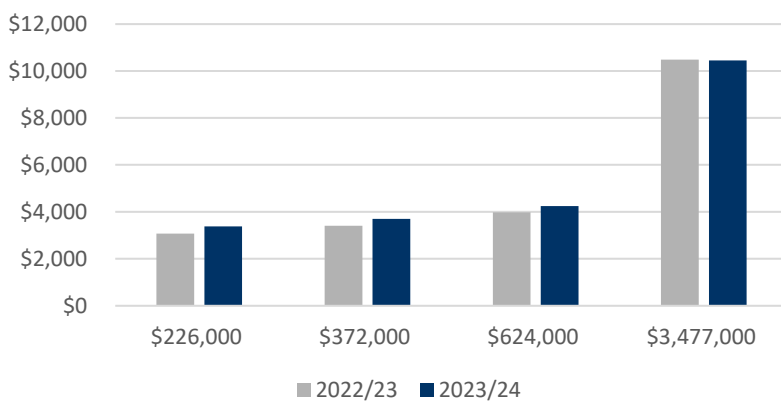
This table shows the expected movement in rates for a property in Te Kaha that is connected to the water supply, and has seen an increase in value of 66.1%

Kiwifruit Property



The Kiwifruit sector has seen significant increases in capital value due to the district rating revaluations. The figures in the table are based on a 100.2% increase in capital value, significantly above the district average of 61%, and is why there is a substantial % increase in rates for these properties.

Commercial & Industrial



This table shows the expected movement for commercial and industrial properties. The average increase of 32.7% for Commercial property has been applied to the values in the table. As this is significantly below the average for the district these properties may see a lesser increase or even no increase in their rates.

Making sense of the dollars

In this section read more about our financials and any differences from what we said they might be in the 221-2031 Long Term Plan:



Our Forecast Funding Impact Statement



Our Forecast Statement of Financial Position



What our Capital and Operational Expenditure would be



What our Operating Funding would be



What our Debt would be



What our proposed total rates increase is



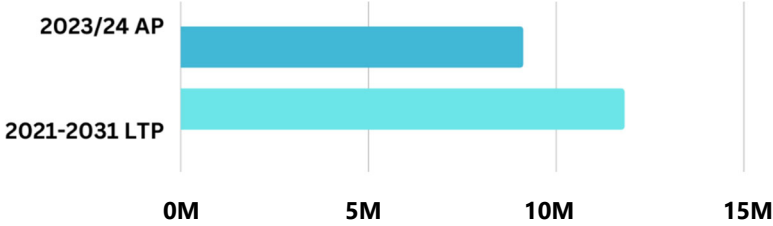
Forecast Funding Impact Statement

	Annual Plan 2022/2023	Annual Plan 2023/2024
	\$'000s	\$'000s
Sources of Operating Funding		
General rates, uniform annual general charge, rates penalties	9,786	11,445
Targeted rates	3,179	3,259
Subsidies and grants for operating purposes	2,028	2,136
Fees and charges	1,692	2,275
Interest and dividends from investments	47	46
Local authorities fuel tax, fines, infringement fees, and other receipts	368	355
Total Operating Funding (A)	17,100	19,516
Applications of Operating Funding		
Payments to staff and suppliers	14,572	17,320
Finance costs	539	263
Other operating funding applications	-	-
Total applications of operating funding (B)	15,111	17,583
Surplus (deficit) of operating funding (A-B)	1,989	1,933
Sources of capital funding		
Subsidies and grants for capital expenditure	4,760	6,129
Development and financial contributions	-	-
Increase (decrease) in debt	9,961	(909)
Gross proceeds from sale of assets	-	-
Lump sum contributions	-	-
Other dedicated capital funding	-	-
Total sources of capital funding (C)	14,721	5,220
Applications of capital funding		
Capital expenditure		
- to meet additional demand	9,533	4,759
- to improve the level of service	3,597	1,584
- to replace existing assets	4,095	2,810
Increase (decrease) in reserves	-	-
Increase (decrease) of investments	(515)	(2,000)
Total applications of capital funding (D)	16,710	7,153
Surplus (deficit) of capital funding (C-D)	(1,989)	(1,933)
Funding Balance ((A-B)+(C-D))	-	-

Forecast Statement of Financial Position

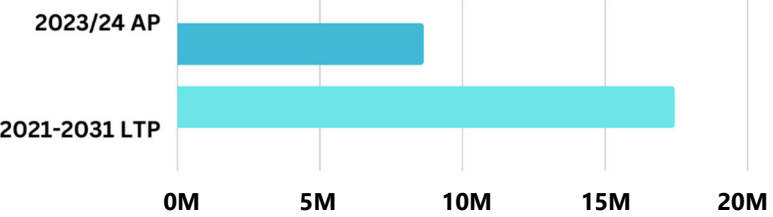
	Annual Plan 2022/2023	Annual Plan 2023/2024
	\$'000s	\$'000s
ASSETS		
Current Assets		
Cash and cash equivalents	5,508	6,660
Debtors and other receivables	3,374	3,385
Prepayments	236	218
Available for sale assets	53	49
Total Current Assets	9,171	10,312
Non-Current Assets		
Plant, property and equipment	285,766	335,608
Intangible assets	85	76
Investment Property	2,776	3,209
Other financial assets		
Investment in Associates	266	153
Total Non-Current Assets	288,893	339,046
TOTAL ASSETS	298,064	349,358
LIABILITIES		
Current Liabilities		
Creditors and other Payables	5,321	7,455
Employee entitlements	342	508
Total Current Liabilities	5,663	7,963
Non-Current Liabilities		
Provisions	79	68
Borrowings	22,101	8,606
Total Non-Current Liabilities	22,180	8,674
TOTAL LIABILITIES	27,843	16,637
EQUITY		
Retained Earnings	161,828	150,094
Asset Revaluation Reserves	106,796	180,326
Council Created Reserves	1,599	2,301
TOTAL EQUITY	270,223	332,721

Capital Expenditure \$9.1M



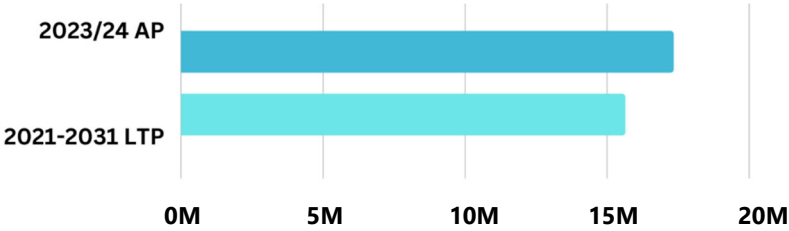
Not including expected carry forwards of capital expenditure from the current financial year.

Debt \$8.6M



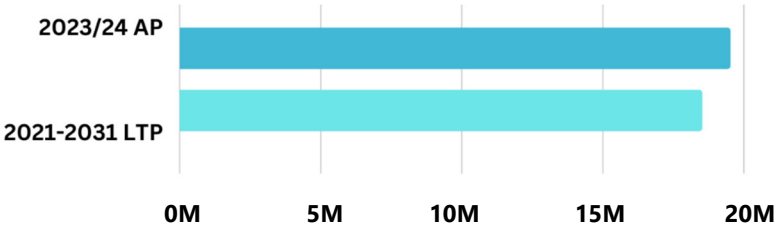
Due to capital programs not delivered in earlier years of the LTP period.

Operational Expenditure \$17.3M

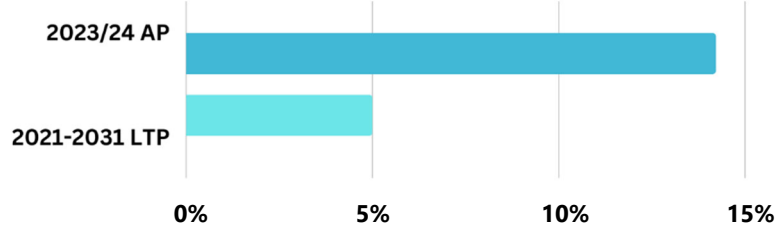


Due to significant increases in costs above inflation expectations when the LTP was set.

Operating Funding \$19.5M



Proposed total rates increase 14.18%



Tell us what you think

As we're not planning any major changes to what we said we would do in year three of the 2021-2031 Long Term Plan, we're not doing a time-consuming and expensive special consultative procedure. But we still want you to let us know what you think is important.

- Are there projects you would like us to consider in the next rounds of planning?
- Are there things we could do better?
- Are there things you would like us to do more or less of in the future?

Ways to give us your feedback



Online – odc.govt.nz/apfeedback



Email – info@odc.govt.nz



Post – PO Box 44, Ōpōtiki 3162



By hand – At our office at 108 St John Street or Te Tāhuhu o Te Rangi, 101 Church Street, Ōpōtiki

Or...join us for kōrero at one of our drop in sessions

- 2pm, Tuesday 9 May 2023 - Te Kaha Beach Resort
- 1pm, Monday 15 May 2023 - Council Chambers
- 12.30pm, Tuesday 16 May 2023 - Council Chambers