

Message from our Mayor and CEO

We are pleased to present our annual report for 2017/18, a year in which we have progressed a range of major projects including completing the harbour business case, ten year planning, infrastructure planning and rehabilitation of the Ōpōtiki township's sewers.

The harbour business case was completed in November 2017. This was the culmination of two years of work to meet 26 KPIs set by government in 2015. The work showed an increase in the cost of the harbour for a range of reasons, but also that the potential economic opportunity was five times larger.

A disappointing response was received in May to a harbour funding application. It came in the midst of our four week 2018-2028 Long Term Plan (LTP) consultation period which caused a few issues. Despite the challenges (including deciding whether and when to plan for growth), an unqualified opinion was received from our auditors and we are now working with a new team in government to look at cost reductions and opportunity enhancement.

We appreciated the 100% increase in submissions over the previous LTP and are pleased that many of our community embraced the online processes. We know that not everyone is comfortable online though, so we provide many ways you can give us feedback and we encourage you to contact us any time. You do not need to wait for an annual consultation process.

As part of the LTP we completed a 30 year infrastructure strategy. This project and review ensured climate change is factored into our infrastructure provision. You will see a number of stormwater management projects over the coming decade. Storms seem to be becoming almost weekly events and inevitable clean-up work reduces our business-as-usual capacity.

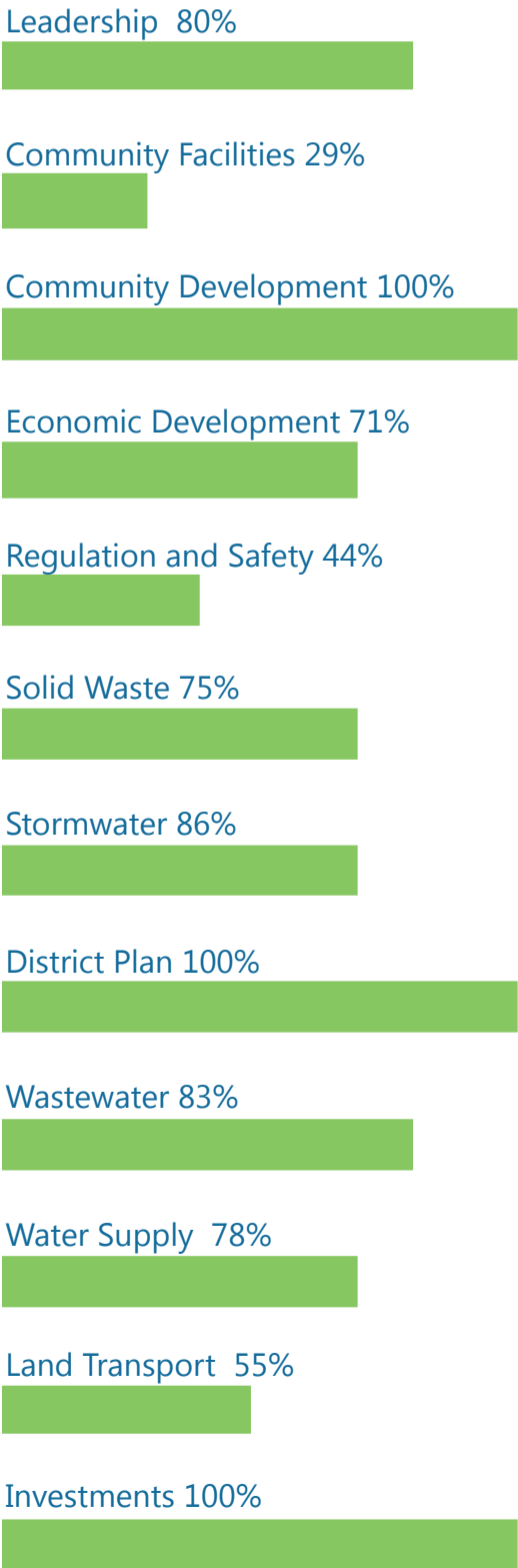
On the solid waste front, we decided to move to plastic wheelie bins, which should help reduce the incidence of dog strike, as well as being a more environmentally friendly alternative to plastic bags. The changes should be in place on 1 July 2019. We have also decided to invest more in gardens, litter control, and public toilets. Combined with grant funding from government, and a small restructure within council, this should lift performance in these areas.

Work on our three year rehabilitation of the Ōpōtiki sewer started in the worst affected parts of town. While it is early days, we are already seeing better performance with less infiltration into the system during periods of heavy rain. Other infrastructure upgrades included footpaths and the start of our street lighting upgrade.

We had some management gaps over the last year between farewelling two and recruiting replacements. With ongoing issues recruiting suitable candidates into the engineering area in particular, some of the work programme fell behind. Our new recruits hit the ground running and we are seeing improvements in many areas of Council and reviews that will lead to improvements in the coming year.

Mayor, John Forbes
CEO, Aileen Lawrie

Our performance target results for 2017/18



BUILDING CONTROL

We had a 19% increase in the number of building consent applications received this year which meant we couldn't process applications as quickly as usual. We've arranged for another Council to assist when we are busy to help maintain our high level of service.

INVESTMENTS

Achievements in 2017/18 for Evolution Networks (in which Council has a 30% shareholding) include:

- * Upgrading and building new towers
- * Installing relay points
- * Preparing a bid for government broadband roll out tender process
- * Design work to build resilience and capability
- * Training and development of support teams.

RAPID NUMBERING

This year saw the start of our Rural Address Property Identification numbering project to ensure that all RAPID numbers within the district are accurate. We're also making sure all roads in our district are named correctly according to LINZ standards.

DISTRICT PLAN REVIEW

The review of our plan continued with hearings of submissions in July and August 2017 and decisions on submissions notified in May 2018. A small number of appeals have been lodged. We're hopeful that the appeals will be resolved.

WASTEWATER

The first year of our rehabilitation programme has been successful and we've made significant progress. We've been working on the worst affected areas in town first, repairing manholes and relining mains.

STORMWATER

Investigations continue to ensure we achieve stable solutions combined with affordable construction for our two main stormwater projects:

- * Stormwater detention basin in the Volkner's Island Reserve
- * New trunk main along Richard Street.

HARBOUR DEVELOPMENT

The government said no to funding harbour construction at a cost of \$145M but asked us to work with the Provincial Growth Fund independent advisory panel on a new proposal. Pathways to work - being delivered by Toi-EDA - has gone from strength with training and education opportunities being closely aligned with Eastern Bay of Plenty industry demand.

WALKWAYS/ COASTAL ACCESS

The business case to support an application to the Ministry of Business, Innovation and Employment's Enhancement and Extension Fund for an extension of the Motu Trails Great Ride was submitted for consideration.

WATER SUPPLY

Work was completed on the Northern Extension in Te Kaha. We're consulting on the Southern Extension which we expect will extend service along Parekura Hei Road.

ANIMAL CONTROL

We expanded our animal control team and they continued to carry out patrols, respond to service requests, maintain our pound and spend time with owners. We completed a de-sexing pilot for dangerous and menacing dogs that we will continue in the new year.

TE TAHUHU O TE RANGI

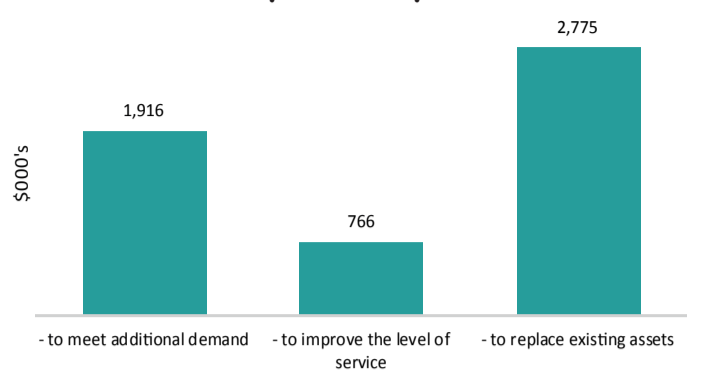
Fundraising continued however the target of raising the middle million was not achieved. A leaky roof and mould issues at the existing library meant a move to temporary premises. This has provided the opportunity to reassess cost and funding options in the next financial year.

ASSET RENEWAL

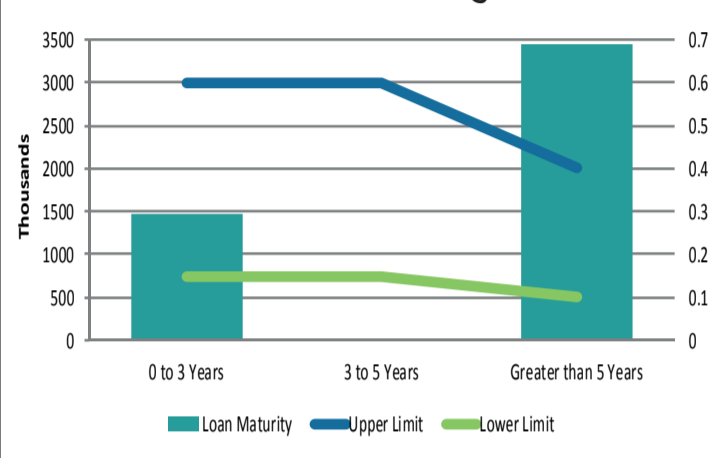
We've completed programmed works to maintain and upgrade assets:

- * Reseal of pavement sections
- * Re-metalling of unsealed roads
- * Annual rehabilitation / upgrade urban street project.

2018 Capital Expenditure



Loan Maturity



Assets	2017	2018
	\$000's	\$000's
Operational assets	3,316	3,875
Roads & footpaths	140,912	144,476
Water systems	9,505	10,765
Sewerage system	6,096	12,540
Stormwater drainage	6,039	8,310
Other infrastructural assets	3,017	4,064
Restricted assets	14,080	18,465
Total	182,965	202,494

\$212

million of assets

\$5.0

million of borrowings

\$15.1

million operating expenditure

\$16.6

million operating revenue

\$5.6

million capital expenditure

\$0.37

million rate increase

Full copies of the 2017/18 Annual Report and Summary Annual Report are on our website at www.odc.govt.nz/annualreport

View hard copies at our office, 108 St John St, Ōpōtiki or the Ōpōtiki District Library.

Email info@odc.govt.nz or phone 07 3153030 to request a copy of the Summary be posted to you.