



# NOTICE OF AN ORDINARY COUNCIL MEETING

**Ōpōtiki District Council Chambers, 108 St John Street, Ōpōtiki  
Tuesday, 6 October 2020  
Commencing at 9.00am**

## ORDER PAPER

**OPENING KARAKIA / PRAYER / INSPIRATIONAL READING – DEPUTY MAYOR BROWNE**

**APOLOGIES**

**DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS**

**PUBLIC FORUM**

**Rob Emmott – Out of Hours Mailbox**

**Kaysea Cronin – Rubbish Bins**

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#### **PUBLIC EXCLUDED BUSINESS**

ITEM 26	CONFIRMATION OF IN-COMMITTEE MINUTES – ORDINARY COUNCIL MEETING 25 AUGUST 2020	
ITEM 27	ŌPŌTIKI HARBOUR DEVELOPMENT PROJECT – HEADS OF AGREEMENT	
ITEM 28	INVESTMENT	
ITEM 29	RESOLUTION TO RESTATE RESOLUTIONS AND READMIT THE PUBLIC	

#### **PRESENTATION:**

**Following morning tea:**

**Bay of Plenty Spaces and Places Strategy (Zane Jensen, Regional Facilities & Community Sport  
Team Leader, Sport Bay of Plenty)**

**Chair:** Her Worship the Mayor – Lyn Riesterer

**Members:** Cr Shona Browne (Deputy Mayor)

Cr Debi Hocart

Cr Barry Howe

Cr David Moore

Cr Steve Nelson

Cr Louis Rāpihana

**Committee Secretary:** Gae Newell

**Quorum:** 4

**LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968**

**Councillors are reminded that if you have a pecuniary or non-pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the Council chamber.**

**Aileen Lawrie**

**CHIEF EXECUTIVE OFFICER**

**REPORT**

Date : 28 September 2020  
To : Ordinary Council Meeting, 6 October 2020  
From : Chief Executive Officer, Aileen Lawrie  
Subject : **RESOLUTION TO EXCLUDE THE PUBLIC**

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**SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987**

**1. THAT the public be excluded from the following part of the proceedings of this meeting, namely:**

**27. Opotiki Harbour Development Project – Heads of Agreement.**

**2. THAT the following person be permitted to remain at this meeting after the public has been excluded because of their knowledge of the subject item in relation to the following. This knowledge will be of assistance and is relevant to the matters to be discussed:**

**Name: John Galbraith.**

**Item: 27 (Opotiki Harbour Development Project – Heads of Agreement).**

**Business: To provide Council with detailed information and updates in relation to Item 27 inclusive relevant to the Opotiki Harbour Development Project.**

**Reason: To enable the accurate presentation of sensitive information to the Council and to provide responses to queries.**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
27.	<b>Ōpōtiki Harbour Development Project – Heads of Agreement</b>	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)

**This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:**

27.	Protect information Prevent the disclosure or use of official information	Section 7(2)(b)(i) & (ii) Section 7(2)(j)
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2.	<b>RESOLUTION TO RESTATE RESOLUTIONS AND READMIT THE PUBLIC</b>
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**RECOMMENDATIONS:**

- (1) That the resolutions made while the public was excluded, be confirmed in open meeting.
- (2) That the public be readmitted to the meeting.



**MINUTES OF AN ORDINARY COUNCIL MEETING DATED TUESDAY, 25 AUGUST 2020 IN THE  
ŌPŌTIKI DISTRICT COUNCIL CHAMBERS, 108 ST JOHN STREET, ŌPŌTIKI AT 9.00AM**

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**PRESENT:**

Mayor Lyn Riesterer (Chairperson)  
Deputy Mayor Shona Browne (Deputy Chairperson)  
Councillors:  
Debi Hocart  
Barry Howe  
David Moore  
Steve Nelson  
Louis Rāpihana

**IN ATTENDANCE:**

Aileen Lawrie (Chief Executive Officer)  
Bevan Gray (Finance and Corporate Services Group Manager)  
Gerard McCormack (Planning and Regulatory Group Manager)  
Katherine Hall (Policy Planner)  
Anna-Marei Kurei (Community Engagement and Facilitation Officer)  
Garry Page (Reserves Manager)  
Gae Finlay (Executive Assistant and Governance Support Officer)

**PUBLIC:**

Sue Somerville

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Her Worship the Mayor opened the meeting with an inspirational blessing.

Referring to last week's Local Government New Zealand (LGNZ) Annual General Meeting held via Zoom, Her Worship the Mayor advised that voting for President and Vice-President was done via phone and computer. The new President of LGNZ is Stuart Crosby and the Vice-President Hamish McDouall.

**APOLOGIES**

Nil.

**DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS**

Nil.

## **PUBLIC FORUM**

*Sue Somerville – Ōpōtiki Community Garden*

Sue Somerville introduced the concept of the community garden which she and a group of like-minded people are wanting to establish on Council owned land at 54 Bridge Street. The initiative is based on the Healthy Families New Zealand approach.

The group want to help grow a movement to locally grown food, with whānau assisting in the growing process, and a funding application has been made to the Ministry of Social Development to assist with the establishment of the garden.

Sue Somerville handed around a copy of a layout plan for the proposed garden, which includes garden beds and an orchard area.

Her Worship the Mayor thanked Sue Somerville for her attendance.

*Sue Somerville and the Reserves Manager left the meeting at 9.08am.*

### **1. CONFIRMATION OF MINUTES – ORDINARY COUNCIL MEETING: 2 JUNE 2020 p4**

#### **RESOLVED**

- (1) That the minutes of the Ordinary Council meeting held on 2 June 2020 be confirmed as a true and correct record.**

Rāpihana/Moore

**Carried**

### **2. CONFIRMATION OF MINUTES – EXTRA ORDINARY COUNCIL MEETING 30 JUNE 2020 p11**

#### **RESOLVED**

- (1) That the minutes of the Extra Ordinary Council meeting held on 30 June 2020 be received.**

HWTM/Browne

**Carried**

### **3. MINUTES – COAST COMMUNITY BOARD MEETING 5 MAY 2020 p21**

#### **RESOLVED**

- (1) That the minutes of the Coast Community Board meeting held on 5 May 2020 and any recommendations therein be received.**

Rāpihana/Browne

**Carried**



**4. MINUTES – CIVIL DEFENCE EMERGENCY MANAGEMENT JOINT COMMITTEE MEETING 3 JUNE 2020** **p27**

**RESOLVED**

- (1) That the minutes of the Civil Defence Emergency Management Joint Committee meeting held on 3 June 2020 be received.**

HWTM/Browne

**Carried**

**5. MINUTES – BAY OF PLENTY MAYORAL FORUM 12 JUNE 2020** **p30**

**RESOLVED**

- (1) That the minutes of the Bay of Plenty Mayoral Forum meeting held on 12 June 2020 be received.**

HWTM/Nelson

**Carried**

**6. MINUTES – ŌHIWA HARBOUR IMPLEMENTATION FORUM 22 JUNE 2020** **p38**

**RESOLVED**

- (1) That the minutes of the Ōhiwa Harbour Implementation Forum meeting held on 22 June 2020 be received.**

HWTM/Browne

**Carried**

**7. MAYORAL REPORT 29 MAY 2020 – 7 AUGUST 2020** **p46**

**RESOLVED**

- (1) That the report titled “Mayoral Report 29 May 2020 – 7 August” be received.**

HWTM/Browne

**Carried**

**8. ŌPŌTIKI MARINE ADVISORY GROUP (OMAG) UPDATE** **p55**

The Chief Executive Officer agreed with a suggestion from Councillor Rāpihana that there be a representative from Te Whanau a Apanui attend OMAG meetings.

The Chief Executive Officer advised that, in future, the Workforce Development report will come as a separate report to Council on each agenda.

## **RESOLVED**

**(1) That the report titled “Ōpōtiki Marine Advisory Group (OMAG) Update” be received.**

Howe/Hocart

**Carried**

*The Planning and Regulatory Group Manager entered the meeting at 9.26am.*

## **9. WATER REFORMS TRANCHE 1 FUNDING**

**p60**

The Chief Executive Officer noted that there is a risk in resourcing and that needs to be flagged with DIA.

Councillor Howe stated that the first round is a carrot, then Councils will be forced to take the next rounds of funding, adding that this is a track towards amalgamation.

Her Worship the Mayor said it looks like the Government is trying to take over our infrastructure. The ratepayers own our infrastructure and although the dollars are good, the Government will have to be accountable at the next two rounds. There is no financial models to say that this will be successful and no examples or reports to say the health of the water in New Zealand is so bad that this needs to be done.

Councillor Howe was not in favour of the recommendations, suggesting that there will be a lot of fish hooks which could be locking Council in. He also noted that the proposal is a bit cloudy around stormwater and that a company would be formed for freshwater.

The Chief Executive Officer advised that Council had applied to Crown Infrastructure Partners for Three Waters funding. This funding appears to have replaced the CIP opportunity.

Her Worship the Mayor stated that, from talking to other Mayors, their Councils will be saying yes to the money and will have a long period of engagement and consultation with their communities before moving into the next steps. Accepting the first round of funding is not binding and that is when Council could opt out.

Councillor Rāpihana said it will be hard to explain to the community if Council does not take the first step. While he accepts the recommendations, Councillor Rāpihana would like Council to continue discussions with iwi.

A letter will be sent to DIA from the Mayor expressing Council's views.

Councillor Rāpihana moved an additional recommendation as follows. The mover and seconder of the original recommendations were in agreement with the addition.

#### MOTION

Moved: Rāpihana

Seconded: Hocart

**That Council continue the conversation with iwi around Three Waters to achieve a localised bespoke solution.**

The motion was PUT and CARRIED

The substantive motion was PUT and CARRIED.

#### RESOLVED

**(1) That the report titled “Water Reforms Tranche 1 Funding” be received.**

- **Note** that:

- In July 2020, the Government announced an initial funding package of \$761 million to provide a post COVID-19 stimulus to maintain and improve water networks infrastructure, and to support a three-year programme of reform of local government water services delivery arrangements; and
- initial funding will be made available to those Councils that agree to participate in the initial stage of the reform programme, through a Memorandum of Understanding (MoU), Funding Agreement, and approved Delivery Plan.
- this initial funding will be provided in two parts: a direct allocation to individual territorial authorities, and a regional allocation. The participating individual authorities in each region will need to agree an approach to distributing the regional allocation
- the Steering Committee has recommended a preferred approach to the allocation of regional funding, being the same formula as was used to determine the direct allocations to territorial authorities.

**2. That Council agrees to sign the MoU at Appendix A and Funding Agreement at Appendix B.**

**3. That Council agrees to nominate the Chief Executive of the Council as the primary point of communication for the purposes of the MoU and reform programme – as referred to on page 6 of the MoU.**

**4. That Council agrees to delegate decisions about the allocation of regional funding to the Chief Executive of the Council, with the understanding that the minimum level of funding to the Council be based upon the formula used to calculate the direct Council allocations, and noting that participation by two-thirds of territorial authorities within the Bay of Plenty region is required to access the regional allocation.**

- **Note** that the MoU and Funding Agreement cannot be amended or modified by either party, and doing so would void these documents.
- **Note** that participation in this initial stage is to be undertaken in good faith, but this is a nonbinding approach, and the Council can opt out of the reform process at the end of the term of the agreement (as provided for on page 5 of the MoU).
- **Note** that the Council has been allocated \$1.6M of funding, which will be received as a grant as soon as practicable once the signed MoU and Funding Agreement are returned to the Department of Internal Affairs, and a Delivery Plan has been supplied and approved (as described on page 5 of the MoU).
- **Note** that the Delivery Plan must show that the funding is to be applied to operating and/or capital expenditure relating to three waters infrastructure and service delivery, and which:
  - supports economic recovery through job creation; and
  - maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance.

**5. That Council authorises the Chief Executive to finalise the Delivery Plan to address feedback from Government and obtain the approval needed to release funding.**

**6. That Council continue a conversation with iwi around Three Waters to achieve a localised bespoke solution.**

Hocart/Browne

**Carried**

Councillor Howe abstained from voting.

## **10. ELECTORAL DECISIONS, REPRESENTATION REVIEW**

**p110**

The Finance and Corporate Services Group Manager spoke to the report. He noted that it is proposed to bring in Dale Ofsoske from Election Services to workshop Maori wards and the Representation Arrangements Review with Council after the 6 October Council meeting.

Following a discussion, it was agreed that the First Past the Post electoral system be retained.

### **RESOLVED**

**(1) That the report titled "Electoral Decisions, Representation Review" be received.**

- (2) That the Council resolves to retain the First Past the Post electoral system.**
- (3) That Council consider the implementation of Maori wards before 23 November 2020, and the rest of the representation arrangements review over the course of the next 12 months.**

Moore/Nelson

**Carried**

*Councillor Howe left the meeting at 10.17am and returned at 10.20am.*

*The meeting adjourned for morning tea at 10.23am and reconvened at 10.36am.*

**11. 2021-2031 LTP – ENVIRONMENTAL SCAN** **p125**

**RESOLVED**

- (1) That the report titled “2021-2031 LTP – Environmental Scan” be received.**
- (2) That the items identified in the report form part of the key assumptions to the LTP.**

Rāpihana/Hocart

**Carried**

**12. STAFF REPORT ON SUBMISSIONS TO THE DRAFT CONSOLIDATED BYLAWS AND DOG CONTROL POLICY** **p132**

Councillor Hocart extended thanks to the Planning and Regulatory Group Manager and his team for the work put into the Draft Consolidated Bylaws and Dog Control Policy.

Comment was made that the name of Snells Beach was showing on the map, although the name had been changed to Te Ngaio Beach some time ago. The Planning and Regulatory Group Manager will check the name of the beach and undertake the process to rectify the name on the map.

**RESOLVED**

- (1) That the report titled “Staff Report on Submissions to the Draft Consolidated Bylaws and Dog Control Policy” be received.**
- (2) That Council accept the Staff Report on Submissions to the Draft Consolidated Bylaws and Dog Control Policy (Appendix 1).**
- (3) That all people who provided feedback during consultation be thanked for their participation in the process.**
- (4) That the advice from staff be received and used (as amended) for the basis of responses to submitters.**
- (5) That in accordance with sections 145 and 146 of the Local Government Act 2002, the Council adopt the Consolidated Bylaws (Appendix 2).**

- (6) That in accordance with sections 145 and 146 of the Local Government Act, and section 10 of the Dog Control Act 1996, the Council adopt the Dog Control Policy (Appendix 3).**
- (7) That the Council resolve to review the Consolidated Bylaws and Dog Control Policy in no more than five years' time (August 2025).**

Rāpihana/Hocart

**Carried**

*The Community Engagement and Facilitation Officer entered the meeting at 10.43am.*

*The Policy Planner entered the meeting at 10.45am.*

**13. PLANNING, REGULATORY, PARKS AND RESERVES ANNUAL REVIEW** **p139**

**RESOLVED**

- (1) That the report titled "Planning, Regulatory, Parks and Reserves Annual Review" be received.**

HWTM/Browne

**Carried**

**14. COUNCIL DOG CONTROL POLICIES AND PRACTICE REPORT 2019-20** **p153**

**RESOLVED**

- (1) That the report titled "Council Dog Control Policies and Practice Report 2019-20" be received.**
- (2) That the Dog Control Policies and Practices Report 2019-20 attached in Appendix 01 be adopted by Council and its availability publicly notified in the Ōpōtiki News in accordance with Section 10A(3) of the Dog Control Act.**
- (3) That the Dog Control Policies and Practices Report 2019-20 attached in Appendix 01 be filed with the Secretary for Local Government (Department of Internal Affairs) in accordance with section 10A(4) of the Dog Control Act.**

Browne/Nelson

**Carried**

**15. ROAD REALIGNMENT** **p162**

**RESOLVED**

- (1) That the report titled "Road Realignment" be received.**
- (2) That Council approves the realignment of Te Wakanui Rd.**

- (3) That Council delegates authority to the Engineering and Services Group Manager to approve a letter of support in accordance with the Public Works Act.**

Howe/HWTM

**Carried**

**16. APPLICATION FOR ROAD TO BE NAMED**

**p162**

From a discussion, Oruamanganui Drive was the preferred option.

Councillor Rāpihana moved that clause 2 of the recommendations be amended to provide for Council agreeing to name the proposed public road Oruamanganui Drive.

MOTION

Moved: Rāpihana

Seconded: Her Worship the Mayor

That Council agrees to name the proposed public road Oruamanganui Drive.

The motion was PUT and CARRIED.

The substantive motion was PUT and CARRIED.

**RESOLVED**

- (1) That the report titled "Application For Road to be Named" be received.**  
**(2) That Council agrees to name the proposed public road Oruamanganui Drive.**

Rāpihana/HWTM

**Carried**

**17. PROPOSAL FOR NEW ROAD NAME: ATAAHUA RISE**

**p174**

**RESOLVED**

- (1) That the report titled "Proposal For New Road Name: Ataahua Rise" be received.**  
**(2) That Council approves the naming of the private road Ataahua Rise and agrees to the road becoming an official named road.**

Howe/Nelson

**Carried**

**18. PROPOSAL FOR NEW ROAD NAME: RON SMITH DRIVE**

**p181**

**RESOLVED**

- (1) That the report titled "Proposal For New Road Name: Ron Smith Drive" be received.**
- (2) That Council approves the naming of the private road Ron Smith Drive and agrees to it being recognised as an official named road.**

Browne/Nelson

**Carried**

Against: Councillor Rāpihana

Her Worship the Mayor abstained from voting.

*The Planning and Regulatory Group Manager, the Community Engagement and Facilitation Officer and the Policy Planner left the meeting at 11.24am.*

**19. SNELL RD UPGRADE FUNDING**

**p188**

Councillor Rāpihana thanked staff and contractors for doing the right thing in this process.

Councillor Moore acknowledged that while he understood the timeframe and the cost, anyone with local knowledge would have known koiwi would be there and should have been built into the costings.

The Chief Executive Officer noted that the Heritage New Zealand process was not foreseen and has put time pressure on the project.

**RESOLVED**

- (1) That the report titled "Snell Rd Upgrade Funding" be received.**
- (2) That Council approves the additional \$50,000 contribution.**
- (3) That council approves the additional \$350,000 bridge financing.**

Rāpihana/Howe

**Carried**

Councillor Moore abstained from voting

**20. RRC EFTPOS 2020**

**p188**

Councillor Howe expressed concern as to what happens when people turn up to the RRC without an eftpos card.

Councillor Rāpihana noted that the coast people prefer to use cash and suggested that another type of card is implemented which people can put credit on.



Her Worship the Mayor stated that there was a health and safety aspect as there has been more damaging types of burglaries and looking after the RRC workers is a priority. She also expressed concern at the cost of transporting cash from the coast for banking.

Her Worship the Mayor moved an addition to the recommendations by adding a third clause directing staff to investigate the use of an RRC card or token.

**MOTION**

Moved: Her Worship the Mayor

Seconded: Hocart

That Council directs staff to investigate the use of an RRC card or token.

The motion was PUT and CARRIED.

The substantive motion was PUT and CARRIED.

**RESOLVED**

- (1) That the report titled "RRC Eftpos 2020" be received.**
- (2) That Council note that staff are implementing eftpos only service permanently.**
- (3) That Council directs staff to investigate the use of an RRC card or token.**

HWTM/Hocart

**Carried**

Against: Councillor Howe

**21. STORMWATER PROJECTS POSTPONEMENT**

**p197**

**RESOLVED**

- (1) That the report titled "Stormwater Projects Postponement" be received.**
- (2) That the Council approve the postponement of the Tarawa Creek Flood Water Storage Area Project and the Richard Street Gravity Main Project to the 2021 LTP period.**

HWTM/Browne

**Carried**

**22. CONTEXT FOR THE EASTERN BAY ROAD SAFETY COMMITTEE REVIEW**

**p199**

**RESOLVED**

- (1) That the report titled "Context for the Eastern Bay Road Safety Committee Review" be received.**
- (2) That the Ōpōtiki District Council approve an Operational Road Safety Group be established subject to:
  - i) Development of a 'Terms of Reference' to be agreed by the member Councils; and**
  - ii) Terms of Reference to include the appointment of an Elected Member from each partner Council; and****
- (3) That subject to the agreed terms of reference for the Operational Road Safety Group, that the Eastern Bay Road Safety Committee be disestablished.**

Moore/Nelson

**Carried**

*The Planning and Regulatory Group Manager entered the meeting at 11.54am.*

**23. CHIEF EXECUTIVE OFFICER'S UPDATE**

**p221**

**RESOLVED**

- (1) That the report titled "Chief Executive Officer's Update" be received.**
- (2) That Council approves the underspend of operational budget and additional revenue to help offset the shortfall in the capex budget for the new pound build.**
- (3) That Council approves loan funding of up to \$165,000 to complete the new pound building project.**

Rāpihana/Moore

**Carried**

*Charlotte Jones left the meeting at 12.06pm*

**24. RESOLUTION TO EXCLUDE THE PUBLIC**

**p233**

**SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987**

**THAT the public be excluded from the following parts of the proceedings of this meeting, namely:**

- 25. Confirmation of In-Committee Minutes – Ordinary Council Meeting 2 June 2020.**
- 26. Minutes – Toi-EDA meeting 10 August 2020.**
- 27. Property Matter.**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>Item No</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
25.	<b>Confirmation of In-Committee Minutes – Ordinary Council Meeting 2 June 2020</b>	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)
26.	<b>Minutes – Toi-EDA meeting 10 August 2020</b>	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)
27.	<b>Property Matter – Verbal Item</b>	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)

**This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:**

25.	Protect the privacy of natural persons Protect information  Protection from improper pressure or harassment Prevent disclosure or use of official information Carry out negotiations Maintain legal professional privilege Carry out commercial activities	Section 7(2)(a) Section 7(2)(b)(i) & (ii); (d) & (e) and Section 7(2)(c)(i) & (ii)  Section 7(2)(f)(ii) Section 7(2)(j) Section 7(2)(i) Section 7(2)(g) Section 7(2)(h)
26.	Protect the privacy of natural persons Protect information	Section 7(2)(a) Section 7(2)(b)(i) & (ii)
27.	Protect the privacy of natural persons Protect information Carry out negotiations	Section 7(2)(a) Section 7(2)(b)(ii) Section 7(2)(i)

Browne/Rāpihana

**Carried**

**RESOLVED**

- (1) That the resolutions made while the public was excluded, except for clauses 2 and 3 of Item 27 (Property Matter), be confirmed in open meeting.**
- (2) That the public be readmitted to the meeting.**

Browne/HWTM

**Carried**

**RESOLVED**

- (1) That the in-committee minutes of the Ordinary Council meeting held on 2 June 2020 be confirmed as a true and correct record.**

Rāpihana/Browne

**Carried**

**RESOLVED**

- (1) That the minutes of the Toi-EDA meeting held on 10 August 2020 be received.**

HWTM/Rāpihana

**Carried**

**RESOLVED**

- (1) That the report titled "Property Transaction" be received.**

Browne/Rāpihana

**Carried**

**THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 12.35PM.**

**THE FOREGOING MINUTES ARE CERTIFIED AS BEING A TRUE AND CORRECT RECORD AT A SUBSEQUENT MEETING OF THE COUNCIL HELD ON 6 OCTOBER 2020**

**L J RIESTERER**

**HER WORSHIP THE MAYOR**



**MINUTES OF AN ŌPŌTIKI DISTRICT COUNCIL RISK AND ASSURANCE COMMITTEE MEETING HELD ON MONDAY, 18 MAY 2020 VIA ZOOM AUDIO VISUAL LINK AT 10.00AM**

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**PRESENT:**

Arihia Tuoro (Chairperson)  
Councillor Debi Hocart  
Councillor Steve Nelson  
Mayor Lyn Riesterer

**IN ATTENDANCE:**

Aileen Lawrie (Chief Executive Officer)  
Bevan Gray (Finance and Corporate Services Group Manager)  
Greg Robertson (Chief Financial Officer)  
Ari Erickson (Engineering and Services Group Manager)  
Gae Finlay (Executive Assistant and Governance Support Officer)

Deputy Mayor Shona Browne  
Councillor Louis Rāpihana  
Councillor David Moore

**GUESTS:**

Maree Proctor and Leon Pieterse (Audit NZ)

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**APOLOGIES**

Nil.

**DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS**

Nil.

**PUBLIC FORUM**

Nil.

**1. MINUTES – RISK AND ASSURANCE COMMITTEE MEETING 2 MARCH 2020**

**p5**

It was noted that in the Terms of Reference in the cover pages of the agenda the Independent Chair of the Committee was noted as Councillor Tuoro. This will be amended to read 'Arihia Tuoro'.

**RESOLVED**

- (1) That the minutes of the Risk and Assurance Committee meeting held on 2 March 2020 be received.**

HWTM/Tuoro

**Carried**

**2. RISK AND ASSURANCE ACTION SHEET**

**p9**

The Finance and Corporate Services Group Manager confirmed that when items are complete, and the Committee is comfortable the process has been completed, then those items drop off. The completed items are hidden, not deleted. Reports can be run on items which have been actioned.

After discussing the items marked as complete on the Action Sheet it was agreed that Item 56 (Risk Register Reporting) will remain on the Action Sheet to keep it live and in front of the Committee at each meeting.

Leon Pieterse (Audit New Zealand) thanked the Committee for allowing himself and Maree Proctor to participate in the meeting.

**RESOLVED**

- (1) That the Risk and Assurance Action Sheet be received.**  
**(2) That the Committee accepts the items which are noted on the Action Sheet as complete are complete, except for Item 56 (Risk Register Reporting) which will be kept live as a work in progress.**

Tuoro/HWTM

**Carried**

*Councillor Hocart joined the meeting at 10.03am.*

**3. GENERAL MANAGERS' UPDATE**

**p10**

**RESOLVED**

- (1) That the report titled "General Managers' Update" be received.**

Hocart/Nelson

**Carried**

**4. KOHA REPORT**

**p13**

**RESOLVED**

- (1) That the report titled "Koha Report" be received.**

Tuoro/Hocart

**Carried**

**5. QUARTERLY REPORT TO 31 MARCH 2020** **p15**

**RESOLVED**

**(1) That the report titled "Quarterly Report to 31 March 2020" be received.**

Nelson/HWTM **Carried**

**6. RISK AND ASSURANCE WORK PLAN** **p27**

**RESOLVED**

**(1) That the report titled "Risk and Assurance Work Plan" be received.**

Tuoro/Hocart **Carried**

**7. NZTA DRAFT INVESTMENT AUDIT REPORT** **p30**

The Chairperson noted that the recommendations from the audit have been added to the Risk and Assurance Action Sheet.

**8. LOCAL GOVERNMENT SECTOR COVID-19 FINANCIAL IMPLICATIONS REPORT** **p40**

**RESOLVED**

**(1) That the report titled "Local Government Sector Covid-19 Financial Implications Report" be received.**

Nelson/HWTM **Carried**

*Leon Pieterse and Maree Proctor left the meeting at 10.59am.*

**9. RATES REMISSIONS AND NON-PAYMENT** **p85**

**RESOLVED**

**(1) That the report titled "Rates Remissions and Non-Payment" be received.**

Hocart/Nelson **Carried**

**10. CROWN INFRASTRUCTURE PARTNERS PROJECTS** **p90**

The Finance and Corporate Services Manager advised that if CIP project applications do not make the first round of funding they are still eligible for further funding rounds.

For any other, smaller shovel ready projects, the advice is to put them through the PGF process.

**RESOLVED**

**(1) That the report titled “Crown Infrastructure Partners Projects” be received.**

Tuoro/Hocart

**Carried**

**11. RECOVERY PROCESS**

**p102**

The Chairperson recommended looking at the links contained in the letter from the Office of the Auditor-General.

*The Chief Financial Officer and Charlotte Jones left the meeting at 11.18am.*

**RESOLUTION TO EXCLUDE THE PUBLIC**

**p104**

**SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987**

**THAT the public be excluded from the following parts of the proceedings of this meeting, namely:**

**13. Confirmation of In-Committee Minutes – Risk and Assurance Committee Meeting 2 March 2020.**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>Item No</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
13.	<b>Confirmation of In-Committee Minutes – Risk and Assurance Committee Meeting 2 March 2020</b>	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)

**This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:**



13.	Protect the privacy of natural persons	Section 7(2)(a)
	Protect information (commercial sensitivity	Section 7(2)(b)(ii)
	Protection from improper pressure or harassment	Section 7(2)(f)(ii)

HWTM/Tuoro

**Carried**

**RESOLVED**

- (1) That the resolutions made while the public was excluded, be confirmed in open meeting.**
- (2) That the public be readmitted to the meeting.**

Tuoro/Nelson

**Carried**

**RESOLVED**

- (1) That the in-committee minutes of the Risk and Assurance Committee meeting held on 2 March 2020 be confirmed as a true and correct record.**

Hocart/HWTM

**Carried**

**THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 11.23AM.**

**THE FOREGOING MINUTES ARE CERTIFIED AS BEING A TRUE AND CORRECT RECORD AT A SUBSEQUENT MEETING OF THE RISK AND ASSURANCE COMMITTEE HELD ON 7 SEPTEMBER 2020**

**ARIHIA TUORO  
CHAIRPERSON**



**MINUTES OF A MEETING OF THE COAST COMMUNITY BOARD HELD AT TE RUNANGA O TE WHĀNAU OFFICES STATE HIGHWAY 35 TE KAHA 16 JUNE 2020 AT 10.00AM**

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PRESENT: Louis Rāpihana (Chairperson)  
Mike Collier  
Jack Parata  
Allen Waenga

IN ATTENDANCE: Hemi Barsdell (Bay of Plenty Regional Council)  
Ari Erickson (Engineering and Services Group Manager)  
Greg Robertson (Chief Financial Officer)  
Annette Papuni-McLellan (Executive Support Officer)

PUBLIC

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Meeting opening: 10.05 am.

The Chairperson opened the meeting with a karakia and extended a welcome to everyone.

The Chairperson called for any conflict of interest to be noted. Nil received.

**APOLOGIES**

**1. BAY OF PLENTY REGIONAL COUNCIL RESOURCE CONSENT PRESENTATION – HEMI BARSDSELL**

**ITEMS OF DISCUSSION**

The Coast Community Board supported the renewal of the consent as presented and acknowledged the consent process assists land owners in managing erosion on their properties. However the Board also

supports and acknowledged the need for further education for the Coastal communities from the Bay of Plenty Regional Council.

**RECOMMENDATION:**

The Coast Committee Board recommend the Bay of Plenty Regional Council hold educational meetings through out Te Whānau a Apanui to promote the work of the Council and therefore give a better understanding of the role the Council has. This can be in conjunction with Ōpōtiki District Council,

The Board supported the purpose of the presentation and thanked Hemi for his attendance and presentation.

*Mike Collier left the meeting at 10.23 am and returned 10.25 am.*

*Hemi Barsdell BOPRC left the meeting at 10.48 am.*

**2. MINUTES – COAST COMMUNITY BOARD MEETING 5 MAY 2020**

**p13**

**RESOLVED**

**(1) That the minutes of the Coast Community Board meeting held on 5 May 2020 be received.**

Waenga/Parata

**Carried**

**3. ACTION SCHEDULE**

**p19**

**RESOLVED**

**(1) That the Action Schedule be received.**

Collier/Parata

**Carried**

**(2) That the Board agrees to remove Action Plan items Parking issues – Maraetai Bay, Maraetai Bay playground and Ōmaio toilet from the Action Schedule as the Board deems them completed.**

Waenga/Parata

**Carried**

**4. GENERAL MANAGERS' UPDATE**

p23

**RESOLVED**

- (1) That the report titled "General Managers Update" be received.**

Rāpihana/Collier

**Carried**

*Mike Collier left the meeting at 11.11 am and returned at 11.13 am.*

**5. COAST COMMUNITY BOARD ANNUAL PLAN WORKSHOP BRIEF**

p26

- (1) That the brief titled Coast Community Board Annual Plan Workshop brief be received.**

Waenga/Parata.

**7. COAST INITIATIVES FUND – REPORT**

p30

**RESOLVED**

- (1) That the report titled Coast Initiatives Fund report be received.**

Rāpihana/Waenga

**Carried**

*Ari Erickson left the meeting at 11.19 am and returned 11.32 am.*

**8. COAST INITIATIVES FUND APPLICATION**

p35

- (1) That the Board received the funding application from St John Te Whānau a Apanui Area Committee for the project of Waihau Bay St John Ambulance Station.**

**(2) That the Board approves the funding application from St John Te Whānau a Apanui Area Committee for the project in the amount of \$20000 to assist with funding for the new Waihou Bay St John ambulance Station.**

Waenga/Collier

**Carried**

*Jack Parata left the meeting at 11.25 am.*

## **9. MĀORI LAND & RATES WORKSHOP (Verbal)**

### **DISCUSSION POINTS:**

Greg Robertson Chief Finance Officer gave a brief on Māori land arrears, rate remissions, presenting graphs and statistics for perusal by the Board members and requesting feedback how the Opotiki District Council could approach this area.

That the Council want to be progressive in the focus on the issue of land arrears and focus on the future.

### **BOARD MEMBERS FEEDBACK**

- This is not a regular topic/kaupapa discussed at Trust meetings.
- Large amounts of land have not got a current active Trust operating. People pass away and don't get replaced or Trustees move away and become disengaged.
- The land does not make money to pay rates ie: crops, grazing etc.
- Trustees on some of these land blocks live away and have to travel back for meetings and become disengaged.
- Education is required to educate trustees and shareholders on their obligations. Understand the flow on effect of non-payment of rates.
- Trustees have a legislative and moral duty, and the possibility of been struck off as a Trustee.
- Board members acknowledge the good relationship the Coast Community Board have with the Ōpōtiki District Council.
- Annual General Meeting quorum have historically been an issue but the Māori Land Court have been proactive and understand the complexities of how Māori Land Trust operate and have been supportive.

## **RECOMMENDATIONS**

Board members would like to hold workshops type scenario at the Coast, welcoming all to attend Trustees, shareholders, interested parties.

### **Workshop possible topics:**

- What are rates?
- What are the benefits to paying your rates?
- Understanding and breakdown of your rates?
- Investigate options for land utilisation.
- Vision for the land?

Coast Community Board members to promote and encourage this kaupapa down the Coast.

*Mike Collier left meeting at 12.04 pm.*

Meeting was closed with a karakia at 12.07 pm.

**THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 11.42AM.**

**THE FOREGOING MINUTES ARE CERTIFIED AS BEING  
A TRUE AND CORRECT RECORD AT A SUBSEQUENT  
MEETING OF THE COAST COMMUNITY BOARD HELD  
ON TUESDAY, \_\_\_\_\_ 2020.**

**LOUIS RĀPIHANA**

**CHAIRPERSON**

**COAST COMMUNITY BOARD**

## Minutes - Eastern Bay of Plenty Joint Committee Tuesday, 17 March 2020

 <p><b>BAY OF PLENTY REGIONAL COUNCIL TOI MOANA</b></p> <p><b>KAWERAU</b> TREASURE OF THE LAND DISTRICT COUNCIL</p> <p><b>Opotiki District Council</b> STRONG COMMUNITY STRONG FUTURE</p> <p><b>WHAKATANE</b> District Council <i>Kia Whakatane au i ahau</i></p>	Details of Meeting:	<b>EASTERN BAY OF PLENTY JOINT COMMITTEE MEETING HELD IN THE ŌPŌTIKI DISTRICT COUNCIL CHAMBERS, COMMENCING AT 1.35 PM</b>
	Present:	Mayor Lyn Riesterer - Chair and Councillor Steve Nelson (Ōpōtiki District Council), Mayor Malcolm Campbell – Deputy Chair and Deputy Mayor Faylene Tunui (Kawerau District Council, Mayor Judy Turner and Deputy Mayor Andrew Iles (Whakatāne District Council, Councillors Bill Clark and Toi Kai Rakau Iti (Bay of Plenty Regional Council)
	In Attendance:	<u>Ōpōtiki District Council</u> – Aileen Lawrie, CEO; Gerard McCormack, Planning and Regulatory Manager; Muriel Chamberlain, Corporate Services Manager; Garry Page, Reserves Manager; Councillors David Moore, Debi Hocart and Louis Rapihana  <u>Kawerau District Council</u> – Russell George, CEO  <u>Whakatāne District Council</u> – Steph O’Sullivan, CEO; Councillor Gavin Dennis  <u>Bay of Plenty Regional Council</u> – Fiona McTavish, CEO; Julie Bevan, Manager Policy and Planning; Stephen Lamb, Manager Environmental Strategy; Councillor Stacey Rose
	Visitors:	Ian Morton and Karl Gradon (General Managers, Toi-EDA), John Galbraith (Project Manager – Ōpōtiki Harbour Transformation Project), Simon Appleton (Eastern Bridge Ltd)
	Media:	Charlotte Jones (Local Democracy Reporter, Whakatāne Beacon)
	Apologies:	Steph O’Sullivan (Whakatāne District Council) for lateness

Ōpōtiki District Council Chief Executive Officer, Aileen Lawrie, took the Chair.

### APOLOGY

Steph O’Sullivan for lateness.

### RESOLVED:

**THAT** the apology of: Steph O’Sullivan for lateness be accepted.

Iles/Riesterer

### CARRIED

## **PUBLIC FORUM**

Nil.

### **1 CHAIRPERSON AND DEPUTY CHAIRPERSON FOR 2020**

Refer to page 8 of the agenda.

The recommendations that Mayor Lyn Riesterer be appointed Chairperson of the Eastern Bay of Plenty Joint Committee and Mayor Malcolm Campbell be appointed Deputy Chairperson were put to the Committee and carried.

#### **RESOLVED**

**That the Eastern Bay of Plenty Joint Committee:**

- 1. Appoints Mayor Lyn Riesterer as Chairperson.**
- 2. Appoints Mayor Malcolm Campbell as Deputy Chairperson.**

Iles/Clark

**CARRIED**

*Mayor Lyn Riesterer took the Chair.*

### **2 MINUTES – EASTERN BAY OF PLENTY JOINT COMMITTEE MEETING 3 SEPTEMBER 2019**

Refer to pages 9-14 of the agenda.

#### **RESOLVED**

**THAT the Eastern Bay of Plenty Joint Committee:**

- 1. Receives the minutes of the Eastern Bay of Plenty Joint Committee meeting held on 3 September 2019.**

Clark/Campbell

**CARRIED**

### **3 ECONOMIC DEVELOPMENT UPDATE – EASTERN BAY OF PLENTY**

Refer to pages 15-20 of the agenda.

Ian Morton and Karl Gradon spoke to the report and gave two powerpoint presentations.

The first powerpoint presentation provided an overview of Toi-EDA, covering the following points:



- Introduction to the Toi-EDA Board members
- Why Toi-EDA exists
- Ensuring future generations have better opportunities and outcomes:
  - Toi-EDA to be positioned as a winning brand
  - Support sustainable economic development
  - Create thriving communities
- Toi-EDA's strategic framework
- Shared vision
- Challenges: capacity and capability; housing

Karl Gradon noted that the PGF funding which has come into the Eastern Bay of Plenty is going towards 68 projects in four clusters. Over 7,000 jobs will be created.

The second powerpoint presentation provided information to support the "Winning Brand" initiative:

- About C2 (a strategic communications consultancy)
- C2 Strategy and Design
- Online communications
- Perceptions from neighbours
- Problem definition
- Eastern Bay of Plenty – Strengths, challenges, wai and where, creative concepts, opportunities
- Developing our narrative
- Campaigns – creative; appealing to the heart and to the mind

*Comments from around the table*

- Iwi that have received their settlements are seeing young people come back to live in the Eastern Bay
- There was a ministerial directive to the three Mayors that they need to work together and it is important that this is done
- The Councils would be doing a disservice to Toi-EDA if there was not a long term strategy to meet the challenges, e.g., three waters, housing, transport

In response to a comment from Fiona McTavish that spatial planning will be the key instrument in driving economic development, Gerard McCormack advised that the Eastern Bay does have a Spatial

Plan – “Beyond Today”. He added that a lot of projects within that plan have been realised, so it may be timely to undertake a review.

Steph O’Sullivan noted that big decisions need to be made and iwi should be at the table, along with iwi balance sheets. Success would be having a Spatial Plan that is visible and guiding us as a strategy which feeds into all the elements which have been discussed today. It is about having a clear plan to talk to.

The Chairperson stated that the Regional Growth Leadership Group (RGLG) question has not been answered. She suggested this be raised at the RGLG meeting next Monday. It is about iwi being at the table. The Joint Committee is a Local Government committee which covers matters that the RGLG does not.

Karl Gradon said that a winning brand cannot be created without iwi at the table.

Councillor Iti thought there is a separation and he was not sure if the current model is the best option. He questioned why the forums cannot be combined into a bigger forum where everyone can discuss all the issues.

Mayor Turner acknowledged that each group has a slightly different focus. If the three forums were at the table, those who do not have an interest in Local Government processes would be attending. Mayor Turner suggested that the three committees meet on the same day so attendees do not have to sit through everything.

In conclusion, Ian Morton stated that Toi-EDA is seeking approval from the committee around scoping the ‘Winning Brand’ project. The next Joint Committee meeting will provide an opportunity for endorsement.

**RESOLVED**

**THAT the Eastern Bay of Plenty Joint Committee:**

- 1. Receives the report Economic Development Update – Eastern Bay of Plenty.**

Iti/Turner

**CARRIED**

*Fiona McTavish and Councillor Rose entered the meeting at 1.38pm.*

*Steph O'Sullivan entered the meeting at 2.07pm.*

*Gerard McCormack (ODC Planning and Regulatory Group Manager) entered the meeting at 2.14pm.*

*Aileen Lawrie left the meeting at 2.16pm.*

*Garry Page (ODC Reserves Manager) entered the meeting at 2.18pm.*

*Karl Gradon and Ian Morton left the meeting at 2.45pm.*

#### **4 ŌPŌTIKI HARBOUR ROCK SUPPLY**

Refer to pages 21-25 of the agenda.

John Galbraith spoke to the report with the aid of a powerpoint presentation which highlighted the following:

- The design
- The amount of rock required
- HEB Construction: Pitt Island Wharf reinforcement
- Awahou Quarry, Tāneatua
- Truck configurations and payloads
- Harbour construction initial work stages employment.

#### **RESOLVED**

**THAT the Eastern Bay of Plenty Joint Committee:**

- 1. Receives the report Ōpōtiki Harbour Rock Supply.**

HWTM/lles

#### **CARRIED**

*John Galbraith left the meeting at 3.05pm.*

#### **5 UPDATE ON MŌTŪ TRAILS GREAT RIDE PROPOSED WESTERN COASTAL EXTENSION FROM ŌPŌTIKI TO WHAKATANE**

Refer to pages 26-28 of the agenda.

Garry Page (ODC Reserves Manager) spoke to the report, noting that extensive work has been done to bring the cost of the project down.

The Chairperson stated that MBIE want the detailed design with no guarantee the project will go ahead. \$60,000 is a lot of money for the Ōpōtiki District Council and there is concern around taking a

punt without a guaranteed go ahead and that there was a 'yes' from Whakatāne before there was a discussion.

Gerard McCormack pointed out that this is an extension of the Ōpōtiki trail and if not done, then Whakatāne would be a stand alone trail.

Steph O'Sullivan advised that the offer from MBIE of 75% rather than 50% was so that potential opportunity could be advanced after Whakaari. That new phase was inserted as tracking to make sure that the due diligence on the design work was done well to avoid a blow out of costs. This has not gone to Council and Whakatāne has not made a decision in front of Ōpōtiki. It is one element of a recovery package. There has been a lot of pressure from central Government on where they can place recovery money. Cycle trails are a good opportunity when trying to deploy people, especially out of the forestry industry. If it could be linked to the Covid-19 response then more labour etc., may be able to be secured.

#### **RESOLVED**

**THAT the Eastern Bay of Plenty Joint Committee:**

- 1. Receives the report Update on Mōtū Trails Great Ride Proposed Western Coastal Extension from Ōpōtiki to Whakatāne.**

Iles/Nelson

#### **CARRIED**

*Garry Page left the meeting at 3.14pm.*

## **6 JIANGXI UPDATE**

Refer to pages 29-32 of the agenda.

Simon Appleton spoke to the report. Some of points highlighted were as follows:

#### Eastern Bay Relationship

Coronavirus has created some big problems with progressing the Eastern Bay relationship. During a recent fact finding visit to China, Simon Appleton said the message was that there is a desire for this regional relationship to work. It is their only such relationship and, if it works, will present the opportunity to showcase Chinese innovation.

There is a keenness to focus on commercial exchange, cultural exchange and science (particularly environmental sciences).

Scholarship and exchange programmes will be put on hold. It should also be noted that the uptake from the colleges was disappointing.

#### Solar Farm Project

Xinyu is a major battery producing area. There is a company wanting to establish a solar farm in New Zealand and would like to put \$1b towards the entire project. Te Kaha would be the flagship. Simon Appleton is keeping the Councils and Toi-EDA updated in regard to this. Things are not moving very quickly at the moment, but once coronavirus has moved on and travel can go ahead again a visit to the region will be planned.

#### Language Portal

The Language Portal is a large information resource, originally launched in April last year.

#### Delegation

It was hoped that there would be a delegation from Jiangxi and the three sister cities but Coronavirus has delayed that happening. When the delegation does visit, it would be lead by the Provincial Government with Local Government and business representatives. That would then be followed by a Governor's visit. A Governor is a high level official in China.

#### Business Opportunities

Simon Appleton advised that one of the biggest issues is that he does not have a definitive list of business opportunities in the Eastern Bay of Plenty. He hopes there is a possibility that Toi-EDA, or another organisation, can compile a list of these opportunities.

Jiangxi has been asking if there is an opportunity to bring in more cities – the Eastern Bay has three districts and they would like to bring in more partners.

In response to a query as to whether the Regional Council was “in or out” with regard to the Jiangxi relationship, Councillor Clark stated that this will be discussed and brought back to the Committee.

Mayor Campbell was of the opinion that it was important the Regional Council be involved as the Chinese are familiar with the Ports of Tauranga.

Mayor Campbell proposed, and it was agreed, that Simon Appleton write to our Chinese friends on behalf of the three Mayors, outlining the discussion today.

Clause 3 will be added to the recommendations to endorse Simon Appleton writing the letter as agreed.

**RESOLVED**

**THAT the Eastern Bay of Plenty Joint Committee:**

- 1. Receives the report Jiangxi Update.**
- 2. Invites Eastern Bridge back to provide another update in three months' time.**
- 3. Endorse a letter to be written by Simon Appleton on behalf of the three Eastern Bay of Plenty Mayors outlining the Committee's discussion today.**

Campbell/Iles

**CARRIED**

*Muriel Chamberlain (ODC Corporate Services Manager) entered the meeting at 3.30pm.*

**7 RESPONSE TO COVID 19 CORONAVIRUS**

Refer to pages 33-35 of the agenda.

Muriel Chamberlain (ODC Corporate Services Manager) spoke to the report. She advised that the doors have been closed at the Ōpōtiki Library and i-SITE. This is in response to staff raising concerns in relation to customers.

Steph O'Sullivan advised that a Covid-19 testing station has been opened.

The Committee was updated by Fiona McTavish and Russell George on the various measures being tested or put in place by their respective Councils.

**RESOLVED**

**THAT the Eastern Bay of Plenty Joint Committee:**

- 1. Receives the report Response to Covid 19 Coronavirus.**

HWTM/Turner

**CARRIED**

*Muriel Chamberlain left the meeting at 3.50pm.*

**8 STRATEGIC TRANSPORT MATTERS FOR THE EASTERN BAY OF PLENTY**

Refer to pages 36-42 of the agenda.

Fiona McTavish (BOPRC CEO) spoke to the report.

By November there will be a draft Regional Land Transport Plan out for approval. A key area to focus on is funding for cycling where NZTA have highlighted there is funding available and also for mode shift projects and for safety and resilience. For the Eastern Bay the public transport network review is going to commence.

The Chairperson asked that a Public Transport Committee update, and recommendations, come to the Joint Committee.

Mayor Campbell thanked Fiona McTavish, Bill Clark and Regional Council staff for the engagement with the Kawerau around their bus service needs.

**RESOLVED**

**THAT the Eastern Bay of Plenty Joint Committee:**

- 1. Receives the report Strategic Transport Matters for the Eastern Bay of Plenty.**

Clark/Riesterer

**CARRIED**

**9 NATIONAL POLICY DIRECTION UPDATE**

Refer to pages 43-47 of the agenda.

Julie Bevan (BOPRC Manager Policy and Planning) spoke to the report.

In response to a query, Julie Bevan stated that joint and combined submissions indicate the whole region is supportive or wants clarification or wants to change things. She added that when making submissions it is not only the large Councils and cities which are considered, thinking is extended over the smaller areas too.

Gerard McCormack noted that there are some barriers around joint submissions, e.g. meeting Council agenda deadlines and suggested a discussion needs to be had around this.

**RESOLVED**

**THAT the Eastern Bay of Plenty Joint Committee:**

- 1. Receives the report National Policy Direction Update.**

Turner/Iles

**CARRIED**

**10 COLLABORATIVE REGIONAL HOUSING FOCUS**

*Discussion item*

Steph O’Sullivan stated that following the Mayoral Forum, the CEOs are working to progress where they think the alignment lies and ensure linkage. It is important that this work is kept moving along. However, a more strategic response is needed across the region.

Mayor Campbell noted that Māori need to be involved with affordable, healthy homes and papakāinga.

Councillor Iti pointed out that this is about building sustainably for the future; i.e. how precincts are designed, not just a house.

The Chief Executives will collectively report back in due course when more work has been done.

*John Galbraith and (Charlotte Jones left the meeting at 4.34pm.*

**THE MEETING FINISHED AT 4.38PM**

Confirmed this                    day of _____ 2020.
Mayor Lyn Riesterer CHAIRPERSON



# Regional Transport Committee

## Open Minutes

- Commencing:** Friday 7 August 2020, 9.30 am
- Venue:** Council Chambers, Ground Floor, Regional House, 1 Elizabeth Street, Tauranga
- Chairperson:** Cr Lyall Thurston
- Deputy Chairperson:** Cr Jane Nees
- Members:** Cr Larry Baldock (Alternate)  
Mayor Malcolm Campbell  
Mayor Steve Chadwick  
Deputy Mayor David Donaldson (Alternate)  
Cr David Moore (Alternate)  
Steve Mutton  
Deputy Mayor Faylene Tunui (Alternate)  
Mayor Garry Webber
- Councillors:** Cr David Love - Bay of Plenty Regional Council Toi Moana, Cr Stacey Rose - Bay of Plenty Regional Council Toi Moana, Cr Gavin Dennis - Whakatāne District Council
- In Attendance:** Inspector Brent Crowe - Road Safety Advisor, Dan Kneebone - Port Advisor, Glen Crowther - Environmental Sustainability Advisor, John Galbraith - Freight Advisor, Glen Crowther - Environmental Sustainability Advisor, Natalie van Rossen - Waka Kotahi NZTA, Cole O'Keefe - Waka Kotahi NZTA
- Bay of Plenty Regional Council: Namouta Poutasi - General Manager, Strategy and Science, Annika Lane - Acting Regional Development Manager, Rachel Pinn - Contractor, Bron Healey - Principal Advisor, Regional Development, Amanda Namana - Committee Advisor
- Apologies:** Deputy Mayor Andrew Iles (Alternate) - Whakatāne District Council, Mayor Tenby Powell - Tauranga City Council, Mayor Lyn Riesterer - Ōpōtiki District Council, Mayor Judy Turner - Whakatāne District Council, Chairman Leeder (ex-officio) - Bay of Plenty Regional Council Toi Moana

### 1. Apologies

#### Resolved

#### That the Regional Transport Committee:

- 1 Accepts the apologies from Deputy Mayor Andrew Iles (Alternate), Mayor Tenby Powell, Mayor Lyn Riesterer, Mayor Judy Turner and Chairman Doug Leeder tendered at the meeting.**

**Thurston/Webber  
CARRIED**

## **2. Public Forum**

### **2.1 Carole Gordon - CG Consulting**

*Presentation - Public Forum: Carole Gordon - Planning for Tomorrow Today:  
Objective ID A3600146*

#### **Key Point - Members:**

- Congratulated Carole Gordon for receiving the Members of the New Zealand Order of Merit award (MNZM).

#### **Key Point - Staff**

- The themes raised by Carole Gordon would be considered and discussed under agenda item 7.3 Draft Regional Land Transport Plan 2021 – Strategic Framework and Development Process.

#### **Items for Staff Follow Up:**

- Staff will review how to emphasise accessibility further within the Regional Land Transport Plan provisions.

### **2.2 Terry Molloy**

#### **Key Points:**

- Outlined the benefits of road pricing:
  - Encouraged better use of transport systems
  - Saving benefits would come from a reduced demand for infrastructure and a more efficient transport system with less congested corridors
- The fuel tax would need to be removed to make road pricing viable
- Vehicles would be charged by kilometres travelled and the time taken to do so, with the basic charge being equivalent to the current fuel tax
- Each vehicle would have a basic monitor and GPS to tell them what road they were on and the cost involved. This would be linked to a national system and service stations which was how consumers would pay for this (at the pump)
- Electric vehicles could have a system similar to how we currently pay tolls
- There were set up costs but potential cost savings with a more efficient network.

#### **Key Point - Members:**

- Although the Committee was not able to directly influence this initiative, the Ministry of Transport was looking at the funding of the transport network with acceleration of the move to electric cars.

**In Response to Questions:**

- New technology meant that 'pay at the pump' was a potential option for payment
- Terry Molloy would appreciate the opportunity to become an advisor to the Committee in the capacity of the Automobile Association to attend and contribute to meetings.

**3. Declaration of Conflicts of Interest**

Nil

**4. Minutes****Minutes to be Confirmed****4.1 Regional Transport Committee Minutes - 8 May 2020****Resolved**

**That the Regional Transport Committee:**

- 1 Confirms the Regional Transport Committee Minutes - 8 May 2020 as a true and correct record.**

**Campbell/Webber  
CARRIED**

**5. Reports****5.1 Chairperson's Report**

Chairperson Lyall Thurston presented this item.

**Key Point - Members:**

- Including future reports on National Policy Context would not be necessary.

**Resolved**

**That the Regional Transport Committee:**

- 1 Receives the report, Chairperson's Report.**

**Webber/Nees  
CARRIED**

**5.2 Waka Kotahi NZ Transport Agency Update**

*Presentation - Waka Kotahi NZTA Update: Objective ID A3598904*

Director Regional Relationships Steve Mutton presented this item, supported by Principal Planning Advisor Cole O'Keefe.

**Key Points - Members:**

- Acknowledged the efforts of Waka Kotahi NZTA in changing business processes and upgrading the standard of support to the Committee and to the Regional Land Transport Plan (RLTP)
- Expressed concern over delays in receiving information and the impact this had on timeframes
- To achieve significant transport emission reductions, the RLTP's of Waikato and Bay of Plenty Regional Councils needed to be aligned in relation to rail.

### **In Response to Questions**

- The relationship with KiwiRail was stronger and as rail was now an Activity Class within the Government Policy Statement (GPS), it was more closely linked with the focus on corridors, mode neutrality and how to best move people and freight
- There was value in adding greater strength to the RLTP rail proposals
- Discussions were still underway with KiwiRail regarding Regional Transport Committee representation
- There was a rail network investment proposal that would flow through to the RLTP, for which timeframes were still being confirmed.

## **Resolved**

### **That the Regional Transport Committee:**

- 1 Receives the report, Waka Kotahi NZ Transport Agency Update.**

**Mutton/Chadwick  
CARRIED**

10.37 am - the meeting **adjourned.**

10.50 am - the meeting **resumed.**

### **Decisions Required:**

## **5.3 Draft Regional Land Transport Plan 2021 - Strategic Framework and Development Process**

*Presentation - RLTP 2021 - Vision, Problems, benefits and objectives: Objective ID A3600120*

Contractor Rachel Pinn, Principal Advisor Regional Development Bron Healey and Acting Regional Development Manager Annika Lane presented this item.

### **Key Points - Members:**

- Maintaining the integrity of the Auckland-Rotorua rail line could be beneficial for a tourism link
- Important to be mindful that this was a competitive bid being put in to a national land transport fund
- All four well-beings should be outlined in the Benefit Statements

**Key Point - Staff:**

- The Transport Team would capture the direction provided and update the relevant provisions to provide a finalised draft to the Committee before being released for consultation.

**Resolved****That the Regional Transport Committee:**

- 1 Receives the report, Draft Regional Land Transport Plan 2021 - Strategic Framework and Development Process;**
- 2 Confirms the direction provided at the 24 June 2020 workshop in relation to the vision, benefit and problem statements, objectives and ten-year transport investment priorities;**
- 3 Notes the development of the Regional Land Transport Plan 2021 is subject to the release of central government policy which will have implications for the timing of consultation on the draft plan.**

**Webber/Campbell  
CARRIED**

**5.4 Draft Regional Land Transport Plan 2021 - Funding and Prioritisation Process**

*Presentation - RLTP 2021 - Funding and Prioritisation: Objective ID A3600122*

Contractor Rachel Pinn presented this item.

**Key Point:**

- A workshop to review this had been scheduled for 28 October 2020.

**Resolved****That the Regional Transport Committee:**

- 1 Receives the report, Draft Regional Land Transport Plan 2021 - Funding and Prioritisation Process;**
- 2 Adopts the nationally consistent approach developed by the Local Government NZ Transport Special Interest Group in conjunction with Waka Kotahi as the basis for prioritising significant activities in the draft RLTP 2021.**

**Nees/Baldock  
CARRIED**

**Information Only:****5.5 Regional Land Transport Plan - Implementation Report**

Principal Advisor Regional Development Bron Healey presented this item.

**Key Points - Members:**

- Scope, time and cost should be included in the report
- Rotorua Lakes Council was spending against their targets and there were now 30km of cycleways and an 81 % increase in cycling.

#### **In Response to Questions**

- New infrastructure projects would likely be in the plan currently being developed
- Any cycleway funding still available nationally for this financial year would come down to project readiness.

### **Resolved**

#### **That the Regional Transport Committee:**

- 1 Receives the report, Regional Land Transport Plan - Implementation Report.**

**Thurston/Webber  
CARRIED**

## **5.6 Bay of Plenty Mode Shift Plan**

Natalie van Rossen and Cole O’Keefe from Waka Kotahi NZ Transport Agency and Contractor Janeane Joyce presented this item.

#### **Key Points:**

- The Mode Shift Plan included a regional component before focusing on the Sub-Regions, starting with the Western Bay of Plenty then Rotorua, before moving to the Eastern Bay of Plenty at the start of 2021
- Next steps – the document would be signed off internally by Waka Kotahi and regular updates would be provided to the Transport Minister.

#### **In Response to Questions:**

- This was a guiding document encapsulating all modes, as well as a tactical document for the partners to illustrate Waka Kotahi’s commitment to achieving mode shift
- It would guide the Regional Public Transport Plan, the RLTP and other strategic documents
- The Mode Shift Plan was a live document that would be updated over time with feedback received.

### **Resolved**

#### **That the Regional Transport Committee:**

- 1 Receives the draft report, Bay of Plenty Mode Shift Plan;**
- 2 Endorses the direction of the Bay of Plenty Mode Shift Plan regional framework and Western Bay of Plenty section;**
- 3 Notes the development of the Rotorua Lakes section of the Plan by December 2020 and Eastern Bay of Plenty section by early 2021;**
- 4 Notes the Public Transport Committee Workshop for the Bay of Plenty Mode Shift Plan to be held following the meeting on 27 August 2020.**

**Webber/Nees  
CARRIED**

## **5.7 Verbal Update from Committee Members and Advisors**

Cr Gavin Dennis on behalf of Whakatāne District Council

**Key Points:**

- Whakatāne District Council's access programme investigating current and future traffic movements into and through Whakatāne was progressing well
- Walking and cycling strategy 'Active Whakatāne' was nearing completion
- Seeking support for partnership with BOPRC in development of regional cycle trail infrastructure across the district, including Kawerau to Rotorua
- Updated projects including Kia Kaha Covid-19 project
- Wainui Road safety improvements were well underway
- Eastern Bay Road Safety Committee was disestablished and another group would be established consisting of governance and operations representatives.

Mayor Malcolm Campbell - Kawerau District Council

**Key Points:**

- State Highway 34 Kawerau speed restrictions were becoming more urgent with industrial projects starting to take place
- Expressed full support for any projects involving cycleways.

Cr Larry Baldock - Tauranga City Council

**Key Points:**

- Ngatai Road cycleway project had been opened
- Ferry investigation was looking promising for Ōmokoroa to Tauranga to the Mount ferry service.

John Galbraith - Freight Advisor

**Key Point:**

- Noted that the Kawerau centre for driver training was fully occupied and a large number of short courses were being run as well as outpost training in Ōpōtiki and Murupara.

Mayor Steve Chadwick - Rotorua Lakes Council

**Key Points:**

- One of the destination making features underpinning the four well-beings was the value of a cycleway network for visitors both local and from abroad to enjoy a network of on-road and off-road cycleways
- The contract for bus shelters had been signed off
- Reinforced the need for a tourism rail link
- Supported random drug testing to address the influence of drivers under the influence on the roads.

Mayor Garry Webber – Western Bay of Plenty District Council**Key Points:**

- Supported cycleway networks as being part of a regional effort
- Addressed the issue of traffic in Katikati and the necessity to find a solution.

Dan Kneebone – Port of Tauranga Advisor**Key Points:**

- The most significant impact post Covid-19 had been the absence of cruise ships, which would be noticed more significantly over the summer period
- Freight flows in Totara Street continued to be a major issue that the Port was still advocating prioritisation for
- Had achieved a 15% carbon reduction.

Cr Jane Nees – Bay of Plenty Regional Council Toi Moana**Key Point:**

- Staff were working on a regional workshop on climate change around the different approaches each district was taking in their climate change plans with the intention of gaining a collaborative view and approach for the region.

**12.07 pm – the meeting closed.**

**CONFIRMED**

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Cr Lyall Thurston  
Chairperson, Regional Transport Committee



**REPORT**

Date : 18 September 2020  
To : Ordinary Council Meeting, 6 October 2020  
From : Her Worship the Mayor, L J Riesterer  
Subject : **MAYORAL REPORT 8 AUGUST 2020–18 SEPTEMBER 2020**  
File ID : A214841

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Since 8 August 2020, I have attended or met with the following:

**10 AUGUST 2020**

Spoke to Whakatāne Probus Club

*An invite came through from Neil Webb, President of one of the Whakatane Probus Club. An opportunity to talk about the harbour transformation. Peter Vitasovich talked about the aquaculture endeavours too.*

**11 AUGUST 2020**

Ōpōtiki District Council Long Term Plan workshop

**14 AUGUST 2020**

Apanui me nga Pirimana o Aotearoa meeting, via Zoom

**17 AUGUST 2020**

Workshop with Risk and Assurance Committee

**18 AUGUST 2020**

Delivered afternoon tea to footpath contractors at various locations around town

*A great opportunity to meet some of the newly employed or redeployed people in our community.*

Information session for Ōpōtiki employers, via Zoom

*Great information coming through from Government agencies able to help in training programmes, cadetships and apprenticeships.*

## **21 AUGUST 2020**

Local Government New Zealand Annual General Meeting, via Zoom

*The first time ever in the history of LGNZ to hold the AGM in this fashion. Stuart Crosby (BOPRC) was voted in as our new President and Hamish Mc Douall (Mayor of Whanganui) voted in as Vice President.*

## **24 AUGUST 2020**

Te Tāhuhu o Te Rangi Karakia

*An opportunity to thank the old building for its services, acknowledge some of the old librarians too. Then welcoming and blessing the Livingstone Builders who are undertaken the library build (they are also working on the Te Kaha kura rebuild).*

Regional Growth Leadership Group meeting, Whakatāne

*Summarising what the RGLG have accomplished via PGF funding; discussing where to next as a group. Kiri Allen MP also noted she felt this was her greatest accomplishment involved with this group and was stepping down as one of the Chairs from that meeting.*

## **25 AUGUST 2020**

Ordinary Council meeting

Ōpōtiki District Council Long Term Plan workshop

## **26 AUGUST 2020**

Regional Aquaculture Organisation meeting, via Zoom

*Unfortunately the planned visit to Ōpōtiki was cancelled due to Covid changes. Most interesting and on going conversations around circular economies and how well that concept suits aquaculture.*

## **26 AUGUST 2020**

Met with Steve Mutton – Director Regional Relationships Waka Kotahi – NZ Transport Agency, via Zoom

*We were able to address concerns around timing of engagements with NZTA; what was coming up around roading in our District over the next year, and looking at what NZTA's constraints are moving forward.*

## **27 AUGUST 2020**

Regional Transport Committee – Public Transport Workshop – UFTI work

Three Waters Reform webinar – hosted by Equip, LGNZ

*Good background information around the Three waters. Important information for all councillors to read.*

**28 AUGUST 2020**

Apanui Hapu Chairs Forum, Te Kaha

*Second meeting around housing. Making progress in helping housing issues within TWAA.*

**31 AUGUST 2020**

Ōpōtiki District Council Long Term Plan workshop

**2 SEPTEMBER 2020**

Councillor/CEO catch up meeting

**3 SEPTEMBER 2020**

Ōpōtiki Play Challenge workshop

*A Healthy Families initiative.*

Radio New Zealand interview with Jesse Mulligan

*On workforce opportunities.*

Catch up meeting with Anne Tolley MP

*Farewell coffee with our retiring MP.*

**7 SEPTEMBER 2020**

ODC Risk and Assurance Committee meeting

Bay of Plenty Mayors meeting re Three Waters Regional Funding Agreement, via Zoom

*Just formalising the agreement on how the second payments from Government would be divided; exactly the same as the first amounts announced, hence Ōpōtiki District gaining \$3.2 million for Three Waters work.*

**8 SEPTEMBER 2020**

Mayors Taskforce For Jobs workshop to provide direction on the MTFJ Youth Employability Dashboards

*An initiative put forward for our Councils to use especially for our Workforce Co-ordinators.*

ODC Reserve Management Plans deliberations

*Finalising outcomes with the Councillors involved in the submissions hearings.*

**9 SEPTEMBER 2020**

Prime Minister's visit, Whakatāne

*At the invitation of Kiri Allen MP to attend a couple of the functions put on for the Prime Minister's revisit to Whakatāne since the 9 December Whakaari eruption.*

**10 SEPTEMBER 2020**

Meeting with Meng Foon, Race Relations Commissioner, via Zoom

*Discussing concerns noted around emails from a TWAA hapu chair. He was offering support to ODC if needed.*

Meeting with Waka Kotahi – New Zealand Transport Agency, Tauranga

*Meeting with the new CEO of NZTA, Nicole Rosie, and hearing her thoughts on NZTA after her initial few weeks in the job.*

**11 SEPTEMBER 2020**

Covid response meeting with Ministry of Health, National Emergency Management Agency and Department of Internal Affairs representatives, via Zoom

*These will continue fortnightly to keep all Mayors up to date on what is happening nationally.*

**13 SEPTEMBER 2020**

Future Leaders meeting

*Sunday get together with the newly formed Future Leaders group under their newly appointed coach Kaea Williams. The Future Leaders programme is part funded by ODC through a Mayors Taskforce For Jobs programme.*

**14 SEPTEMBER 2020**

Informal meeting with Councillors and project site visits

Councillor Louis Rāpihana attended the following on my behalf:

**12 AUGUST 2020**

Announcement by the Minister of Conservation, Maraenui

*\$34m funding for the Raukūmara Pae Maunga Project.*

Deputy Mayor Shona Browne attended the following on my behalf:

**21 AUGUST 2020**

Bay Trust AGM, via Zoom

**25 SEPTEMBER 2020**

Interview with Mike Fletcher re Te Tāhuhu

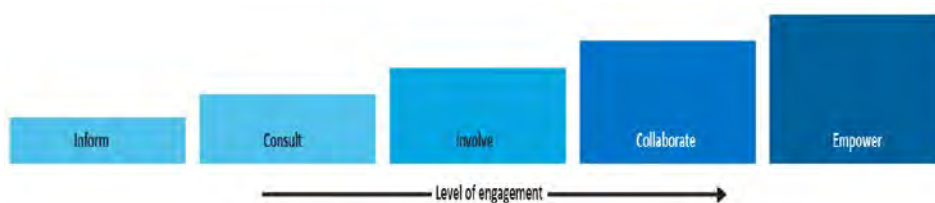
**SIGNIFICANCE ASSESSMENT**

**Assessment of significance**

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for receiving the Mayoral Report is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

**Assessment of engagement requirements**

As the level of significance for receiving the Mayoral Report is considered to be low, the level of engagement required is determined to be at the level of ‘inform’ according to schedule 2 of the Significance and Engagement Policy.



**RECOMMENDATION:**

1. That the report titled “Mayoral Report 8 August 2020–18 September 2020” be received.

Lyn Riesterer

**HER WORSHIP THE MAYOR**



## REPORT

Date : 17 September 2020

To : Ordinary Council Meeting, 6 October 2020

From : Chief Executive Officer, Aileen Lawrie – standing in as Chair for Mayor Riesterer

Subject : **ŌPŌTIKI MARINE ADVISORY GROUP (OMAG) UPDATE**

File ID : A214058

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### EXECUTIVE SUMMARY

**This report updates Council on progress advanced through the September 2020 meeting of the Ōpōtiki Marine Advisory Group (OMAG)**

### PURPOSE

To inform Council on progress achieved through the Ōpōtiki Marine Advisory Group.

### BACKGROUND

The Ōpōtiki Marine Advisory Group (OMAG) was established in 2009 as a technical advisory group to Council in support of the Ōpōtiki Harbour Development Project. This arrangement harnesses the expertise of an important cross-sectoral group of stakeholders to provide advice and address issues in a confidential and efficient manner. OMAG focuses on all matters relevant to the long-term goal of creating the infrastructure required to enable a thriving aquaculture industry centred in Ōpōtiki.

OMAG meets every two months. Members include representatives from the Ōpōtiki community, Ōpōtiki District Council (ODC), Whakatōhea Māori Trust Board, Eastern Sea Farms Limited, Whakatōhea Mussels (Ōpōtiki) Limited, Ōpōtiki Community Development Trust, Toi-EDA, Bay of Plenty Regional Council, and Bay of Connections.

Council has been fully briefed about the Ōpōtiki Harbour Development Project, OMAG, and activities that are underway.

## Updates from OMAG

- Peter Vitasovich provided an update from Whakatōhea Mussels (Ōpōtiki) Limited noting that harvesting for the domestic market started a month ago. Factory construction has caught up after covid lockdown and they are looking to complete the offices by April 2021 and the factory by May, and should be processing in June/July 2021. There are eight trainees going through pre apprentice training in all trades on site. At the end of the build they will be able to choose which trade suited them best. They have taken on two new deck hands and one skipper. It has become evident that locals do not want to leave Ōpōtiki to train, and Peter is looking into the option to see if training can be bought to Ōpōtiki.
- Chris Spencer mentioned his spatial plan and that there was a series of documents on BOP aquaculture species on offer. Chris contributed to this and there was a hui last week to launch.
- Chris Peterson updated that the Marina Development was making great progress with the announcement made by PGF to fund. The Crown has noted that it is absolutely imperative for the Marina to go hand in hand with the harbour development. Chris is working closely with HEB as both projects will need to be coordinated in timing and addressing joint issues. They now have a more detailed design of the marina but still need to complete further market investigation around users and what they require. Resource Consent will be lodged in the next few months, approx. basin size 1.3 hect up to 6 hect max. The venture will develop a basin and wharf, haul out facility and land based infrastructure to support mussels. There is a gap in the haul-out market and they would be looking to fill this, it was noted that when these boats are hauled out they will require specialist people to work on them.
- Aileen Lawrie noted how busy council was with an ongoing need to fill roles, although there are plenty of applicants they are not necessarily the quality that is needed. Heads of Agreement for the Harbour Construction is to be signed off by Council in October. This agreement means MBIE will deliver and own the harbour structure, which also means they take on the risk. Council will be responsible for operation and funding for OPEX after construction.
- David Wyeth from HEB gave a presentation on construction and dredging methodology, mentioning the hanbar fabrication had started at Hayes Engineering and HEB will start casting 1<sup>st</sup> Nov, stockpiling of the handbars will be at approx. 50 per day. HEB will mobilise to site on the 22 Sep, with the larger equipment around Oct. HEB will first complete the south stockpile and then the north for dynamic compaction trials. January when dotterels move out, will go into the sea to run trials surf side. Mid Oct will be the start of the rock stockpiles.

- Coastguard met with BOPRC in regard to building their new premise on the current site, also to meet with Ōpōtiki Council to discuss. They now have two newly trained skippers and are to assist Tonkin and Taylor with the deployment of the Harbour wave buoys.
- Barbara MacLennan provided an update on the workforce development project.
- Future 'Terms of Reference' were discussed as the group are questioning whether the objectives and mandate of OMAG are still the same. Noting there is nothing in Opotiki other than OMAG to represent aquaculture and should the focus now be on implementation and growth, and the next 10 year plan, also mentioned was the option to change the OMAG name. Feedback was sort from members to be relayed back to OMAG.

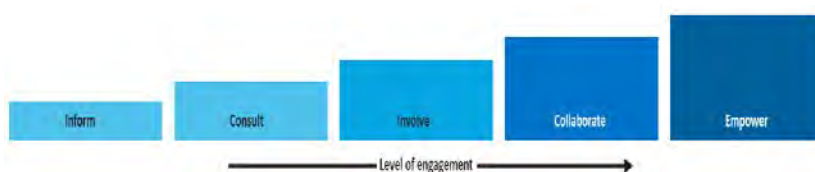
## **SIGNIFICANCE ASSESSMENT**

### **Assessment of significance**

Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for receiving the OMAG report is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

### **Assessment of engagement requirements**

As the level of significance for receiving the OMAG report is considered to be low, the level of engagement required is determined to be at the level of 'inform' according to schedule 2 of the Significance and Engagement Policy.



## **RECOMMENDATION:**

- 1. That the report titled "Ōpōtiki Marine Advisory Group (OMAG) Update" be received.**

Aileen Lawrie

**CHIEF EXECUTIVE OFFICER**



## **REPORT**

Date : 17 September 2020

To : Ordinary Council Meeting, 6 October 2020

From : Finance and Corporate Services Group Manager, Bevan Gray

Subject : **LONG TERM PLAN – STRATEGIC DIRECTION SETTING**

File ID : A214119

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### **EXECUTIVE SUMMARY**

**This report documents discussions with Councillors with a strategic view to the priorities and direction in the future for the Council. The Council and Community is on the precipice of significant change, the Council has been chasing this transformative change through the harbour development for many LTP's now. In this LTP the harbour project will be delivered, and the community start to realise these aspirations.**

**We are still yet to hold the district stakeholder strategy day with the community and industry. This is vitally important in ensuring that we undertake projects to enable our community and businesses to flourish, as well as to provide opportunities for housing and development in the district. This will be held in October and the results will form part of our considerations for the future.**

**There will be an ongoing review process over the next 9 months to ensure that any new information, e.g. Infrastructure Strategy, or opportunities are considered ahead of setting the LTP in stone. We need to be flexible and able to respond to opportunity quickly so that we can get the best outcomes for our community. We are operating in a fast paced environment at the moment, ensuring the Council and Community are well placed to make the most of the opportunities is a significant part of our role as Local Government.**

### **PURPOSE**

To provide Council with an overview of the Strategic Direction Setting to review for the Opotiki District Long Term Plan 2021-2031.

## BACKGROUND

Council is required to prepare a 10 year Long Term Plan every three years. The preparation of such a plan and the corresponding documents is like putting together a jigsaw puzzle. Local government often refers to it in this way. It involves a number of key pieces that when pulled together give the Council and Community some surety around the next three years, while providing a longer 10 year context.

The pieces of the LTP puzzle identified below.



Strategic Direction Setting – This piece of work ensures that the strategic direction of the Council aligns



with the aspirations and needs of our community.

Stakeholder engagement in the community is usually undertaken to feed into our planning and provide additional valuable insight.

***This considered the key issues identified in our environmental scan and how they would impact our organisation and community over the next 10 years. The outcomes of this workshop inform the rest of the jigsaw puzzle pieces of our path of travel into the future.***

**SIGNIFICANCE ASSESSMENT**

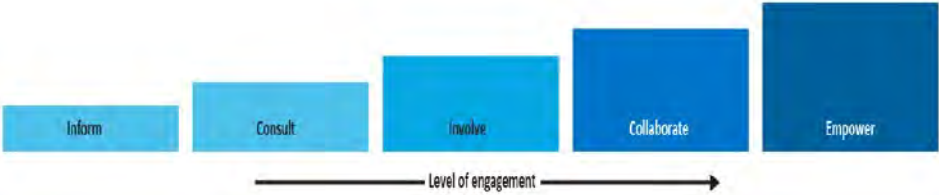
**Assessment of significance**

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for Long Term Plan – Strategic Direction Setting is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

The decisions or matters in this report are part of the Long Term Plan process which is subject to a special consultative process. The information contained within this report will be made publicly available as supporting information through the consultation process.

**Assessment of engagement requirements**

As the level of significance for Long Term Plan – Strategic Direction Setting is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



**RECOMMENDATIONS**

- 1. That the report titled "Strategic Direction Setting - Long Term Plan" be received.
- 2. That the report titled "Strategic Direction Setting – Long Term Plan" be adopted by Council as part of the backing information for inclusion into the Long Term Planning process.

Bevan Gray

**FINANCE AND CORPORATE SERVICES GROUP MANAGER**

# Looking Back

## Introduction

Council is required to produce a Long Term Plan (LTP) every three years. When considering the future, it is helpful to look back and see where we have come from. Reviewing past plans and understanding what has actually occurred provides continuity for understanding Council's intentions for the future, both in a financial and non-financial sense.

## Now

Council's strategic direction has been relatively consistent over the last five Long Term Plans. The Ōpōtiki District Council and the community have been on a journey for some time now in pursuit of its shared vision of 'Strong Community Strong Future'. Previous LTP's were underpinned by principles of consolidation and prudent financial management, affordability and getting prepared for future growth opportunities. The outcome of these principles has been:

- Identification and improvements to key infrastructure issues so that the community is in a good position to cater for future growth opportunities,
- Making best use of shared services, partnerships and external funding opportunities in pursuit of the affordability principle whilst at the same time investing in assets that promote community well-being and prepare the community for future growth
- Working closely with key stakeholders and partners in the developing Aquaculture Industry to help them realise their vision which is in alignment and complementary to Council's own vision for the District including work over a fifteen year period scoping, investigating and gaining consent for twin training walls through to obtaining Central Government funding to carry out the construction in order to reduce the rating impact on our community.

- Maintaining a sound financial position so Council is well placed to invest (in partnership with other stakeholders) in the development of the Ōpōtiki Harbour to ensure that the Ōpōtiki District reaps the benefits of a fully developed aquaculture industry
- Lifting the capability of staff and systems to be ready for growth and increased demand for council services.

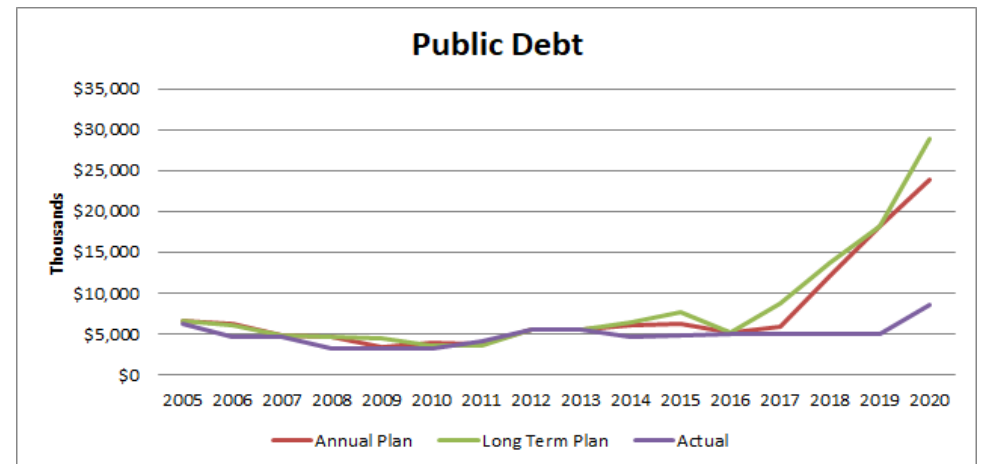
The following table outlines the key projects proposed by the 2018-28 Long Term Plan and provides an understanding of progress made to date.

2018-28 Long Term Plan Project:	Description:	Progress to Date:
Library Upgrade \$3.3m	Redevelopment of the Library, dependent on external funding. Planned for 2015/16.	This project received Government funding to build the project as part of the Covid recovery package. The build of the new facility will be completed by June 2021.
Harbour Transformation Project \$52m	Development of a navigable harbour entrance to enable growth in the district and aquaculture. Planned for 2019/20.	This project received the green light to be funded by Government in March 2020, along with funding for the mussel processing plant. Significant works have been undertaken to date and an expected completion date is 2023
Ōpōtiki Sewerage \$13.7m over term of the LTP	Renewal of reticulation to overcome groundwater infiltration and extend supply to other areas.	Investigation was undertaken over 2016 and 2017 and a more affordable replacement and relining project was devised, saving so far have been approximately \$5 million however additional analysis completed in 2020 suggests there is yet several components of work to be completed.

In addition to the above planned projects, Council has continued to develop the Mōtū Trails Cycleway, and with Government funding made available through the Covid recovery package connecting the trails to the west will become a reality. The connection of the Ōpōtiki Township to the sea was first

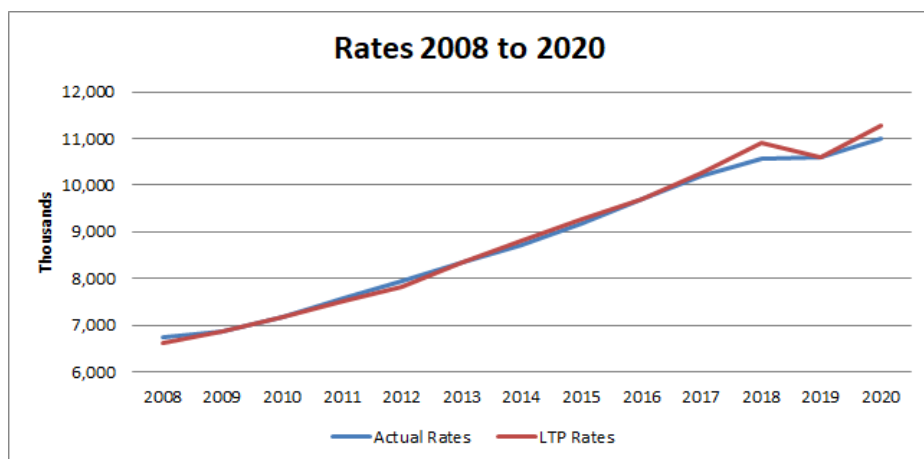
recognised by the community as an opportunity in 1994 when it was debated as part of the process of planning for a sewerage pipe crossing the Otara. It was included in the 2007-2008 draft annual plan as part of the Coastal Access and Walkways project, but never implemented due to cost. The Eastern BOP Cycle Strategy was developed in partnership with other agencies and proposed a Trail linking Ōpōtiki to Whakatāne. Some budget was provided by Council to progress this proposal. Subsequently MBIE announced funding to extend and enhance Great Rides. Council is currently developing an application using the existing budget to leverage MBIE funding and achieve the Ōpōtiki to Whakatāne Trail. The proposal is to extend Mōtū Trails along Waiōtahe Beach to Ōhiwa and from there Whakatāne District Council will construct a Trail from Ōhope and Whakatāne. The Ōpōtiki to Waiōtahe part of this was successfully funded by Government and built in 2020. Other proposals to enhance Mōtū Trails will form part of the application taking Mōtū Trails *'from good to great'*.

The graph below demonstrates how effective Council's strategy has been in terms of reducing debt to strengthen its balance sheet with actual debt being well below Community Plan forecasts in the most part. Council has only departed from the debt reduction strategy in recent times to address critical infrastructure needs such as a number of water and sewerage projects, and those that are grant or part grant funded.



Council has managed to reduce its overall debt whilst still maintaining service levels and achieving other important aspects of its vision in terms of investing in critical infrastructure that is required to enable and encourage growth. Most importantly overall debt levels are well within established parameters which provides the Council the capacity to continue to invest in infrastructure that is critical to the future sustainability and growth of the Ōpōtiki District.

Council has also maintained its rates revenue in line with Long Term Plan Forecasts. The graph below shows that historic rate increases have been closely aligned to Rate Revenue Forecasts over the last three Long Term Plans. This demonstrates a disciplined approach by successive Council's when considering affordability.



The following policy ratios are established by the Council's Financial Strategy. As can be seen from the table below Council's borrowing is expected to be well within each of the key ratios as at 30 June 2021.

Ratio:	Policy Limit:	Expected Outcome 30 June 2021:
Net Debt/ Equity	≤ 10%	0.92%
Net Interest Expense/Total Revenue	≤ 10%	0.92%
Net Interest Expense/Rates Revenue	≤ 15%	1.13%
Net Cashflows from Operating Activities/Net Interest Expense	≥ 2.0	32.82

It is clear from the above information that over time Council has been successful in its pursuit of financial consolidation whilst addressing key infrastructural issues and positioning the community for growth opportunities. Rates increases have been kept to a minimum and Council has kept well within its borrowing parameters which sees it well placed to address any major issues or opportunities over the next decade.

# Future Priorities and Direction

## The 2021-31 Long Term Plan

The 2021-31 Long Term Plan (LTP) shifts from the strategic theme of passive financial consolidation consistent over the last few LTPs to proactive project management. A significant portion of the Ōpōtiki wastewater reticulation rehabilitation has now been completed, following the fix of the remainder of the reticulation network the treatment plant will require significant upgrade to cater for growth. The harbour development project will be under way, funded by government with significant input from Council. Adopting a project management focus will ensure Council is able to respond to needs of the community for growth whilst still managing finances, rates increases and debt prudently, to ensure everything we are planning to do and achieve is affordable.

## Harbour Transformation Project

The Harbour Transformation Project is a significant investment for the Ōpōtiki community and other key partners. This project is critical to unlocking the social and economic benefits that will flow from having a strong aquaculture industry based in the Ōpōtiki District.

In 2001 Sealord, in conjunction with Whakatōhea iwi, lodged a consent application to establish a marine farm in 4750 ha of water space offshore from Ōpōtiki. Consent for the Whakatōhea aquaculture venture was finally secured for a reduced area of 3800 ha in late 2009, after appeals to the Environment Court and the High Court from out of region fisheries interests. Trials lines were established in 2010, and a commercial company created in 2014. The farm has now reached break even stage and has 200 lines in the water and it owns and operates the North Quest, NZ's largest mussel harvesting vessel. Two commercial harvests show that the Open Ocean mussels are of superior

quality to other farming areas in New Zealand. Further growth of the venture will be constrained without the development of an all-weather, all tide port at Ōpōtiki.

Very early in the process of the aquaculture development, the potential value to the community of securing the processing of the product in Ōpōtiki was recognised. In order to secure processing, the harbour would need to be accessible for vessels servicing the farm. Council initiated the Harbour Transformation Project and embarked on a stage-by-stage process that has spanned numerous Long Term Plans including:

- feasibility study (2002)
- scoping and benefit assessment (2005)
- detailed investigation (2006-2008)
- consent process for the harbour entrance (2008-2009)
- detailed project planning for development of the 2012-2022 LTP (2011-2012)
- \$18 million granted by Bay of Plenty Regional Council through the Regional Infrastructure Fund (2013)
- Additional \$2 million granted by Bay of Plenty Regional Council from long term plan processes (2013/14)
- Workforce development study (2014)
- District Plan review process began, including zoning for industrial land (2014)
- Report on likely harbour users (2015)
- Better Business Case submitted to Central Government (2015)
- \$3m grant from government in late 2015 to provide funding for 18 workstreams in a 2 year validation process in a partnership between BOPRC, ODC, government and Whakatōhea
- Final Business case submitted to government and BOPRC in 2017.

There has been considerable support from the local community and wider region throughout the progression of these two interrelated projects. Given

the objective of improved community well-being, a number of groups have assisted to fund Council's work. The consent process attracted 191 submissions in support at Council hearing stage and there was no appeal, unusual for a proposal as significant as this. Successive annual community surveys have further reinforced the public support with 75-89% of those surveyed considering the harbour was important to very important and 75% of those indicating they would be prepared to pay additional rates to fund the development.

The assumptions around the timing and investment in the Harbour Transformation Project are well supported by a number of independently prepared studies, as well as those that have emerged from the 18 workstream Validation process. The Ōpōtiki Harbour Transformation (indicative) Business Case provides an assessment of the business case for investment in the Ōpōtiki Harbour Development at the level of one marine farm.

Subsequent reports show 3 to 5 times the potential. Recently the Whakatōhea Settlement Trust have signed an agreement in Principle with the Crown to settle their treaty claim that provides a "reservation" over a further 5000 ha of marine space for aquaculture, as well as funds to bring the development to reality. An independent assessment of the Social and Community Benefits associated with the Aquaculture Industry and the Harbour Transformation Project points to quantifiable social benefits in the areas of increased employment and increased household income coupled with reduced welfare dependency within the Ōpōtiki District. Further the report cites increased home ownership, reduced overcrowding, reduction in criminal offending, the revitalisation of Iwi, population growth, and an increased rating base as some of the non-quantifiable benefits that will flow from the combined projects.

Given the positive social and economic benefits for the Ōpōtiki District Community, the Eastern Bay of Plenty, the region and New Zealand as a whole, this project requires a partnership approach. Ōpōtiki District Council has

worked with a range of partners in advancing this project and has identified the Bay of Plenty Regional Council and Central Government as key stakeholders and funding partners in the physical redevelopment of the Harbour. Council has sought funding assistance for the project from these partners.

Alongside the planning for the Harbour Transformation Project Council has been considering preparedness. Not only does Council need to plan for the level of investment required for the Harbour Transformation Project, it also needs to ensure essential infrastructure is in place and capable of meeting the needs of the community as it transforms and grows with the aquaculture industry and all of the changes that is likely to bring about. As interest in the harbour and the industries it enables grows, so does demand on Council services and infrastructure – particularly regulatory services, potable water and Sewerage.

### Wastewater

Over the last LTP period Council has been considering the needs for upgrade of the Ōpōtiki town sewerage system following increasing overflow events, and increasing inflow and infiltration into the system. In 2013 Council formed a Steering Group and included an independent expert. The Steering group oversaw an investigation project that sought to understand the performance and condition of the wastewater reticulation and then consider options for the best course to achieve acceptable levels of service and prepare the community for growth. The investigation project, which commenced in September 2014, was set out two in stages:

- Stage 1 Performance Assessment – Monitoring and analysis of system flows, ground water levels and rainfall to determine the magnitude and source of inflow & infiltration (I&I).



- Stage 2 Condition Assessment – CCTV and laser inspection of sewer mains to determine the extent of degradation and true remaining life of the reticulation.

All stages of the investigation were completed as well as a Find and Fix project that informed the potential success of system wide application. Full CCTV condition assessment over the entire reticulation network was also undertaken. Council then having considerable knowledge about the state of the assets determined that the best strategic approach was rehabilitation of the asset rather than full like for like or alternative methodology replacement. Rehabilitating the asset would see a fraction of the total replacement cost invested in reducing inflow of stormwater and infiltration of ground water by remediating inflow sources and repairing and/or relining degraded pipes. The work would start with an initial phase addressing all of the most degraded pipes and primary sources of inflow and infiltration, with the expectation that further works would be required in future years as the network continued to degrade. The strategic logic revolved around delaying significant expenditure, ensuring assets were not over invested given the implications of climate change on the extended life of new assets whilst providing for growth.

In 2017 Council decided on a rehabilitation option and budgeted \$12 M for the 2018-21 LTP. This LTP period the primary tranche of this work is expected to be completed. The rehabilitation work has seen the townships most degraded wastewater mainlines and private property pipes repaired and relined. The work completed so far has reduced dry weather flows by around 30% creating additional capacity. There is however still work remaining. While the bulk of the work has been completed with a broad-brush approach across the reticulation, a further phase of very focussed efforts is required to isolate and rectify the outstanding sources of inflow and infiltration that can cause the system to become overburdened in heavy weather events. The rehabilitation approach was intended to delay expenditure and avoid the cost of a full replacement. This work ties in closely with stormwater improvements,

stormwater ponding being a major obstacle in the ultimate resolution of inflow. Parallel to this final tranche of work Opotiki wastewater treatment facilities require upgrade to cater for anticipated growth. The culmination of these two projects in the early years of the LTP will make provision for further growth of the town in the Woodlands/Hikutaia area in the later years of the LTP. While detailed investigation is yet to occur, financial capacity is provided for that extension to the wastewater system.

## Summary of Substantive Projects

In summary the LTP represents a relatively simple proposition. It is underpinned by the principles of consolidation and prudent financial management, affordability and getting prepared for future growth opportunities. The two significant investments over the next ten year period (The Harbour Transformation Project and renewal of the Ōpōtiki Township Sewerage Reticulation Network) are outlined above and combined these projects represent approximately 74% of Council's total capital expenditure over the next decade.

## Stormwater

Over previous LTP periods Council has been carrying out investigation 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. A number of mitigation projects are proposed in the course of this LTP, and further out.

The Ōpōtiki Stormwater scheme suffers from poor performance due to insufficient historical development; as such the Township suffers from poor delivery of service in events with greater than 1 in 5 year probability. In the 2013/14 year a preliminary model was produced for the Ōpōtiki Township catchments identifying a lack of capacity in critical and ancillary assets. In response, planned improvements for the 2018/28 LTP term included an increase in storage area for prompt relief of residential and commercial property, as well as new and upgraded trunk lines and pump stations to facilitate transportation and disposal of stormwater from the upper portions of the catchment. Climate change is however a primary concern to the affordability and long-time functionality of the stormwater system. Like the wastewater, analysis and careful assessment is required into the intricacies of the stormwater network to ensure not only that future flooding is appropriately addressed but also that it is addressed in an affordable manner

that does not over invest in assets that would not see the full service of the design life. The stormwater model has been developed to the level where it can now provide comprehensive analysis of future scenarios. With said analysis, upgrades to critical assets within and beyond the horizon of the LTP term will be refined and low criticality ancillary assets will be designed and replaced fit for purpose, as they reach the end of their useful lives.

## Other Key Projects

Key projects over the life of the LTP are provided in the table below:

These projects are from the 2018-28 LTP, this table will be updated with the 2021-31 LTP projects when they are available.

Capital Expenditure by Activity	Budget 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
Community Development	20	20	21	-	-	-	-	-	-	-
Community Facilities	3,220	5,034	1,380	90	3,092	2,985	3,531	52	125	318
Economic Development	16,800	18,005	18,438	-	-	-	-	-	-	-
Land Transport	2,531	2,622	2,466	2,104	1,816	1,876	2,023	1,953	1,746	1,920
Regulation & Safety	113	-	21	-	-	-	-	-	-	-
Solid Waste Management	179	84	65	-	-	-	-	-	-	-
Stormwater	1,600	72	802	199	2,238	332	1,602	279	1,017	157
Support Services	694	520	358	354	355	307	324	353	354	415
Wastewater	5,768	4,436	281	126	130	133	269	4,031	4,165	4,281
Water Supplies	1,095	174	629	161	164	450	659	1,257	974	1,202
	32,020	30,966	24,461	3,035	7,794	6,083	8,407	7,925	8,381	8,293

## Cycle Way

Building on the success of Mōtū Trails we propose to 'grow the ride' over the term of the LTP. New trails are planned for Tirohanga Military Track, Ōhiwa, Waioeka stopbanks and the Waiōtahe Coast. The vision is to link Mōtū Trails, the Dunes Trail west to Ōhiwa - enhancing the experience and growing a multi-day ride – the best coastal ride in NZ. Looking further afield we are engaged with neighbouring Councils to develop an integrated Eastern Bay of Plenty Trail – linking Ōpōtiki to Ōhope and beyond.

## Property

### **Library Redevelopment**

The redevelopment of the Ōpōtiki Library was a long time aspiration of the community and has been consulted on in various Long Term and Annual plans. The project was scheduled for year 1 and 2 of the LTP although is heavily dependent on securing external funding. It was anticipated that the funding would have been secured a number of years ago. However as part of the Governments Covid recovery package we were given the green light and the funding in July 2020 to build the project, without the need to borrow funds. This was a great win for the community as it will be a significant community asset and meeting place, and will help kick start the redevelopment of the CBD. There was also a few people in the district that didn't want to contribute towards the library redevelopment, so it is fantastic that Government saw the funding need and filled it for the community.

### **CBD Redevelopment**

Council has recently received \$12 million from the Government as part of the Covid recovery package, some of this will be used to fund Te Tahuu o Te Rangī, but the bulk of it will be used to start the redevelopment of the Central Business District

Rose Gardens upgrade good to go.'

Library good to go

Redevelopment of lots 9 and 10 aim to wait for outcome of masterplan then design up and achieve consent for replacement building

New entry point to the Motu Trails in the stakepark location with significant upgrade of the area, toilets, parking, facilities picnic tables etc.

The masterplan will also assist with the pavements, vehandahs, and street planting upgrade

### **Wharfage**

Council has recently demolished part of the public wharf, as it had become unsafe. Toward the end of the harbour build we propose to construct a new wharf to be available "just in time".

We have included \$3 million of budget in the latter part of the LTP once the harbour has been completed and the aquaculture industry is booming to allow for Council to make in-roads into the CBD development. This may involve conceptually turning the town CBD around to face the water. Both this project and the previous wharf project will be in subsequent LTP's so will be available for consultation a number of times before any commitment is made. We feel however that we would be remiss not to take some of these 'Big Picture' issues into account and allow for some budget into the future.

### **Land Transport**

The projects in the land transport activity allow Council to maintain the roading network to the current standards. There has been shifts over the last few LTP's on how NZTA propose to fund Local Authorities for maintaining roads. We have a great relationship with NZTA, and they have recognised the affordability issues in Ōpōtiki. Our funding assistance rate was increased to 75% during the last LTP, as such we have seen better use of community funds, and increased service levels as a result.

We are starting to also see private contribution proposals coming through to seal roads, which is a good indication that there is a need to cater for growth and development. Council will look to lobby NZTA to help co-fund this given the expected growth in the district.

### **Water Supplies**

The Water Supply for the Ōpōtiki Central Township underwent an almost total scheme replacement in the mid-1990s, as such the Township's infrastructure

is considered to be in good condition and performing satisfactorily to meet current levels of service and provide for short term growth. With additions to treatment and reticulation capacity not required for growth till beyond the term of the LTP, the only significant activities for the Ōpōtiki township are to address resilience vulnerabilities. The Otara Rd trunk main and raw water line present the most critical of these vulnerabilities. The Otara Rd trunk main has no auxiliary in the event of its failure and the raw water line is unable to fully enable reservoir recovery potential. In the event of a disaster these assets present a high risk to delivery of service and so upgrades to these assets have been planned for 2015/16 and 2016/17. The Hikutaia reticulation was not renewed along with the Ōpōtiki Township and in nearing the end of its useful life will require partial replacement within the term of this LTP. Additionally the scheme suffers from an inability to provide for growth or meet desired levels of service in certain locations. Therefore a new connection to the Ōpōtiki scheme, new pump station, new rising main and new loop mains are planned for installation through 2014/15 to 2017/18 which will serve three fold purposes of responding to growth, Delivering desired levels of service and replacing the old Hikutaia reservoir and Crooked Rd rising main. The Te Kaha scheme has recently undergone consideration for expansion in response to public consultation and coast community board interest. Both a northern extension to the Kereru River and a southern extension to Hariki Beach have been proposed for this LTP term. Said extensions will include upgrade of the rising main to the existing reservoir, a secondary reservoir, 4km of pipelines and a capacity increase of the UV and filter components at the water treatment plant.

The majority of the above infrastructure has been put forward to be funded in large by the final year of subsidy from the Ministry of Health Drinking Water Assistance Programme.

**REPORT**

Date : 17 September 2010

To : Ordinary Council Meeting, 6 October 2020

From : Finance and Corporate Services Group Manager, Bevan Gray

Subject : **LONG TERM PLAN – REVENUE AND FINANCING POLICY**

File ID : A214134

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**EXECUTIVE SUMMARY**

**The Revenue and Financing Policy sets out how the Council funds each activity it is involved in and why. Council provides a number of distinct activities and services to its communities. It must undertake these services in a financially prudent and sustainable way for the Council as a whole.**

**We are required to consult on our proposed Revenue and Financing Policy as part of setting the Long Term Plan. Historically we have consulted in parallel with the LTP which has meant that the Revenue and Financing Policy has been outshone by consultation items that are more tangible to ratepayers.**

**Following the feedback that we had through the recent Annual Plan process, which highlighted funding aspects that relate to the Revenue and Financing Policy, it was considered prudent that we undertake a separate consultation process around the Revenue and Financing Policy early. One of the reasons for this is that if there is a sufficient request for a change, Council would then be able to ensure the subsequent consultation on the draft long term plan and items included the proposed Revenue and Financing Policy changes.**

**This report formalises the discussions held at the workshop, and captures them for use in the LTP process. Councillors were happy with the proposed percentages provided by staff and agreed that the benefits and funding allocations were appropriate. There was no change from the previous Revenue and Financing Policy.**

**One area that will need further review ahead of consultation will be the harbour activity, which will be considered once we start to capture the revised input required of Council whilst the harbour is being delivered by the Crown.**

## **PURPOSE**

There are two purposes of this report:

Firstly to present the result of Council discussions on the Revenue and Financing Policy at the workshop held on 11 August;

Secondly, to gain Council approval to incorporate the policy into the underlying information that will go into preparing the LTP.


The objective of the Revenue and Financing Policy is to ensure that the costs of the activities that are provided by Council are funded in a way that aligns with the benefits provided by those activities.

## **BACKGROUND**

Council is required to prepare a 10 year Long Term Plan every three years. The preparation of such a plan and the corresponding documents is like putting together a jigsaw puzzle. Local Government often refers to it in this way. It involves a number of key pieces that when pulled together give the Council and community some surety around the next three years, while providing a longer 10 year context.

The pieces of the LTP puzzle identified below.



 Revenue and Financing Policy – Determines how each activity will be funded. This starts from the base principle of who receives the benefit of the activity. This important part of the LTP will have a higher focus for the 2021-2031 LTP as recent Annual Plan submissions called for a review of the policy.

***The outcomes of this will decide how the activities will be funded, once we have pulled the projects and operational budgets together this will be conveyed into a digestible form for consultation with the community.***

**DISCUSSION AND OPTIONS**

The Revenue and Financing Policy determines how each activity that Council provides the community is funded. The process starts by making some assessments of who benefits from the activity provided, and how much they benefit. Are there people, communities, or industries that benefit from the activity indirectly?

The next step is to determine how the activity is funded, it follows closely as much as possible with where we determine the benefits as sitting. We are limited to who we can collect revenue from though as we

cannot charge for national or regional benefit. Where possible we lobby for subsidy from those areas to reflect those benefits.

At the workshop held on 11 August the councillors discussed each of the activities and considered those that benefited from the provision of those activities on a blank sheet of paper. The attached draft policy takes into consideration those discussions. The councillors were happy with the allocations provided by staff for most activities.

One activity that will need some further work is around the harbour development, contained within the Economic Development activity. Previously this has been set on the basis that it would be Council owned, and there would be a transitional period until the aquaculture industry grew to a sustainable size, requiring ratepayer contribution towards the cost. Now that the Crown will take over the build and ownership we need to rework the budgets and understand what Council's contribution is likely to be through to build completion. This will be reviewed once the budgets have been prepared and ahead of the revenue and financing policy consultation.

## **SIGNIFICANCE ASSESSMENT**

### **Assessment of significance**

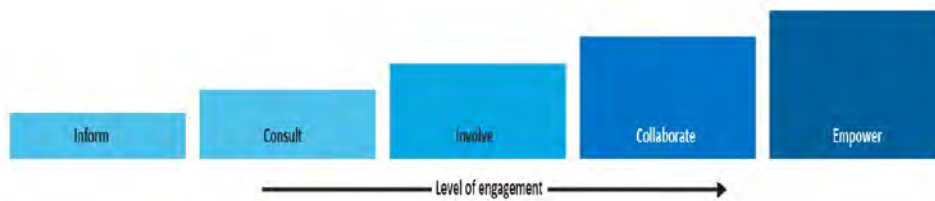
Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for Long Term Plan – Revenue & Financing Policy is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

The decisions or matters in this report are part of the Long Term Plan process which is subject to a special consultative process. The information contained within this report will be made publicly available as supporting information through the consultation process.

### **Assessment of engagement requirements**

As the level of significance for Long Term Plan – Revenue & Financing Policy is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.





It is a legislative requirement that the Revenue and Financing Policy is consulted on with the public. Council will undertake this consultation process early in the New Year after gaining sufficient information to provide the public with the tangible effects of the policy, so that they can make informed decisions about the impact of the policy.

#### **RECOMMENDATIONS:**

- 1. That the report titled "Long Term Plan – Revenue and Financing Policy" be received.**
- 2. That the report titled "Long Term Plan – Revenue and Financing Policy – Long Term Plan" be adopted by Council as part of the backing information for inclusion into the Long Term Planning process.**
- 3. That Council consult on the Long Term Plan – Revenue and Financing Policy separate and earlier than the consultation on the LTP, to ensure that any amendment following the consultation can be adequately included into the LTP prior to its consultation.**

**Bevan Gray**

**FINANCE AND CORPORATE SERVICES GROUP MANAGER**

# Draft Revenue and Financing Policy

## Introduction

The Local Government Act 2002 (LGA) requires every local authority to adopt a Revenue and Financing Policy and incorporate it into the LTP.

The Revenue and Financing Policy sets out how the Council funds each activity it is involved in and why. Council provides a number of distinct activities and services to its communities. It must undertake these services in a financially prudent and sustainable way for the Council as a whole.

The Financial Strategy sets out how Council is planning to do this. It sets limits on rates increases and debt levels. This Revenue and Financing Policy keeps within those limits and sets out the broad guidelines for establishing the funding of activities.

The Revenue and Financing Policy is more than rating, it also drives the policy direction for other revenue policies including development and financial contributions, treasury (liability and investment) and remission policies. The Revenue and Financing Policy will be reviewed every three years as part of the ten year planning process.

## Requirements

Section 101 and 103 of the LGA 2002 determines that Council's Revenue and Financing policy must include the following:

- Policy in respect of the funding of operating expenses
- Policy in respect of the funding of capital expenditure
- Identify the sources of funds that will be used
- The funding needs from the identified sources must follow consideration of:
  - (i) The community outcomes to which the activity primarily contributes; and
  - (ii) The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
  - (iii) The period in or over which those benefits are expected to occur; and
  - (iv) The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
  - (v) The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
  - (vi) The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

## Developing the Policy

In developing this policy Council considered how activities should be equitably funded to share the costs of delivering services across different users as well as ensuring equity between current and future generations. In deciding how to fund each activity, the Council used a two-step process:

1. Identify the nature of the services provided, who benefits from those services and the impact of applying funding principles. Council takes into account:
  - The Council Outcomes to which an activity contributes;
  - The distribution of benefits between the community as a whole, identifiable parts of the community and individuals;
  - The period during which the benefits are expected to occur;
  - The extent to which actions, or inactions, of individuals or groups contribute to the need to undertake an activity;
  - The costs and benefits of funding the activity distinctly from other activities.
2. Consider the overall impacts of Council's initial assessments on the ratepayers, the community and users of Council's activities and the current and future wellbeing of the district.

Affordability and the public's ability to pay rates is a major concern as we strike a balance between the need to provide a level of service that meets customer and legislative requirements, and the need for funds to provide these levels of service in an affordable manner. Council seeks to maintain an affordable and predictable level of rates in the future.

Alongside the increasing levels of service are the current tough economic times and the affordability issues that many residents, particularly urban, face. Many of the infrastructure upgrade costs will be borne by the urban residents. Council is fully aware of these affordability issues and is focusing on designing infrastructure that balances function, longevity, and affordability.

Council is actively working to gain outside support and external grant funding where possible and practical. Council is conscious of rural profitability and the impact it has on the whole community. Over a period of ten years, there are likely to be ups and downs in reaction to commodity prices and the climate. In the past the Council has adapted to crises by deferring projects or reducing savings for future asset replacement. These remain options for future crises.

### Funding Challenges

Council has a number of features that create challenges to its financial wellbeing:

- A small population base with a large number of assets that increases the risk of asset ownership with the need to repair, maintain, renew and develop those assets for the changing needs of the district
- Geographically spread assets (e.g. Roads). This restricts access to users of some services and increases operational and capital costs of providing the services
- Long life assets – up to 100 years, but most are over halfway through their useful lives. Funding for their future replacement is a fundamental issue for Council to ensure continuity of service
- Council business is dominated by roading. Council is reliant on NZ Transport Agency subsidies and is particularly affected by construction prices. Increasing oil prices and/or lowering of the New Zealand dollar strongly influences Council's costs.

## Description of Council Expenditure

Broadly speaking, the Council has two types of expenditure, operating expenditure and capital expenditure.

Operating expenditure is used to fund the on-going day-to-day activities and services of the Council.

Capital expenditure is money spent in acquiring or upgrading a business asset such as equipment or buildings. Council has three categories of capital expenditure spread across its activities:

- Renewals – defined as capital expenditure that increases the life of an existing asset with no increase in service level
- Increased level of service – defined as capital expenditure that increases the service level delivered by the asset
- Growth – defined as capital expenditure that is required to provide additional capacity to cater for future growth in demand.

## Operating Expenses

The Council's policies and practices as regards the funding of its operating expenses are set to ensure that these comply with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of revenue sources to meet operating expenses, with major sources being general rates, subsidies, and fees and charges. However, revenue from targeted rates is applied to specific activities. Reserve funds including savings from previous years are also used as a revenue source occasionally. Operating costs do not normally utilise loans or proceeds from asset sales.

Deviating from this policy is a Council decision. Occasionally Council is required under accounting rules to write down or treat a cost as an operating expense that had been expected to be funded from loans.

## Capital Expenditure

Capital expenditure is funded (in decreasing priority) from subsidies, user contributions, reserves or trust funds (where appropriate), and loans. In roading, some ongoing capital developments are funded from subsidies and rates. Capital development projects that are minor and those projects that are regular and funded on an annual basis are rate funded – for example, every year Council funds its share of minor safety road improvements from Rates.

## Savings and Reserves

Savings are placed into reserves which are funded from past surpluses, realisation of assets or by rates. Trust funds are normally bequeathed to Council in trust. Reserves and trust funds (savings) may be used to fund activities where appropriate to the purpose of the reserves or trusts (operating or capital).

## Funding Principles

The general principles used in the process are:

- The user/beneficiary pays principle

- The distribution of benefits between the community as a whole 'public benefit' = rates, any identifiable part of the community, and individuals 'private benefit' = user pays
- The intergenerational equity principle
  - The period in or over which those benefits are expected to accrue
- The exacerbator/polluter pays principle
  - The extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity, and
- The costs and benefits
  - Including consequences for transparency and accountability, of funding the activity distinctly from other activities. This considers the efficiency or ability to separate and identify costs and then collect revenue, and the impact on demand for services.

The following policy positions have been set by Council and are used with the principles above:

- Where the benefit accrues to the whole district, general rates will be used
- Where benefits accrue to certain groups within the district, differentials or targeted rates will be used
- User pays is a legitimate funding method if the benefit to individuals is greater than the benefit to the community
- User pays is also recognised as a tool to achieve Council's goals e.g. charging for metered water to encourage water conservation
- In some cases e.g. water, targeted rates are used as a surrogate for user charges as Council considers this to be a more efficient and effective method of funding than individual user charges
- Rates are primarily a tax. While effort is made to link payment of rates to benefits received or costs generated it is not possible to do this on an individual ratepayer basis
- Subsidy from central government recognises that some services, eg roading, form part of a national infrastructure and only central government can levy charges
- Uniform Annual General Charge (UAGC) recognises that most services are available to all properties regardless of value and that all properties should contribute a reasonable amount to the running of the district.

## Funding Sources

The funding sources available to Council under legislation, principally LGRA 2002 are:

### (a) **General Rates**

The general rate is set under Section 13(2)(a) Local Government (Rating) Act 2002. The General Rate is a rate in the dollar on capital/land value applied to all properties in the District. A General Rate is generally used when:

- Council considers that a capital/land value rate is fairer than the use of other existing rating tools for the service funded; and
- Council considers that the community as a whole should meet costs of the function; and
- Council is unable to achieve its user charge targets and must fund expenditure; or
- Council favours use of the UAGC but is constricted by the 30% cap.

**(b) Targeted Rates**

A targeted rate is set under Sections 16 or 19 of the Local Government (Rating) Act 2002. A targeted rate is levied on properties within a defined area where users/beneficiaries can be identified. A targeted rate is used when:

- Council considers that a targeted rate would enable a higher level of transparency in funding allocation; or
- Council considers that a targeted rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service; and
- There is not equal benefit to all District ratepayers from that portion funded by a Uniform Annual General Charge (UAGC).

**(c) Uniform Annual General Charge (UAGC)**

The UAGC is set under Section 15 Local Government (Rating) Act 2002. A UAGC is a specified amount applied to every rating unit or separately used or inhabited part of a rating unit. A UAGC is used when:

- Council considers that all District ratepayers benefit to an equal extent from some portion of one of Council's services; and
- Council considers that applying a user charge for that portion of a service would not be practicable; and
- Valuation based rating does not provide a better proxy for equitable rating.

The Local Government (Rating) Act 2002 determines that certain rates must not exceed 30% of total rates revenue. In particular these are UAGC's set in accordance with section 15 and targeted rates that are set on a uniform basis in accordance with section 18(2) and clause 7 of schedule 3 of the Act. This cap excludes targeted rates that are set solely for water supply, sewage disposal, or refuse collection.

**(d) Fees and Charges**

Fees and charges are applied to individual users or exacerbator groups when:

- It is assessed that level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges; and
- There are identifiable and distinct user groups/exacerbators identified; and
- User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.

**(e) Interest**

Council receives limited interest from cash investments. Any interest received is used to offset the rate required in the year received.

**(f) Dividends**

Any dividends received are used to offset the general rate required in the year received.

**(g) Borrowing**

Borrowing is managed by the provisions of Council's Policy on Liability and Investment Management.

**(h) Proceeds from Asset Sales**

Funds from any asset sales are applied first to offset borrowing.

**(i) Financial and Development Contributions**

Council will use funds from financial contributions to fund capital expenditure projects in accordance with the Resource Management Act 1991. Council will not use funds from financial contributions for operating expenditure.

Council does not collect development contributions. We will look at reintroducing these through this LTP.

**(j) Grants and Subsidies**

Council receives subsidy from New Zealand Transport Agency to part-fund operations, renewal, and capital development in Land Transport. The percentage of this subsidy differs for different types of works.

Council pursues other Grant & Subsidy funding available from Central Government and other Agencies wherever it is considered appropriate.

**(k) Any Other Source**

**Beneficiaries**

The following benefit groups can be identified for the purpose of considering distribution of benefits:

National Benefit	Benefits the nation and is public in nature
District Benefit	Benefits the whole District and is public in nature
Regional Benefit	Benefits the Region and is public in nature
Commercial Benefit	Benefits the commercial sector and has elements of both public and private benefit
Community Benefit	Benefits a particular Ward and is public in nature
User Benefit	Benefits an identifiable individual, group, or community segment
Applicant	Benefits an Identifiable individual, group or community segment
Offender / Exacerbator	The cost is the result of offenders, or ones who exacerbate a problem

Section 101(3) of the Local Government Act 2002 includes the consideration of "the period in or over which benefits are expected to occur". This is referred to as intergenerational equity.

## Council Activities

Councils Activities are aligned under three groups of activities as per the recently concluded realignment. Council decided to align its activities in this manner in an attempt to describe how Council is promoting community well-being.

<b>Council Groups of Activities</b>		
<b>Community and Cultural Sustainability</b>	<b>Environmental Sustainability</b>	<b>Economic Sustainability</b>
Leadership	Solid Waste Management	Water Supply
Community Facilities	Stormwater	Land Transport
Community Development	District Planning	Investments
Economic Development	Wastewater	
Regulation and Safety		



## Funding Operational Expenditure

The following table shows which mechanisms may be used to fund operational and capital expenditure for Council's activities.

	Funding of Operational Expenditure				Funding of Capital Expenditure			
	General Rates	Targeted Rates	Grants and Subsidies	Fees and Charges	General Rates	Targeted Rates	Borrowings	Contributions / User Charges
<b>Community &amp; Cultural Sustainability</b>								
Leadership	☑			☑	☑		☑	
Community Facilities	☑	☑	☑	☑	☑		☑	☑
Community Development	☑				☑		☑	
Economic Development	☑		☑	☑	☑		☑	☑
Regulation & Safety	☑			☑	☑		☑	
<b>Environmental Sustainability</b>								
Solid Waste	☑	☑	☑	☑	☑		☑	
Stormwater	☑	☑			☑		☑	
District Planning	☑							
Wastewater	☑	☑				☑	☑	
<b>Economic Sustainability</b>								
Water Supply	☑	☑		☑		☑	☑	
Land Transport	☑	☑	☑	☑	☑	☑	☑	☑
Investments	☑			☑			☑	

## **Community and Cultural Sustainability Group of Activities**

The Community Sustainability group of activities focuses on building and developing cohesive and functional communities in the Ōpōtiki District.

The significant activities contained within this group are:

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

### **Leadership**

The Leadership Activity provides for:

- Council's governance at District and local level
- Conduct of elections
- Council's advocacy on issues that impact on the Ōpōtiki District's COs
- Planning and policy development that provides a framework for the Community's strategic direction
- Monitoring and Reporting.

This Activity includes the preparation of policies guiding strategic direction and strategic financial decisions for presentation to the Community for feedback.

### **Intergenerational Equity Issues**

Leadership is considered an annually funded activity.

### **Costs and Benefits**

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Ōpōtiki Community
- (b) Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Provision of leadership and governance of the District.	National Benefit	2%	No mechanism	0%
	Regional Benefit	7%	No mechanism	0%
	District Benefit	91%	Rates	100%

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is a National Benefit associated with the leadership activity, with the Mayor representing the Ōpōtiki District and the Local Government Sector on Nation-wide committees such as Local Government New Zealand and the Rural Provincial Sector. Council also often engages in issues of National importance, there is also a deemed National benefit to the development of the Long Term Plan, Annual Plan, Policy Development and Advocacy, as well as facilitating relationships with Tangata Whenua where National outcomes and priorities can be advanced at a local level. Local Authorities are more often than not the mode for delivery of Central Government directives, we see this more and more as there are increases to standards, and policy changes affecting those in our communities. The leadership of the Council has been imperative in obtaining the funding to complete the harbour development project, this will aid significantly in achieving the national aquaculture targets set by Government.

**Regional Benefit:** A Regional Benefit exists with the Mayor representing the Ōpōtiki District and the wider region on regional forums such as those for Emergency Management and Land Transport.

Council also facilitates the triennial election process on behalf of the Regional Council and the District Health Board. Council also often engages in issues of Regional importance, there is also a deemed Regional benefit to the development of the Long Term Plan, Annual Plan, Policy Development and Advocacy, as well as facilitating relationships with Tangata Whenua, where Regional outcomes and priorities can be advanced at a local level. There will be significant regional benefits from the harbour development as a result of the leadership of Council.

**District Benefit:** The Mayor is elected 'at large' and has a governance and leadership role for the entire District representing the wider community. The benefit of the Council and its Committees is considered to be predominately District wide in nature. Whilst individual Councillors are elected within wards the Council has a governance and leadership role for the entire District representing the wider community. Long Term Planning, Annual Planning, Community Consultation, Communication, Policy Development, Advocacy, Tangata Whenua Relationships, and Annual Reporting benefit the wider District as a whole. Most of these processes are considered on a District Wide basis, considering the needs of the entire community. Further, every resident and ratepayer within the District have access to and can engage in Council decision making processes. The Annual Report is Council's mechanism for reporting progress to the community. The Annual Report outlines Council's performance in giving effect to the Long Term and Annual Plan. It is the community's key accountability tool.

### **FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries for the majority of this activity's costs. Council will where it can recover costs in relation to undertaking triennial elections on behalf of Regional Council and District Health Boards.

**District Allocation:** Given the predominately District wide benefit associated with the Leadership activity either the General Rate or UAGC (or a combination of both) is the preferred the funding tool for this function.

## **Community\_Facilities**

The Community Facilities Activity works to ensure that individuals living in the Ōpōtiki District have access to a range of services and facilities to increase their quality of life. These services and facilities are provided through functions such as:

- Airport
- Cemeteries
- Public toilets
- Parks and reserves
- Playgrounds
- Property
- District library and
- The Cycle Way.

## **Intergenerational Equity Issues**

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Community
- (b) Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation
- (c) Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides facilities for use within the community that benefit those that live here as well as those that may visit.	National Benefit	5%	No mechanism	0%
	Regional Benefit	5%	No mechanism	0%
	District Benefit	44%	Rates	75-90%
	Community Benefit	9%	Targeted Rate	0-10%
	Commercial Benefit	2%	Targeted Rate	0-10%
	User Benefit	35%	Fees and Charges	5-20%

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** The Community Facilities activity provides a National benefit by providing and maintaining services and facilities for the benefit of all users in the country who come to or through the District. Such services covered by this activity are parks and reserves, public toilets, playgrounds, library, cycleways, and the aerodrome.

**Regional Benefit:** This activity provides a regional benefit as the services that this activity provides attracts people and users to the District and the Region. Regional residents also have easy access to these services for recreational purposes.

**District Benefit:** A large portion of this activity directly benefits the district as the services provided are readily accessible to those that live in the district, and revenue derived from the activity is utilised within the district. A lot of what we do in this activity promotes the public health and wellbeing of those that live here.

**Community Benefit:** The community benefits from aspects of this activity such as playgrounds and libraries, where there is easier access, and it provides for the health and wellbeing of the community.

**Commercial Benefit:** There is commercial benefit of providing community facilities such as the cycleway, and facilities on parks and reserves where commercial users can utilise this facility to organise and run events. Commercial businesses also benefit from visitor spend when coming to use our district recreation facilities.

**User Benefit:** The users are those who predominately benefit from the provision of services and therefore there is deemed to be a high proportion of user benefit. These can be people who live in the District or those that are visiting to the District.

### **FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** The public district benefit attached to this service is significant so either the General Rate or UAGC (or a combination of both) is recommended to be the most appropriate funding tool for this allocation.

**Community Allocation:** Given the benefit associated with aspects of this activity the General Rate or UAGC, or Targeted Rate (or a combination) is recommended as the funding tool for this allocation.

**Commercial Allocation:** Given the commercial benefit associated with the cycleway a targeted rate is recommended as a funding tool for this allocation.

**User Allocation:** The user benefit of community facilities is high, however we lack means to recover from the users via fees and charges, a lot of these facilities and services are deemed “for the community good”, so therefore should be funded via a community rate. Where we can charge a fee for certain services this activity provides and we hope to recover between 5-20% of the cost of the activity.

## Community Development

The Community Development Activity works to ensure that individuals living in the Ōpōtiki District have access to a range of services and facilities to increase their quality of life. These services and facilities provide the following functions:

- Community Grants
- Healthy and Active Communities.

## Intergenerational Equity Issues

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	Funding Method	Funding Method	% Of Funding
Council provides grants to the community and to promote a healthy and active community.	National Benefit	7.5%	Subsidy	0-20%
	Regional Benefit	5%	Subsidy	0-20%
	District Benefit	87.5%	Rates	80-100%

## **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is an element of national benefit in the development of communities as local communities are a subset of the larger national community and development of a part contributes to the overall development of the whole. Furthermore, many community initiatives at the local level assist in contributing to Central Government policy objectives. Healthy and active communities have flow on effects to the region and to the nation as communities are closely connected. Some of the grants that are provided to entities through the provision of this activity are national entities that provide national services. For example, Surf Lifesaving New Zealand, Bay of Plenty Film Trust.

**Regional Benefit:** There is a regional benefit to promoting healthy and active communities within the district as this flows on to the region and contributes to regional health and wellbeing objectives.

**District Benefit:** Community initiatives are considered to have a District wide benefit as the provision of grants to organisations provides social services and contribute to the social and cultural well-being of the whole District. Healthy and active communities benefits the wider district as a whole. The goals and objectives set out in the strategy seek to advance the outcomes that are important to the entire District.

## **FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** Given the District wide benefit associated with the service either the General Rate or UAGC (or a combination of both) is recommended to be the most appropriate funding tool for this allocation.

## **Economic Development**

The Economic Development Activity works to create a sustainable economic future for the district and this is achieved by the following functions:

- Economic Development
- Tourism Promotion
- Harbour Development

## **Intergenerational Equity Issues**

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Community.
- (b) Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.

- (c) Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Economic development to facilitate a sustainable economic future. Promote tourism and provide visitors with information about our District. Lead and develop a reliable harbour entrance to enable aquaculture.	National Benefit	10%	Subsidy	0-80%
	Regional Benefit	13%	Subsidy	0-80%
	District Benefit	47%	Rates	20-90%
	Commercial Benefit	20%	Targeted Rates	5-15%
	User Benefit	10%	Fees and Charges	0-60%

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** Undoubtedly economic development of the district will have the flow on effect of developing the regional and national economy since districts do not exist as islands and economic activities are interlinked between district, region and country.

**Regional Benefit:** This service is assessed to have a small regional benefit. Economic strategy is intended to be developed such that it benefits the wider Region as a whole. The goals and objectives seek to advance the outcomes that are important to the entire Region. Thriving Economic Development within Ōpōtiki benefits the Whakatāne District significantly.

**District Benefit:** This service is assessed to have a high district benefit. Economic strategy is intended to be developed such that it benefits the wider District as a whole. The goals and objectives seek to advance the outcomes that are important to the entire District.

**Commercial Benefit:** This service is assessed to have a reasonable commercial benefit. Economic strategy is intended to be developed such that it benefits the wider community. This will create the opportunity for commercial groups to obtain a return for investment in the economic output.

### **FUNDING**

**National Allocation:** Given the National benefit of the harbour development project it is proposed that this portion of the capital project be funded through Central Government grant. This forms part of the funding for capital expenditure, not operational. Currently there is no mechanism to gain funding for the operational expenditure of this activity.

**Regional Allocation:** Given the regional benefit of the harbour development it is proposed that this portion of the capital project be funded through Regional Council grant. Again this does not cover the operational expenditure of the activity, of which there is no mechanism currently to recover these costs. This does not mean that in the future once the harbour project funding a development has been set, that a funding mechanism for this is not developed.

**District Allocation:** Given the District wide benefit associated with this activity either the General Rate or UAGC (or a combination of both) is recommended to be the most appropriate funding tool for this allocation.



**Commercial Allocation:** Given the benefit associated with Economic Development and the direct impact it has on the commercial sector a targeted rate is recommended as the funding tool for this allocation.

**User Allocation:** The users that benefit from this activity are therefore required to contribute towards this activity by way of fees and charges with a target recovery of 0 - 60% which we expect to derive in the latter years of the Long Term Plan once we have experienced growth in tourism and are receiving income from the harbour development.

## **Regulation and Safety**

The Regulation and Safety Activity works to regulate a number of activities in the district to facilitate growth and maintain environmental qualities valued by the community. This is achieved by the following functions:

- Environmental Health
- Noise Control
- Animal Control
- Building Control
- District Plan Implementation
- Liquor Licensing
- Safety

## **Intergenerational Equity Issues**

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Community.
- (b) Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides environmental management services to enhance and promote the environment.	National Benefit	3%	No mechanism	0%
	Regional Benefit	3%	No mechanism	0%
	District Benefit	52%	Rates	45-65%
	Community Benefit	25%	Targeted Rates	0-10%
	Commercial and User Benefit	17%	Fees and Charges	20-45%

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** Regulation and safety delivers National benefits by ensuring minimum health standards, such as premises are licensed and safe, healthy and hygienic for the public to use, and providing general advice and education. The investigation and notification of incidents of communicable diseases also provides benefit to the entire Nation. Building control provides a National benefit as there is an increased focus at the national level around sustainable building development, this activity is also governed by the standards set at a national level. Liquor licensing also has a National benefit as health and wellbeing of the community is of national importance.

**Regional Benefit:** Regulation and safety delivers Regional benefits by providing the same benefits as it does nationally.

**District Benefit:** Regulation and safety delivers District benefits by providing the same benefits as it does for the Region and Nationally, plus the benefits associated with noise control, animal control, where advice is given to the public, education, visits to schools, and the provision of public safety. Minimum building standards are set and buildings are assessed to be safe for use. Liquor licenses are complied with, holders of licenses are required to have qualifications which provides for increased public safety and wellbeing.

**Community Benefit:** Regulation and safety provides a community benefit around noise control in the urban area. Residents and ratepayers within the vicinity of the service receive the benefit of noise control as it contributes to healthy living. The community also benefits from animal control as those that live in the urban areas benefit more than those that live further afield.

**Commercial Benefit:** There is a commercial benefit to providing the regulation and safety activity in that premises are licensed and safe, healthy and hygienic for the public to use.

**User/Applicant Benefit:** Individuals and organisations applying for licences and consents under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

### **FUNDING**

**National and Regional Benefit:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries. Emergency management will be funded through National subsidy.

**District Allocation:** Either the General Rate or UAGC (or a combination of both) is recommended as the funding tool for this allocation.

**Community Allocation:** The most efficient and effective method for funding this allocation is a Targeted Rate.

**Commercial and User Allocation:** User fees and charges is the most efficient, effective and transparently lawful available method for funding this allocation with a targeted recovery of 20 – 45% of the cost of the activity.

## **Environmental Sustainability Group of Activities**

The Environmental Sustainability group of activities works towards those community outcomes that promote environmental well-being. This group of activities work towards mitigating and managing those impacts so that future generations can enjoy our Districts' pristine natural environment.

The significant activities contained within this group are:

- Solid Waste Management
- Stormwater
- Resource Management
- Wastewater

### **Solid Waste**

The solid Waste Activity works to provide solid waste services for public health and future development for the district. This is achieved by the following functions:

- Kerbside Collection
- Resource Recovery Centres
- Waste Minimisation
- Litter Control
- Closed landfills

### **Intergenerational Equity Issues**

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

### **Costs and Benefits**

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Community.
- (b) Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.

- (c) Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides a kerbside collection service, resource recovery centres, a waste minimisation strategy, litter control and maintenance of closed landfills	National Benefit	4%	Subsidies and Grants	0-5%
	Regional Benefit	4%	No mechanism	0%
	District Benefit	68%	Rates	55-70%
	User Benefit	24%	Targeted Rates, and Fees and Charges	10-25% 15-30%

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is a National benefit to providing the solid waste activity function and promoting waste minimisation, in that National outcomes and priorities can be advanced at a local level.

**Regional Benefit:** There is an element of Regional Benefit to Council’s solid waste function in that Regional outcomes and priorities can be advanced at a local level.

**District Benefit:** There is an element of District Benefit to Council’s solid waste function in that the District receives the benefit of collection from the kerbside and disposal of solid waste preserving the environment. It also encourages practices that ensure that waste is minimised, which preserves the environment and promotes health and safety of residents.

**User Benefit:** The solid waste function benefits the user by collection and disposal of solid waste in a way that preserves the environment.

### **FUNDING**

**National Allocation:** Subsidies and grants are available at a National level to minimise the levels of waste within the community. Where Council is able we will pursue funding for this activity through subsidy. However, we expect the levels of this to be minimal.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** Given the District wide benefit associated with the solid waste function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**User Allocation:** User charges by targeted Rate or Fees and Charges are considered the most appropriate mechanism for collection of this allocation. A targeted recovery through user charges of 15 – 30% of the cost of providing the activity has been set. 100% of the kerbside collection costs will be funded through targeted

rates to those that receive or could receive a service. The provision of litter bins in the district will be funded through targeted rates. The provision of the Resource Recovery Centres will be funded through user charges, collected from those that use the service at the point of drop off. We need to be mindful of making these costs too high as it creates incentives to fly tip.

## Stormwater

The Stormwater Activity works to protect the health and safety of the community. This is achieved by the following functions:

- Stormwater

## Intergenerational Equity Issues

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides a storm water drainage system in the Ōpōtiki township and Waiotahi Drifts subdivision to protect the health and safety of the community.	District Benefit	80%	Rates	85-95%
	Community Benefit	20%	Targeted Rates	5-15%

## **BENEFICIARIES AND EXACERBATORS**

**District Benefit:** There is a District Benefit to Council's Stormwater function with protection of the health and safety of residents within the district.

**Community Benefit:** The Stormwater function benefits the community that lives in close proximity to the service provided, with protection of the built environment and the promotion of the health and safety of residents within the community.

**FUNDING**

**District Allocation:** Given the District wide benefit associated with the stormwater function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**Community Allocation:** Given the Community benefit associated with the stormwater function a targeted rate, the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

## District Planning

The District Planning Activity works to provide for the future development of the district. This is achieved by the following functions:

- District Planning.

## Intergenerational Equity Issues

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides an administrative, processing, monitoring and decision-making role for resource management.	National Benefit	5%	No mechanism	0%
	Regional Benefit	5%	No mechanism	0%
	District Benefit	80%	Rates	80-100%
	User Benefit	10%	Fees and Chargers	0-20%

## **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** The National benefit results from National outcomes and priorities being promoted at a national level.

**Regional Benefit:** The Regional benefit results from regional outcomes and priorities being promoted at a national level.

**District Benefit:** Ongoing development and implementation of the District Plan benefits the wider District as a whole as it sets the framework for sustainable land use practices. It is instrumental in protecting Environmental Outcomes that are important to the entire district. Also every resident has the opportunity to be involved in the development of the District Plan.

**User Benefit:** Users benefit from this activity by being able to ensure that the land use practices have consent for operation.

**FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** Given the District wide benefit associated with the Resource Management function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**User Allocation:** User charges by Fees and Charges are considered the most appropriate mechanism for collection of this allocation. A targeted recovery through user charges of 0 – 20% of the cost of providing the activity has been set.



## **Wastewater**

The Wastewater Activity works to manage sewage disposal for public health and future development for the district. This is achieved by the following functions:

- Wastewater

## **Intergenerational Equity Issues**

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Community.
- (b) Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides a sewage system to receive, treat and discharge sewage in a safe, healthy and environmentally friendly manner.	District Benefit	20%	Rates	30-40%
	Community Benefit	80%	Targeted Rates User charges	60-70% 0-5%

### **BENEFICIARIES AND EXACERBATORS**

**District Benefit:** There is a District Benefit to Council's Wastewater function with protection of the health and safety of residents within the district. Having a wastewater service also encourages migration into the district and town. With plans to extend the wastewater reticulation further there is a higher district benefit.

**Community Benefit:** The Wastewater function benefits the (urban) community that is connected or able to be connected to the service, with protection of the health and safety of residents within the community.

### **FUNDING**

**District Allocation:** Given the District wide benefit associated with the Wastewater function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**Community Allocation:** Given the Community benefit associated with the Wastewater function a targeted UAC and user charges is recommended as the funding tool for this allocation. Council aims to recover between 0-5% of the funding for this activity through user charges.

## Economic Sustainability Group of Activities

The Economic Sustainability Group of Activities are those that provide infrastructure that enables the community to grow and prosper. The Ōpōtiki District relies on reliable infrastructure to support business and industry development.

The significant activities contained within this group are:

- Water Supply
- Land Transport
- Investments.

### Water Supply

The Water Activity works to provide a reliable and safe water supply for public health and future development for the district. This is achieved by the following functions:

- Water.

### Intergenerational Equity Issues

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

### Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
	District Benefit	10%	Rates	5-20%

Council provides a reticulated supply to 5760 residents, and monitors water quality and future supply needs.	Community Benefit and User Benefit	65%	Targeted Rates, metered water charges, and connection fees	80-95%
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**BENEFICIARIES AND EXACERBATORS**

**District Benefit:** There is a District Benefit to Council’s Water function with protection of the health and safety of residents within the district.

**Community and User Benefit:** The Water function benefits the (urban) community that is connected or able to be connected to the service, with protection of the health and safety of residents within the community.

**FUNDING**

**District Allocation:** Given the District wide benefit associated with the Water function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**Community Allocation:** Given the Community benefit associated with the Water function a targeted rate, the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**User Allocation:** We charge users directly for metered water and expect to recover between 80-90% of the cost of this activity through fees and charges and targeted rates.

## **Land Transport**

The Land Transport Activity works to provide an efficient transport network and future development for the district. This is achieved by the following functions:

- Land Transport
- Land Transport Accelerated and Enhanced.

## **Intergenerational Equity Issues**

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Community.
- (b) Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides ongoing management, development and arranges for maintenance of the district transport networks.	National Benefit	15%	Subsidy	20-40%
	Regional Benefit	15%	No mechanism	0%
	District Benefit	40%	Rates	60-80%
	Commercial Benefit	15%	Targeted Rates	0-15%
	User Benefit	15%	Targeted Rates	0-15%
			User Charges	0-5%

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is an element of National Benefit to Council's Land Transport function in that National outcomes and priorities can be advanced at a local level and the national network contributes to national social and economic development.

**Regional Benefit:** There is an element of Regional Benefit to Council's Land Transport function in that Regional outcomes and priorities can be advanced at a local level and the regional network contributes to economic and social development.

**District Benefit:** There is significant District Benefit to Council's Land Transport function as it facilitates transport throughout the district.

**Commercial Benefit:** Land transport benefits the commercial section that is able to organise and run events for a commercial return.

**User Benefit:** The Land Transport function is considered to have a benefit to the user.

### **FUNDING**

**National Allocation:** Given the National Benefits associated with Land Transport a subsidy is provided by the government for subsidised works.

**Regional Allocation:** Given the Regional Benefits associated with Land Transport other income may be claimable from the Regional Council.

**District Allocation:** Given the District wide benefit associated with the Land Transport function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**Commercial Allocation:** Given the benefit associated with environmental management a targeted rate is recommended as the funding tool for this allocation.

**User Allocation:** Where a user benefit is identifiable and able to be recovered this will be done via a targeted rate or user charges. User charges will be minimal and will target between 0 – 5% recovery of the activity.

## Investments

The Investments Activity works to provide funds to provide future development for the district. This is achieved by the following functions:

- Investments.

## Intergenerational Equity Issues

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Community.
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council investments are low risk and in core council activities. We are concerned to protect our investment and accept a lower rate of return.	National Benefit	5%	No mechanism	0%
	Regional Benefit	25%	No mechanism	0%
	District Benefit	70%	Rates	80-100%
			Fees and Charges	0-20%

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is an element of National Benefit to Council Investments in that National outcomes and priorities can be advanced at a local level.

**Regional Benefit:** There is an element of Regional Benefit to Council Investments in that Regional outcomes and priorities can be advanced at a local level.

**District Benefit:** There is significant District Benefit to Council Investments in funds are invested for improvements in community services.

### **FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** Given the District wide benefit associated with the Council Investments either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.



**REPORT**

Date : 17 September 2020  
To : Ordinary Council Meeting, 6 October 2020  
From : Finance and Corporate Services Group Manager, Bevan Gray  
Subject : **LONG TERM PLAN – COMMUNITY OUTCOMES**  
File ID : A214195

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**EXECUTIVE SUMMARY**

**The Community Outcomes Policy plays a critical role in the strategic planning processes. It provides the rationale around why we do what we do. What it is that we want from the activities we provide to the community and what we are doing it for. Each one of the activities we provide will have a direct or indirect contribution towards an outcome that we want for our community. Ensuring that these are decided and we consider how the activities we provide contribute towards the outcomes, helps us avoid doing something for the sake of it. If an activity does not contribute towards an outcome then why are we doing it? It allows us to stop providing services in those cases.**

**The Community Outcomes were created by the community in conjunction with Council. There are seven clear goals that, when combined, create a picture of how the community wants our district to be like in the year 2031 and beyond.**

**The outcomes embrace all aspects of life in Opotiki District and the four wellbeing areas that are defined by the Local Government Act – social, cultural, environmental and economic.**

**We will continually review these outcomes as we prepare the LTP, and as we engage with the community on input into the LTP with the idea that we will amend and integrate further into the four well-beings.**

**PURPOSE**

To provide Council with the Community Outcomes to review for the Opotiki District Council Long Term Plan.

**BACKGROUND**

Council is required to prepare a 10 year Long Term Plan every three years. The preparation of such a plan and the corresponding documents is like putting together a jigsaw puzzle. Local government often refers to it in this way. It involves a number of key pieces that when pulled together give the Council and Community some surety around the next three years, while providing a longer 10 year context.

**The pieces of the LTP puzzle identified below.**



Community Outcomes – The objectives or outcomes that the community want to receive from the activities that we provide.



***The outcomes of this workshop inform the community about why we do the things we do. In both direct and in-direct ways the activities that we provide the community deliver a***

***purposeful outcome to enhance our community. These create the rationale for providing the activities in the first place.***

## **SIGNIFICANCE ASSESSMENT**

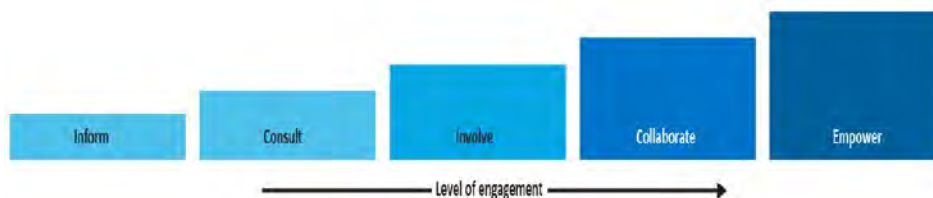
### **Assessment of significance**

Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of Significance for Long Term Plan – Community Outcomes is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

The decisions or matters in this report are part of the Long Term Plan process which is subject to a special consultative process. The information contained within this report will be made publicly available as supporting information through the consultation process.

### **Assessment of engagement requirements**

As the level of significance for Long Term Plan – Community Outcomes is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



## **RECOMMENDATIONS**

- 1. That the report titled "Long Term Plan – Community Outcomes" be received.**
- 2. That the report titled "Long Term Plan – Community Outcomes" be adopted by Council as part of the backing information for inclusion into the Long Term Planning process.**

Bevan Gray

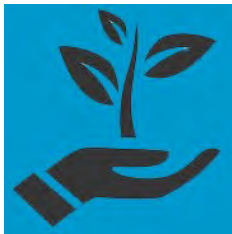
**FINANCE AND CORPORATE SERVICES GROUP MANAGER**

# Community Outcomes

Community Outcomes play a critical role in our strategic planning processes. They provide an understanding of what the community wants for the future. They help Council align efforts and resources to the community's needs, wants and priorities. The Outcomes provide a high-level set of desired goals that we aim to achieve and enable Council to have a clear focus on a Long Term Plan for our district.

The Community Outcomes were created by the community in conjunction with Council. There are seven clear goals, that when combined, create a picture of how the community want our district to be in the year 2031 and beyond. The outcomes embrace all aspects of life in Ōpōtiki District and the four well-being areas that are defined by the Local Government Act – social, cultural, environmental and economic. This Long Term Plan seeks to explain what and how Council will contribute to those community outcomes over the next decade.

## Development and protection of the natural environment



- Support and encourage environmentally sustainable development
- Manage growth and development wisely.
- Support initiatives that tackle environmental issues and improve understanding of the environment
- Lead the community in adapting to and mitigating climate change
- Support iwi and hapū to exercise kaitiakitanga taking appropriate account of the principles of the Treaty of Waitangi.
- Promote and develop on our natural environmental advantages, enhance without exploiting.

## Services and facilities meet our needs



- Provide facilities and services that meet current and future needs, and are accessible to all
- Help agencies and organisations identify our specific needs
- Support and encourage effective planning for the future
- Support the provision of emergency management services
- Ensure roads and transport networks are appropriate to requirements and district growth needs
- Consider the creation of safer communities through the services and infrastructure we provide.

## Fair and efficient leadership



### [What we had proposed for the 2018 LTP:](#)

- Provide leadership that is visionary, community focused, efficient and representative
- Have positive involvement in the day-to-day affairs of our community
- Encourage, develop, and support community leaders who share our vision.
- Continuing to engage and collaborate with local iwi

## A strong and effective community spirit



- Support the spirit and character of our communities remaining strong and distinctive
- Support and encourage positive community activities where people work and play together
- Promote a healthy active lifestyle and provision of appropriate facilities.
- Work to lift the median incomes across the district
- There is a uniqueness with the community in Ōpōtiki, that is unlike anywhere else. How do we grow but still retain that uniqueness.
- Social cohesion and activity – community of interest, we need to make this very clear.

## Purposeful work and learning opportunities



- Advocate for well aligned education and training, and employer and industry involvement in growing our workforce for the future
- Enable people to derive pride and purpose from a variety of work and learning opportunities.
- Lift median incomes
- Living wage assumptions
- Seasonal vs ongoing work. Workforce development strategy, already agreed by the community
- In preparation for community engagement we will revisit the Community Outcomes which are drawn from community input prior to our last LTP, and update them as a draft in line with subsequent feedback and the community wellbeing framework becoming more prevalent subsequent to the most recent local government act review.

## Development supports the community



- Support and/or partner with the community in innovative and appropriate development
- Develop and maintain a vibrant town centre as an enjoyable meeting place for all people
- Promote tourism and develop infrastructure to grow the visitor economy
- Development that enables industry growth and meaningful employment for the community

## Culture and history are treasured



- Support opportunities for artistic and cultural expression
- Respect and promote history, art and culture as a valued part of our community
- The things that make Opotiki unique and worth caring about are understood and supported.

# How Council contributes to the Community Outcomes

Having worked with the community to develop community outcomes, Council has to make decisions about how it will contribute to achieving those outcomes.

A framework that includes Council’s Vision – a clear statement on what Council aspires to achieve, Values – the foundation for policies and actions, and District Strategy – a future scenario to help set priorities for Council action, has been adopted to determine Council’s priorities and future direction.

## Our Vision: ‘STRONG COMMUNITY STRONG FUTURE’

### Our Values:

<p><b>Ngakau- tapatahi me te Pononga</b> Kaore matou a marie i a matou uaratanga aka mahi i roto i te huatanga matatika i nga wa katoa.</p>	<p><b>Integrity and honesty</b> We will not compromise our values and will act in a trustworthy manner at all times.</p>
<p><b>Manakuratanga</b> 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.</p>	<p><b>Leadership</b> We will take an active role in issues that affect our community by providing governance, representation, advocacy, guidance and opinion.</p>
<p><b>Mahorahora me nga Herenga</b> 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.</p>	<p><b>Openness and accountability</b> 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.</p>
<p><b>Tokeke me te Ture o te Tika</b> Ka mahi matou ia hua ai ka orite te whiwhi mea angitu o te katoa me te no ho tokeke i roto i iaga whakatinanatanga o uga ka upapa.</p>	<p><b>Fairness and equity</b> We will act to ensure that all have equal opportunities and we will be unbiased in the implementation of policies.</p>
<p><b>Whakatutukitanga Whakawaiatanga</b> Ka whiwhi hua i roto i te auaha me te ngawaritanga.</p>	<p><b>Achievements orientated</b> We will gain results in a timely, innovative and economic manner.</p>
<p><b>Tikanga Tutohungatanga</b> 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.</p>	<p><b>Relationships</b> We will acknowledge the special place of Tangata Whenua in our community and respect the different views and values of our community.</p>
<p><b>Tumanako Manawareka</b> Ka ahei tonu matou kia mohio ki nga tumanako o to tatou iwi kainga me te whakamatau kia taea te tairanga teitei o te whakanatanga o te iwi whanui.</p>	<p><b>Satisfying expectations</b> We will always look to understand our community’s expectations and try to achieve a high level of community satisfaction.</p>

## Our District strategy

Identifies the most important projects, including those that will take this district forward and create long term sustainability. These are the areas Council will focus on for at least the next three years; these are the priorities for Council action.

The district strategy, which is defined by the Ōpōtiki District Council, aligns with the four well-beings and also the community outcomes.

The four well-beings are our focus areas in the district strategy:

### Economic well-being

While the Ōpōtiki District comprises 2.98% of the Bay of Plenty population, our economy contributes 2.69% to the region's gross domestic product. Economic growth that creates sustainable employment and respects environmental qualities is the district's highest priority. Economic growth will be secured through diversification. At present, the district economy is mainly driven by the primary industries of agriculture and horticulture.

The primary sector will steadily grow through increased kiwifruit, honey and Manuka oil production throughout the Ōpōtiki District. Further expansion in these industries is currently underway. A newly created Aquaculture industry will start to be a significant contributor to GDP.

The Ōpōtiki Harbour entrance will be constructed within the first three years of this plan, enabling the landing and processing of mussels and other products from a growing number of offshore marine farms. This will provide a platform for sustained economic growth in the district, as businesses develop to take advantage of this new infrastructure. Operations such as tourism, charter boats, commercial fishing, retail and accommodation will increase as a result of improved access and demand. Land based aquaculture may also emerge as a related industry.

Domestic tourism will also be a growth industry for the district as a number of initiatives yield results. Regional and district promotions, the new harbour, the Mōtū Trails cycleway, events, and an increasing number and quality of attractions, including town centre development initiatives, will create a new level of interest in our district.

Māori land development in accordance with the aspirations of the owners provides a significant opportunity to develop social and economic wellbeing. Supporting that development, and legislative changes to level the playing field, are growing areas of importance to the district.

#### **Priorities for Council action**

- Ōpōtiki Harbour development
- Encourage private investment and development to meet housing needs
- Support the aspirations of Māori to develop their land
- Support local and regional business growth and workforce development
- Immediate focus on the district's economic recovery from COVID.

### Social well-being

The quality of life of individuals must continue to improve if a community is to be sustainable. The quality of life for Ōpōtiki residents will be underpinned by Council's core services such as water, stormwater, sewerage, roads and solid waste management. These services will be complemented by facilities that promote community well-being, including park and recreation facilities, Te Tahuhi o Te Rangi, a digital hub and the extended provision of connectivity.

Council will also work with other relevant agencies to ensure that their services enhance the quality of life for residents. This includes policing, health, education, housing and other social service providers.

Quality of life will be enhanced by the lifestyle opportunities provided by the district's beautiful natural environment. The outstanding Ohiwa Harbour and numerous river systems, beautiful beaches, stunning coastal views, extensive indigenous vegetation, strong communities and cultural richness will continue to attract residents and visitors alike.

The development of the economy and employment opportunities will also bring about improvements in the quality of life for residents.

#### **Priorities for Council action**

- Provide infrastructure e.g. roads and footpaths, water, stormwater, sewerage, waste management, extension of Ōpōtiki Township wastewater reticulation network
- Advocate with and on behalf of Ōpōtiki communities to central government
- Provide recreation facilities including development of walkways, cycleway, horse trails, sports fields, and playgrounds
- Support initiatives for development in the Coast ward
- Proactive provision of infrastructure
- Provision of a District Plan that meets the district's needs going forward
- Continued expansion of digital connectivity in the district through Evolution Networks
- Community where people feel safe

#### **Environmental well-being**

Another major strength of the Ōpōtiki district is the high quality of its environment. Over 80% of the district is in native vegetation and there are 13 major rivers. Over half the Bay of Plenty coastline (160km) lies within the council's boundaries.

We are proud of our natural environment. The maintenance and enhancement of environmental quality is an important part of the district's future and a focus for the district strategy.

Our unique harbour, bush, rivers, beaches, landscapes and associated activities such as swimming, fishing, diving, hunting, walking, biking and kayaking, are major attractions for residents and visitors.

Priorities will be the creation of facilities and infrastructure to optimise the use and enjoyment of natural resources while protecting the natural environment. The Ōpōtiki Harbour Development project and the environmental sustainability policies in our Reserves Management Plans will continue. Council will also, with the community, continue to identify and action environmental enhancement projects.

#### **Priorities for Council action**

- Provide and develop infrastructure in an environmentally sustainable way
- Complete the District Plan review and implementation
- Maintain and enhance parks and reserves
- Continued investment in environmentally sustainable coastal infrastructure
- Partner with community groups, iwi and hapū, BOPRC and DOC to undertake environmental restoration projects
- Continue to work with partners to maintain, enhance and grow the Mōtū Trails cycleway.

#### **Cultural well-being**

An existing strength of the Ōpōtiki district is the strong community spirit. This is often reflected in the high levels of volunteerism on marae, organising events or running local clubs and community initiatives. However, Ōpōtiki is not immune to global trends such as declining volunteerism, increasing disconnection of individuals and families, and increasing crime. A sustainable community requires a strong community spirit.

The ability and willingness of Opotiki's communities to keep their spirits strong and maintain their sustainability and resilience became evident during the COVID response. All areas of our



communities – residents, Council, businesses, iwi service providers and government organisations etc worked together to ensure support was available for all. It helped enable many of our primary industries to continue to operate during lock-down and it is this spirit and resilience that has also meant Opotiki has been able to quickly take up opportunities for recovery.

Ōpōtiki will continue to be known for its strong community spirit. Communities will retain their own distinctive identities whilst undertaking activities that support and enhance the collective wellbeing of the district’s communities. Ōpōtiki will continue to have communities that care for themselves and others.

Council will continue its role in fostering strong communities by sponsoring or supporting community initiatives and enhancing the quality of life of residents. With economic growth, there will be an increased number of community events and activities to foster community spirit.

The harbour development, marine farm, growth of the kiwifruit industry and the impending settlement of outstanding Treaty of Waitangi claims, will greatly increase the community’s vitality. Ōpōtiki will be a place where people feel good living, working, enjoying recreational activities and visiting.

There will be a greater appreciation amongst visitors and the general public about the cultural richness of the district through town centre revitalisation initiatives and new events celebrating our māoritanga.

**Priorities for Council action**

- Promote and support community events
- Provide sports fields and facilities for community use e.g. pavilions
- Support the outcomes iwi seek from their Treaty Settlements, including any legislated joint governance arrangements, and any orders made under the Marine and Coastal Areas Act
- Support and facilitate programmes to deliver good jobs for local people.

## Strategic planning documents important to community outcomes

The following strategic planning documents will assist in progressing the community outcomes.

Strategic Document	Relationship to Ten Year Plan
Annual Plan	Produced in the two out of three years that a ten year plan is not compiled. Explains any changes that may be made to the Ten Year Plan for the coming year.
30 Year Infrastructure Strategy	Along with the ten year plan Council produces a 30 year infrastructure strategy that identifies the capital and operational costs we expect to spend on our infrastructure assets. This has a direct correlation to affordability contained in the financial strategy.
Asset Management Plans	Supports the ten year plan and provides in-depth detail of how assets will be managed over the next ten years.
District Plan	The regulatory tool that assists in achieving community outcomes via the protection of the district’s natural and physical environment.
Bay of Plenty Regional Places and Spaces Strategy	Strategic framework for regional sport and recreation spaces and places (facility) planning in the Bay of Plenty region.
District Strategy	Part of our ten year plan. Identifies the most important projects Council will focus on over the next three years.

Bay of Plenty Regional Land Transport Strategy	Regional level guidance document that ensures integrated planning, management and operation of the regions state highways and various district roading works.
Walking and Cycling Strategy	The BoP Regional and Ōpōtiki District Walking and Cycling Strategies provide an integrated vision and targets for the promotion of these activities.
Eastern Bay of Plenty Road Safety Strategy	At a district level, takes into account and promotes community aspirations, particularly in the area of transport and safety.
Economic Development Strategy	The long term plans of Bay of Connections and Toi-EDA - established to promote sustainable economic growth.
Reserves Management Plans	
Tourism Strategy	
Recognised Iwi Management Plans	
Eastern Bay of Plenty Spatial Plan	



## REPORT

Date : 17 September 2020  
To : Ordinary Council Meeting, 6 October 2020  
From : Finance and Corporate Services Group Manager, Bevan Gray  
Subject : **LONG TERM PLAN – ACTIVITY STRATEGIES**  
File ID : A214111

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### **EXECUTIVE SUMMARY**

**This report documents the discussions had with councillors about whether they wanted to do more or less at an activity level, and some commentary about what that would be.**

**Council staff will use this information to prepare capital and operational budgets that will go into the first draft of financials. They will also use it to come up with options where there are significant changes.**

**This will then drive a level of service change conversation within Council and ultimately the community that we will need to have.**

### **PURPOSE**


To capture the intentions of Council for the direction of travel for each of the activities. This will be important to understand when considering costs and options going into consultation.

### **BACKGROUND**

Council is required to prepare a 10 year Long Term Plan every three years. The preparation of such a plan and the corresponding documents is like putting together a jigsaw puzzle. Local Government often refers to it in this way. It involves a number of key pieces that when pulled together give the Council and community some surety around the next three years, while providing a longer 10 year context.

The pieces of the LTP puzzle identified below.



 Activity Strategies – These outline the key goals and objectives of each of the activities. Changes to these objectives will result in level of service changes as outlined above, and will result in the need for consultation. An example of such a strategy is “zero waste”.

**DISCUSSION**

At an LTP workshop held on 25 August Council met to discuss each of the activities and whether we wanted to do more or less over the term of the next LTP. The outcome being that the councillors wanted to do more in most activities, with the same for a few. There was no activity that councillors thought we should do less of. This has historically been echoed by the community, wanting Council to do more of something in particular, but never stating we should do less of something to offset it.

A brief overview of the activities and what was discussed is provided below:

<b>Activity</b>	<b>More/Less /Same</b>	<b>Comments</b>
Leadership	More	<p>Professional development and training for elected members, inclusion in more local, regional, and national meetings to develop exposure to issues. Significant changes and development coming that we need to be ready for.</p> <p>Treaty Settlement processes, Iwi engagement needs to be developed further to build relationships and co-governance opportunities.</p>
Community Facilities	More	<p>The future of our cemeteries need to be considered, options around burial trees and natural burials need to be considered. Cemeteries need better facilities and tidy up.</p> <p>More public toilets to be provided in the district, increased domestic tourism needs. Coast, Wharf, Snells Road.</p> <p>We have a strategy to link the cycleway up to the West with Whakatāne, this is a significant capital project. Councillors want to consider options of extending further to the East and including our beautiful coastline.</p> <p>There is a desire to have library services up the Coast, this is also something that the CCB wants to develop over the next few years and look at options.</p> <p>More playgrounds and recreational areas and facilities are wanted by the community.</p> <p>The community also want a community swimming pool.</p>
Community Development	More	<p>We are constantly getting requests for funding and increased funding from those we have MoU's with.</p> <p>Councillors would like to see more CCTV in town, and free wifi on the main street.</p> <p>Elderly housing is an issue that the councillors would like to see us address in some form. To start a strategy should be completed.</p>
Economic Development	More	<p>Workforce development will play a big part in the want for increased services.</p> <p>The councillors are keen for Council to provide more events for the community, and do more down the Coast.</p>

Regulation & Safety	Same with some minor increases	Issues with unconsented buildings down the coast. Additional time will need to be put in with hapū chairs to develop a solution. More compliance needed within the district. Councillors happy with Animal Control, Environmental Health, Liquor Licensing, Emergency Management, and District Plan Implementation.
Solid Waste	More	Councillors want to look at pricing for a collection of some sort on the Coast. We will need to do more around waste minimisation. Councillors would like to see more bins or recycling facilities around the district. We need to do something about the quantity of waste that we are sending out of the district, it is not sustainable with the proposed growth and changes in pricing to keep sending waste to Tirohia.
Stormwater	More	We need to do more in this activity to deal with the impacts of Climate change, deferred projects, high groundwater levels on the community. We need to invest in thinking and modelling. Stormwater may need to be treated in the future to maintain consents
District Plan	Same	
Wastewater	More	Increased standards, resource consent expiry, pressure to provide for growth
Water Supplies	More	Increased standards, pressure to provide for growth
Land Transport	More	Roading sealing requests, Bridge replacement. Demand for more footpaths, Streetlights, Paerata Ridge. Kerb & Channel, carparks at cemeteries, broken Kerb & Channelling.
Investments	Same	

As we start putting together budgets for the activities that we provide to the community we will look at options around providing these additional services. Some will be treated as projects, and some will be an ongoing operational cost.

This information will be useful for determining whether there will be any level of service changes that need to be consulted on, or form part of the consultation document. If the changes are minor in nature we may be able to do these anyway.

The workshop on 17 December with Council will consider the levels of service and cost of the activities, including the provision of some of the options.

## **SIGNIFICANCE ASSESSMENT**

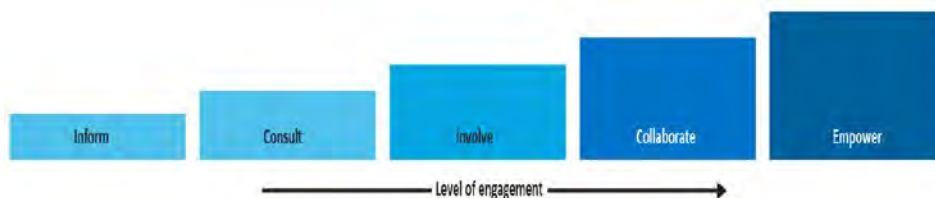
### **Assessment of significance**

Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for Long Term Plan – Activity Strategies is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

The decisions or matters in this report are part of the Long Term Plan process which is subject to a special consultative process. The information contained within this report will be made publicly available as supporting information through the consultation process.

### **Assessment of engagement requirements**

As the level of significance for Long Term Plan – Activity Strategies is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



## **RECOMMENDATIONS:**

- 1. That the report titled "Long Term Plan – Activity Strategies" be received.**
- 2. That the report titled "Long Term Plan – Activity Strategies" be adopted by Council as part of the backing information for inclusion into the Long Term Planning process.**

Bevan Gray

**FINANCE AND CORPORATE SERVICES GROUP MANAGER**

## REPORT

Date : 17 September 2020

To : Ordinary Council Meeting, 6 October 2020

From : Finance and Corporate Services Group Manager, Bevan Gray

Subject : **LONG TERM PLAN – RATIONALE AND GROUPING OF ACTIVITIES**

File ID : A214124

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### **EXECUTIVE SUMMARY**

**All of Councils Significant Activities contribute to the future of the district and the Community Outcomes. This in turn aligns with the four areas of community well-being – social, cultural, environmental, and economic.**

**Council provides some 50 odd activities to the community. Reporting on these individually would be logistically challenging and inefficient.**

**To make reporting, funding, and understanding activities easier we have grouped them together where there is some natural alignment or outcomes that those activities provide.**

**The councillors agreed that the existing structure and grouping of activities was appropriate for the next LTP. There was some discussion about the harbour development and whether that should be shifted, however this would likely happen once the build has been completed, and should be reviewed when setting the next LTP.**

### **PURPOSE**

To provide Council with an overview of the Rationale and Grouping of Activities to review for the Opotiki District Long Term Plan 2021-2031.

### **BACKGROUND**


Council is required to prepare a 10 year Long Term Plan every three years. The preparation of such a plan and the corresponding documents is like putting together a jigsaw puzzle. Local Government often



refers to it in this way. It involves a number of key pieces that when pulled together give the Council and Community some surety around the next three years, while providing a longer 10 year context.

**The pieces of the LTP puzzle identified below.**



Rationale and Grouping of Activities – Council provides the community with a number of activities, these  are grouped for the purposes of both reporting and funding. These will need to be reviewed as part of preparing the LTP. It may no longer be appropriate to have the harbour activity where it is currently once it is built and operational for rating purposes.

***This provides the community with an easy to understand grouping of activities, and a consistent reporting view for comparison to previous years.***

## **SIGNIFICANCE ASSESSMENT**

### **Assessment of significance**

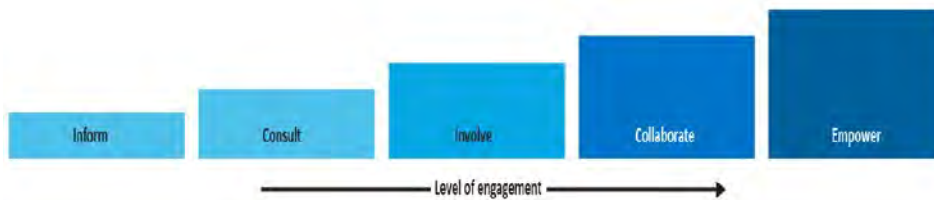
Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of

Significance for Long Term Plan – Rationale & Grouping of Activities is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

The decisions or matters in this report are part of the Long Term Plan process which is subject to a special consultative process. The information contained within this report will be made publicly available as supporting information through the consultation process.

### **Assessment of engagement requirements**

As the level of significance for Long Term Plan – Rationale and Grouping of Activities is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



### **RECOMMENDATIONS:**

- 1. That the report titled "Long Term Plan – Rationale and Grouping of Activities" be received.**
- 2. That the report titled "Long Term Plan – Rationale and Grouping of Activities" be adopted by Council as part of the backing information for inclusion into the Long Term Planning process.**

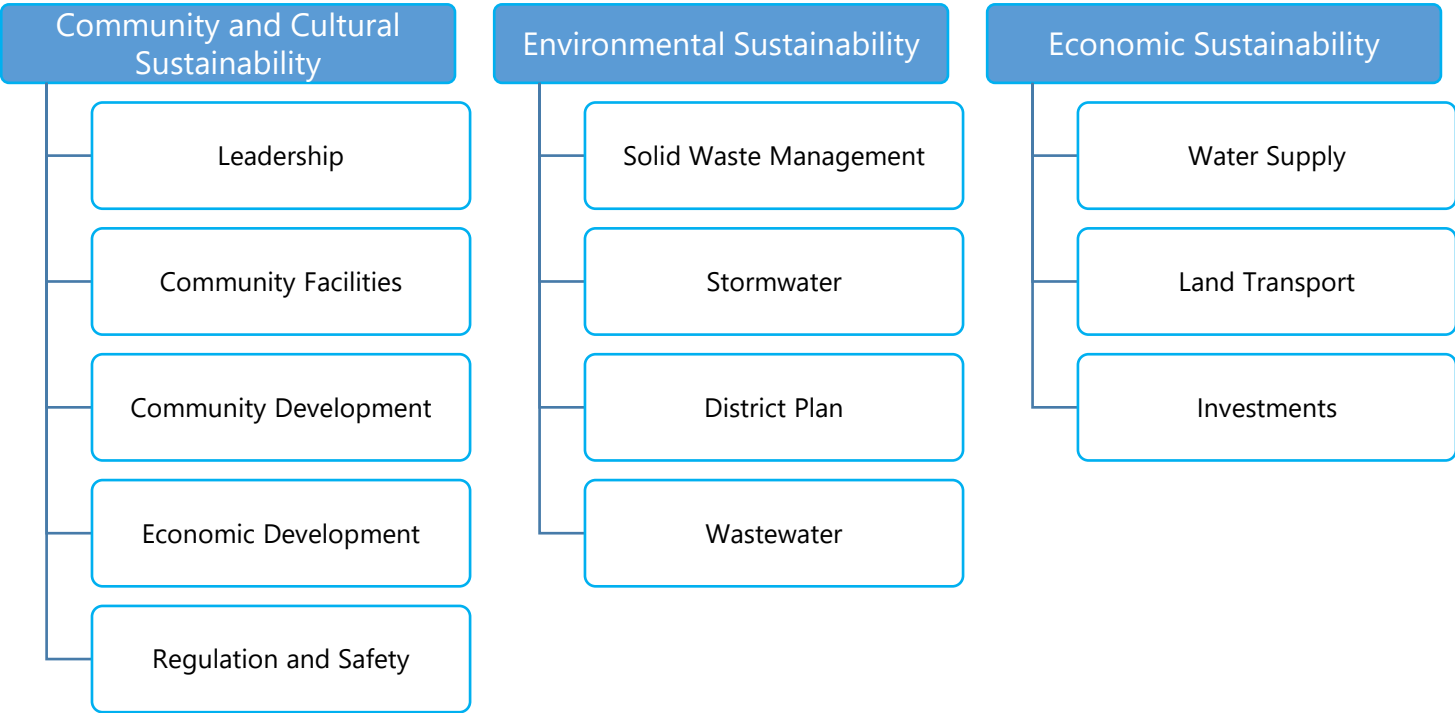
Bevan Gray

**FINANCE AND CORPORATE SERVICES GROUP MANAGER**

# An introduction to our activities

All of Council’s Significant Activities contribute to the future of the district and the Community Outcomes.

Our Significant Activities 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. They are:



Information is provided about how Council plans, manages, delivers and funds the activities that are included in the significant activity groups. A funding impact statement is included for each and some activities include a breakdown of the cost of planned key projects and programmes.

# Guide to the information provided for each activity

## 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.

## What potential negative effects this activity may 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. If there are negative effects then the Council must inform the public through the Ten Year Plan. For each activity, we list any potential negative effects and how we plan to minimise any effects should they occur.

## 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.

## Key Projects and Programmes

Key projects and programmes of work to be provided over the period of the LTP.

## Financial Information

The financial information provided is a set of financial forecasts for each activity over the ten year period 2018 to 2028. For each activity, the following is provided:

- Statement of proposed capital expenditure
- Funding Impact Statement.



# 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 Opotiki 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, the development of statutory and non-statutory policies, plans and reports, and the facilitation 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
 <b>Fair and efficient leadership</b>	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.
 <b>A strong and effective community spirit</b>	

### 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.





## 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, Property, District Library and Cycle Way).

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

### 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>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>Providing access to facilities and services to smaller remote communities within the district could be cost prohibitive.</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>
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## 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
 <b>A strong and effective community spirit</b>	To help assist the development of an inclusive community that provides a healthy, safe and friendly place to live, work and visit.
 <b>History and culture is treasured</b>	
 <b>Services and facilities meet our needs</b>	

### 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.

## 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
 <b>Development and protection of the natural environment</b>	To create a sustainable economic future by broadening the District's economic and therefore employment base.
 <b>Services and facilities meet our needs</b>	
 <b>Purposeful work and learning opportunities</b>	
 <b>Development supports the community</b>	

What potential negative effects this activity may have:

<b>Affected well-being/s</b>	<b>Significant negative effect</b>	<b>Sustainable solution</b>
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 2021-31 LTP and that it has made adequate provision for investment in infrastructure to cater for expected demand.</p> <p>Funding for the construction of the Harbour project will come from Crown. The ongoing operational funding will need to be sourced locally. Engaging the community in this process as part of the Revenue and Financing Policy will ensure that the financial impacts of operating the harbour are well understood.</p>





## 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
 <b>Development and protection of the natural environment</b>	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.
 <b>Services and facilities meet our needs</b>	To protect the interest of public health, safety, infrastructure and ensure the welfare of animals through the delivery of animal (particularly dog) control.
 <b>A strong and effective community spirit</b>	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.
 <b>Development supports the community</b>	To ensure that the Council and the Community are prepared for a civil emergency and adequate systems are in place to enable recovery following a civil emergency.

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.	

PLASTICS

# 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.

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

### 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).

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

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.



## 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
 <b>Development and protection of the natural environment</b>	To protect the environment from the adverse effects of stormwater.
 <b>Services and facilities meet our needs</b>	To protect public health and property.
 <b>Development supports the community</b>	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

	<p>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.</p>	<p>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.</p> <p>Ensure buildings have appropriate stormwater design and suitable drainage fittings.</p>
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## 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
 <b>Development and protection of the natural environment</b>	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.
 <b>Services and facilities meet our needs</b>	
 <b>Development supports the community</b>	

### 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.

## 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, and through this LTP will extend to include Hikutaia and Woodlands, while the other serves a small subdivision at Waihou Bay. Both schemes discharge primary treated effluent to field soakage systems. All other dwellings in the District are serviced by privately owned septic tank systems.

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

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 Waihou Bay).

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

What potential negative effects this activity may have:

<b>Affected well-being/s</b>	<b>Significant negative effect</b>	<b>Sustainable solution</b>
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.



# 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 Opotiki District relies on reliable infrastructure to support business and industry development. By way of example primary industries depend on a reliable transport network to enable them to get produce to market. The developing aquaculture industry will need a secure and reliable potable water supply for processing its products.

## Significant activities 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, Hikutaia 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
 <b>Development and protection of the natural environment</b>	Safe drinking water in accordance with NZ Drinking Water Standards.
 <b>Services and facilities meet our needs</b>	Reliable water supplies, minimising supply disruptions through improved maintenance and meeting peak water supply demands.
 <b>Development supports the community</b>	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:

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



## 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
 <b>Development and protection of the natural environment</b>	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.
 <b>Services and facilities meet our needs</b>	
 <b>Development supports the community</b>	
 <b>A strong and effective community spirit</b>	

What potential negative effects this activity may have:

<b>Affected well-being/s</b>	<b>Significant negative effect</b>	<b>Sustainable solution</b>
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>




## 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.
- Evolution Networks**  
 Evolution Networks is an internet service provider servicing the Eastern Bay of Plenty. Council has a 30% stake in the company in order to provide more connectivity to the sub-region. This investment was made following many years of neglect and lack of investment in connectivity options by the large telcos. The objective was for Council to have some influence in connectivity investment into the Eastern Bay.

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

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>



**REPORT**

Date : 17 September 2020  
To : Ordinary Council Meeting, 6 October 2020  
From : Finance and Corporate Services Manager, Bevan Gray  
Subject : **LONG TERM PLAN – KEY ASSUMPTIONS**  
File ID : A214143

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**EXECUTIVE SUMMARY**

**This document contains provisions relating to “significant forecasting assumptions”. The Local Government Act requires that Council identify the significant forecasting assumptions and risks underlying the financial estimates contained within the LTP.**

**This is a very comprehensive document, a lot of the assumptions are carried over each LTP, but are reviewed to determine whether they are still applicable. For example a number of previous LTP’s contained assumptions around PSA and their effect on the kiwifruit sector. Whilst PSA is still a concern for orchards, procedures, practices, and new variants have managed to keep PSA under control.**

**The assumptions underpinning this LTP have been widened to include all biosecurity risks. There will no doubt be new threats to the agricultural and horticultural sectors over the term of this LTP. Understanding the potential impact of these is very important considering the makeup of our district, and contribution of these sectors. We also have a new industry in aquaculture, which will also be at risk of biosecurity insurgence.**

**The outcomes of the Environmental Scan workshop and the five key risks have been worked through and included in the key assumptions for the LTP. These we consider will play significant parts over the next 10 years in our community.**

We will continually review our key assumptions as we progress through the preparation of the LTP, and ensure it is updated with the most relevant and current information at the time. For example, the BERL rates of inflation applicable to the Local Government sector are not available until October. These will be included into the document once received.

Ahead of the consultation with the community we will ensure that the most up to date assumptions are included for the public to review as part of the information supporting the LTP and Consultation Document.

**PURPOSE**

To provide Council with an overview of the Key Assumptions to review for the Ōpōtiki District Council Long Term Plan.

**BACKGROUND**

Council is required to prepare a 10 year Long Term Plan every three years. The preparation of such a plan and the corresponding documents is like putting together a jigsaw puzzle. Local government often refers to it in this way. It involves a number of key pieces that when pulled together give the Council and Community some surety around the next three years, while providing a longer 10 year context.

The pieces of the LTP puzzle identified below.



Key Assumptions – These are the significant assumptions that we base our LTP upon. Because we are



planning for a period of ten years we need to make assumptions about the environment, constraints, and opportunities that we will face over that time.

***This takes the key issues that were identified in the Environmental Scan and documents Councils thoughts on them and their possible impact on the integrity of the Long Term Plan. It also identifies other assumptions that will have impacts on the plan, and sets in place our reasoning behind what assumptions we are making and why. Ten years is a long time to be preparing budgets in a changeable environment. So having well considered and documented assumptions will help inform the following jigsaw pieces.***

## **SIGNIFICANCE ASSESSMENT**

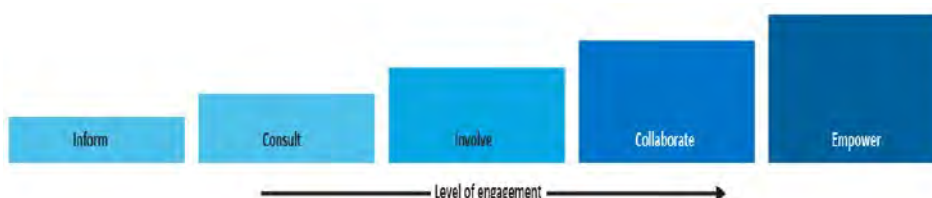
### **Assessment of significance**

Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for Long Term Plan – Key Assumptions is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

The decisions or matters in this report are part of the Long Term Plan process which is subject to a special consultative process. The information contained within this report will be made publicly available as supporting information through the consultation process.

### **Assessment of engagement requirements**

As the level of significance for Long Term Plan – Key Assumptions is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



## **RECOMMENDATIONS:**

- 1. That the report titled "Long Term Plan – Key Assumptions" be received.**



2. **That the report titled “Long Term Plan – Key Assumptions” be adopted by Council as part of the backing information for inclusion in the Long Term Planning process.**

Bevan Gray

**FINANCE AND CORPORATE SERVICES GROUP MANAGER**

# Planning Assumptions for this LTP

## **New assumptions**

Covid 19 – infometrics reports, weekly spend  
Recovery timeframes – expected timeframes for getting back to normal, U, V, L recovery  
3 Waters reform – RMA/regionalism  
Impacts and constraints of growth  
Housing  
CIP projects – applications in, impacts on Council debt  
PGF projects – funded projects and their impact, projects submitted but not yet funded, impact on council debt  
Affordability – assumptions around the level of affordability in the community

## **Old assumptions**

Future price changes  
Future Treasury changes  
NZTA Subsidy rates  
Revaluation of Infrastructural Assets  
Useful Lives of Infrastructural Assets and Depreciation Rates  
Form of governance  
Central government policy Direction  
Climate Change and Emissions Trading Scheme  
Population Structure and Growth  
Rating Unit Growth  
Building and Residential Development  
Development of commercial aquaculture industry and a navigable harbour entrance at Ōpōtiki  
Treaty of Waitangi Settlement  
Funding of Ōpōtiki Harbour development

Biosecurity Incursions  
Availability of Staff/Contractors  
Ōpōtiki Wastewater Replacement  
Sources of Funds for Future Asset Replacement  
Resource Consents  
Natural Hazards/Disaster  
Insurance  
LGFA Borrower Notes

# Draft Planning Assumptions

## Introduction

Schedule 10 (clause 17) of the Local Government Act 2002 contains provisions relating to 'significant forecasting assumptions'. The Act requires that Council identify the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial forecasts.

This section sets out the significant forecasting assumptions that have been used in the preparation of the 2021-2031 Long Term Plan (LTP) together with their perceived levels of risk to the integrity of the 2021-2031 LTP and particularly the financial forecasts contained therein.

The significant forecasting assumptions are summarised in the table below and are discussed in more detail on the pages that follow.

No:	Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
1.	Covid-19	Medium	Low
2.	Recovery	Low	High
3.	Three Waters Reform	High	Medium
4.	Effects of Growth	Medium	Low
5.	Housing	Low	Medium
6.	Future Price Changes – Rate of Inflation	Low	Medium
7.	Future Treasury Changes	Low	Low
8.	New Zealand Land Transport Agency Subsidy Rates	Low	Medium
9.	Revaluation of Infrastructural Assets	Low	Low

No:	Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
10.	Useful Lives of Infrastructural Assets and Depreciation Rates	Low	Low
11.	Form of governance	Low	Low
12.	Central government policy Direction	Medium	low
13.	Climate Change and Emissions Trading Scheme	Medium	Low
14.	Population Structure and Growth	Medium	Medium
15.	Rating Unit Growth	Medium	Medium
16.	Development of commercial aquaculture industry and a navigable harbour entrance at Ōpōtiki	Medium	High
17.	Treaty of Waitangi Settlement	Low	Medium
18.	Funding of Ōpōtiki Harbour development	Medium	High
19.	Biosecurity Incursions	Low	Low
20.	Availability of Staff/Contractors	Low	Low
21.	Ōpōtiki Wastewater Replacement	Low	Low
22.	Sources of Funds for Future Asset Replacement	Low	Low
23.	Resource Consents	Low	Low
24.	Natural Hazards/Disaster	Medium	Low
25.	Insurance	Low	Low
26.	LGFA Borrower Notes	Low	Low

## Summary of Assumptions

### Assumption Detail

#### 1. Covid-19

On 31 December 2019, China identified an outbreak of severe respiratory illness related to individuals attending a wholesale seafood market, which was ultimately found to be caused by a previously unrecognised Coronavirus (2019-nCoV or Covid-19). Coronaviruses are a large family of viruses which include the common cold, but also more significant illnesses such as severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome (MERS).

Covid-19 spread rapidly through the Hubei Province of China, and by the end of January 2020 there were over 9,000 cases (and 213 deaths) in China, and Covid-19 was reported in at least 21 countries. By the end of February, there were approximately 85,000 cases spread throughout the world, and by 31 March 2020, over 740,000 cases and 35,000 deaths were reported.

The World Health Organisation (WHO) declared the Covid-19 situation a Public Health Emergency of International Concern on January 30, and on February 11, declared it a Pandemic.

In New Zealand, the Ministry of Health established a National Health Coordination Centre on January 28, declaring Covid-19 a 'notifiable disease'. Representing the start of a series of travel restrictions, from February 3, foreign citizens who flew to New Zealand from China were denied entry. Despite progressive international travel restrictions, New Zealand identified its first Covid-19 case on February 28. On March 14, with the number of identified cases slowly growing to six, the Prime Minister Jacinda Ardern announced that from 01:00 on March 16, all travellers to New Zealand must 'self-isolate' for 14 days on arrival. At the same time, public gatherings of more than 500 people were prohibited, with a significant impact on sport at all levels in New Zealand. By March 19, New Zealand's borders were (with a few exceptions), closed to all except New Zealand Citizens and residents.

Saturday March 21 Prime Minister Ardern announced the Covid-19 Alert Levels, that specified the public health and social measures that were going to be taken to combat the spread and impact of the virus.

Level 1 - Prepare

Level 2 - Reduce Level 3

- Restrict

Level 4 - Eliminate

New Zealand was immediately placed at level 2, but by Monday March 23, with confirmed cases at approximately 100, New Zealand was moved to a level 3 alert, with level 4 following at 23:59 on Wednesday 25 March 2020. Level 4 risk assessment was that there was sustained and widespread transmission, with widespread outbreaks, and resulted in all people being instructed to stay home, except for essential services. Travel was severely limited, and there was a major reprioritisation of health services to support Covid-19.

The pandemic peaked in early April 2020 in New Zealand, with 89 new cases recorded per day, and 929 active cases. The country remained at level 4 until 27 April 2020 where it was reduced down to level 3, partially lifting some of the lockdown restrictions. The alert level was reduced further to Level 2 on 13 May 2020, which lifted the rest of the lockdown restrictions whilst maintaining physical distancing and limiting the size of gatherings. On 8 June 2020 New Zealand moved to level 1, removing all restrictions except border controls.

New Zealand remained Covid free from that point (102 days) until 11 August 2020 when 4 cases from an unknown source were reported in Auckland. At noon the following day the Auckland region moved to alert level 3, while the rest of the country move to level 2. This remained for two weeks before Auckland joined the rest of the country at level 2, where we are currently at.

The virus is still prevalent overseas and we expect that it will be around for at least the next two years, perhaps even longer depending on how quickly a vaccine can be developed and effectively distributed, and some time afterwards before populations are inoculated against it.

We expect that restrictions on entry to New Zealand, border controls, and quarantine measures will remain in place for quite some time, and will have an impact on the early years of this LTP.

We expect that there will be a lot of returning nationals over the next few years, putting additional pressure on border and quarantine systems as they enter the country, and housing supply once they settle. Returning NZ nationals may seek to settle in areas remote from the main centres, such as Opotiki. We are aware of the potential to exacerbate pre-existing overcrowding issues in our communities.

Further breakouts around the world could impact our businesses that are heavily reliant on export markets and there may be some supply chain interruptions/adaptations over the term of the LTP as well.

We expect that primary industry sectors will likely remain strong through outbreaks of Covid.

We consider the uncertainty of this to be medium as we do expect it to be present over the next few years. What is unknown is the extent to which it will affect our communities, and whether there will be any localised outbreaks or requirements for our district to go into lockdown in the future.

Council continued to deliver services through the first lockdown, albeit with some delayed projects. However the impacts on our communities were significant. Further lockdowns would put a significant strain on a great number of our local businesses. Government support was available for businesses, but there is uncertainty how long that support will be available should there be further

outbreaks. We assume that the government would continue to support businesses.

The Opotiki District sustains a wide spread population, with the most condensed area being the Ōpōtiki township, with approximately half of the district's population residing there. The risk of community transmission in Ōpōtiki is much lower than more densely populated towns and cities. Should an outbreak occur we expect that we could contain it quite safely.

In terms of the impact on the integrity of the LTP we expect that any outbreak and subsequent lock down would be short lived, and at worst would defer some of Councils projects. Our community is an extremely resilient community, and one that is built largely around the primary sector which managed to continue through the last lock down and record the largest harvest on record.

Our overall assessment of the impact of Covid 19 on the integrity of the LTP is that this is low.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Covid-19 and the associated restrictions and impacts will be experienced internationally and locally over the next few years.	Medium	Low

## 2. Recovery/PGF

The recovery from Covid-19 will take some time, DO WE HAVE ANY INFOMETRICS INFO? ON HOW LONG?

The immediate government investment policies on recovery present opportunities for the district. During the development of this LTP the Ōpōtiki District Council was successful in obtaining approximately \$20 million of funding for capital projects and workforce development to help the community retain jobs following lockdown.

We assume that further funding will be available in the early years of the LTP and believe the approach is likely to be more structured and aligned with renewable energy and moving the economy to a more sustainable environmental and economic position. Government funding is also likely to be directed towards creating and maintaining jobs, in particular in maori businesses.

We are aware that both of the large political parties are supportive of the Provincial Growth Fund concept, so we expect that it will continue in some form following the election. Both major parties, and a number of minor parties have a track record of supporting the Aquaculture industry, and Opotiki is acknowledged of being important in the achievement of the \$3B industry goal. This will provide further opportunities for the district to benefit from government funding to support the recovery from Covid-19. This is why we think the level of uncertainty is low.

The impact on the integrity of the LTP is high however. Because of low median incomes our community cannot afford the capital projects on its own, we need government support to enable the recovery and subsequent growth that will come from the harbour development and industry. The appetite for the government to fund the Ōpōtiki community is pursuit of its aspirations will play a significant part in this LTP.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
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Government funding for the recovery from Covid-19 will form a significant role in the early years of this LTP.	Low	High
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**3. Three Waters Reform DO WE HAVE TWO ASSUMPTION IN HERE? EFFECT OF REFORM AND EFFECT OF FUNDING?**

Central Government is proposing reforming the three waters, Water Supplies, Wastewater, and Stormwater by moving the ownership of three waters assets from Local Authorities to aggregated entities, the form of which is yet unknown but will be at least multi regional.

The impact on our community in relation to this is likely to be very significant, and it is uncertain yet what impact this will have on the organisation. Initially we will be provided some funding for projects to enter into a good faith agreement with Government to provide information, through a data capturing phase. From that point onwards it is uncertain what funding is likely to be available and for what.

The level of uncertainty around this assumption is high as there are many issues to be worked through. The advice we have been provided so far is that for this LTP we treat the management and ownership of the three waters as business as usual, and that any potential change of ownership, will happen in the following LTP.

The impact of this assumption on the integrity of the LTP is high, because the removal of the three waters from council presents an existential risk, and a range of yet to be identified risks to the community.

The first tranche of funding for this equates to \$3.2 million and needs to be spent on projects before 31 March 2022. It is uncertain yet what the second and third tranches of funding will look like, and what conditions they will come with. The funding provided will enable Council to deliver increased levels of service to the community as well as renewing significant numbers of assets.

Whilst the first tranche is certain, the remainder of the three waters reform is uncertain, so the level of uncertainty is high.

Given the level of funding potentially available and the value of our assets, any funding received over the term of the LTP is likely to be material to the community. The impact on the integrity of the LTP is medium because it is likely that the projects will already be included in the LTP, but the funding will be through grants rather than internal loans.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
The three waters reform will be	High	Medium
confirmed over the term of this LTP, but ownership of the assets will remain with Council for the first three years of the LTP.		

#### 4. Effects of Growth

The district is poised to experience significant growth enabled by the Opotiki Harbour (currently under construction) and driven by our growing aquaculture industry, kiwifruit industry and Treaty of Waitangi Settlements. As a community we have been preparing for this growth for a number of years, but without the

certainty of the funding. During 2019 and 2020 the PGF confirmed significant funding in the Opotiki District and as a consequence there are many projects advancing in tandem, with many jobs becoming available.

More recently the impact of Covid 19 has driven a population increase through whānau returning from overseas due to Covid. Nationally we are expecting there will be large numbers of people moving from cities to rural/provincial New Zealand as the idea of going through another lockdown in a city apartment is not a pleasant prospect for many.

The demand for growth, and the subsequent effects of growth, will provide many challenges for our communities. Understanding the growth and the timing of it will be vital in ensuring that Council is investing in the right things at the right time.

We have prepared some growth assumptions as part of preparing the LTP, these assumptions cater for population and rateable assessment growth. We have used these assumptions to inform our infrastructure strategy, which determines our investment in key community infrastructure over the next 30 years. If these assumptions are incorrect then it is likely that there could either be an under or over investment in infrastructure.

There is uncertainty around what the effects of growth are on our community, primarily because a lot of the investment going in to Ōpōtiki over the next three years will be aquaculture related, and a new industry. So it carries some uncertainty around what support industries will emerge. Also reasonably unknown is what are the infrastructure and treatment needs for the outputs of these industries. BEVAN I DONT UDNERSTAND WHAT THIS PARA SAYS.

Our assumption is that we have compiled as much relevant information as possible to gain an understanding of the growth, what it will be, where it will be, and what the infrastructure and organisational needs will be, so that it minimises the risk that we have aspects of it missing from the LTP. We expect the level of uncertainty around this to be medium, and the impact low.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That this LTP has sufficiently catered for the effects of growth on the district and community.	Medium	Low

## 5. Housing

There are significant housing needs across the district. Recent data compiled by the University of Otago (2020 report\*) shows Opotiki to be the worst district in NZ for total severely housing deprived rate. Data shows the rate in Opotiki to be high across all categories but particularly the "sharing accommodation" category.

There is currently a shortage of developers in the district so there has been limited housing development to date and there are landowners holding on to property instead of developing on the expectation that they can get better prices later on. Housing development potentially also competes with the high returns from kiwifruit production.

There is a lot of protected land in the district as well, which limits the ability to build. Development up the coast will be constrained by suitable sites, environmentally sensitive locations and wastewater disposal, so we will see ribbon development along the coast.

Elderly housing needs – retirement housing. Changing demographics. Our affordability report outlined that we have over 500 super annuitants living in the district. Living at home for some of these ratepayers may create affordability issues.

The costs of developing and building can be very high relative to the potential return and processes can be challenging.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That the housing needs of the community will be met through Council provided infrastructure and private investment	Low	Medium

\*Footnote this: University of Otago, Wellington (2020) Severe Housing Deprivation in Aotearoa New Zealand 2018, report prepared by Dept for Public Health for He Kainga Ora / housing and Health Research Programme

## 6. Future Price Changes – Rate of Inflation

The Society of Local Government Managers (SOLGM) commissioned a study to develop price level change adjustors for local authorities to use when forecasting future year expenses through to 2031. The following table lists the forecast annual percentage change for each of the adjustors.

<b>Year Ending</b>	<b>Road</b> (Land Transport)	<b>Property</b> (Property & Facilities)	<b>Water</b> (Water, Sewerage & Stormwater)	<b>Construction</b> (Earthmoving & Site work)	<b>Staff</b> (Salary & Wage Rates Local Government Sector)	<b>Other</b> (LGCI Total)
2022	2.0	1.7	2.3	2.0	1.6	2.0
2023	2.2	2.0	2.5	2.3	1.6	2.2
2024	2.2	2.1	2.3	2.4	1.7	2.2
2025	2.3	2.1	2.4	2.4	1.8	2.2



2026	2.4	2.2	2.4	2.5	1.8	2.3
2027	2.4	2.3	2.5	2.6	1.9	2.3
2028	2.5	2.3	2.6	2.7	1.9	2.4
2029	2.6	2.4	2.6	2.8	2.0	2.5
2030	2.7	2.4	2.7	2.9	2.0	2.6
2031	2.8	2.6	2.8	3.1	2.1	2.7

These inflation assumptions have been applied to both operational and capital expenditure items as the indices include a combined forecast of operating and capital costs. However because of the mixture in the composition of these indices, they may understate (or overstate) the change in process of both operational and capital expenditure.

It should be noted that these inflation forecasts do not allow for spikes that can occur during retendering or contract renewal processes. Such spikes can occur for a variety of reasons, such as changes to service levels or as a consequence of changes in contract interpretation, and are difficult to forecast.

Future price changes different than those forecast above will impact on either service levels or future rate requirements depending on the variance. Such variances can be managed through future reviews of the LTP or via the Annual Plan Process so are considered to be low risk in the context of the 2021-31 LTP.

An important point to note is the distinction between the LGCI (Local Government Cost Index) and the CPI (Consumer Price Index). The main distinction is in the composition of the basket of goods and services that each measures. The basket of goods and services in the CPI represents the overall expenditure pattern of New Zealand households. These include items such as food, clothing and footwear, housing, energy and health. Such items are not directly relevant to, and do not reflect the expenditure of local authorities; hence the construction of the LGCI.

The LGCI is intended to reflect the selection and relative importance of the goods and services which represent broadly the expenditure pattern of local authorities

in New Zealand. This basket thus includes more directly relevant items including capital expenditure on pipelines, and earthmoving and site works, and operating expenditure such as local government sector salary and wage rates.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Future price changes will be within the range forecast by LTP	Low	Medium

## 7. Future Treasury Changes

The key factors for when forecasting future treasury costs include interest received on investments, Interest rates associated with external and internal borrowings and the Council's on-going ability to access external borrowings.

### Interest received on Investments

Interest rates for investments have been calculated as shown in the table below, based on estimated wholesale rates over the term of the plan. Historically interest rates have been higher. However with the current economic downturn post Covid-19 rates have fallen, and are not expected to recover for 3 years. Council has limited investments therefore exposure is minimal.

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate	1.36	1.29	1.29	1.35	1.44	1.57	1.69	1.82	1.96	2.04	2.12
	%	%	%	%	%	%	%	%	%	%	%

### Interest on External Borrowings

Debt servicing costs on existing borrowing is the actual cost for each loan. Whilst Council is currently enjoying historically low interest rates it is not anticipated this will continue in the medium to long term. The table of assumed interest rates are based on expected wholesale rates over the term of the plan plus a margin of

110 basis points due to it being a small local authority. Council has therefore adopted assumed borrowing rates across the 10-year period as shown below.

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate	2.11 %	2.04 %	2.04 %	2.10 %	2.19 %	2.32 %	2.44 %	2.57 %	2.71 %	2.79 %	2.87 %

Internal loans interest rates will be the same as the external loan interest rates. The reason for this is that all loan funded expenditure within an activity will be funded by internal loan. The council will have a treasury function which borrows externally to fund internal loans should it not have enough available cash on hand. This will enable more efficient treasury management of investments and loans, and allow Council to keep external debt lower than would otherwise be achieved without the treasury function. Council has estimated interest rates on current levels. If Loans cannot be sourced at the estimated interest rates projected, the costs will differ from those estimated in the Council financial statements. Higher interest rates would have an impact on either service levels or rate requirement however Council considers this assumption to be of low risk as whilst the actual interest rates are likely to vary over the life of the plan there will be times when they are below the assumed rate as well as above.

**Access to External Borrowings**

This plan is based on the continuity of funding from an approved banking institution. Council believes that the likelihood of the withdrawal of LGFA funding is low, due to the good credit rating and relatively low risk Council has as a public entity. In addition, Council has the ability to set rates at a level sufficient to cover its costs. As long as Council continues to be financially prudent and can demonstrate financial sustainability over time there is minimal risk attached to this assumption.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
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Future treasury changes will be within the range forecast by LTP	Low	Low
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**8. New Zealand Transport Agency (NZTA) Subsidy Rates**

The NZTA subsidy for the maintenance, renewal and improvement of the Local Rooding Network is Council’s single largest source of income after rates revenue.

A table of forecast funding rates is included below:

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%

Further changes in subsidy rate and variation in criteria for inclusion in subsidised works programme does represent a level of uncertainty for the LTP. NZTA funding priorities may change over the life of the LTP as aspects of the review process are still ongoing, and variations in subsidy are possible given the priority allocated to Auckland transport issues.

Whilst it is possible that the criteria and level of funding available could vary over the life of the plan the likelihood of such occurring is considered to be low. However given Council’s reliance on the NZTA subsidy as a source of operating revenue the impact on the LTP is considered to be medium.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
NZTA Subsidy Rates will continue at planned for levels.	Low	Medium

## 9. Revaluation of Infrastructural Assets

Infrastructure Assets are to be re-valued every three years in line with Council's Accounting Policies and the outcome may alter the carrying value of Council Assets and the associated depreciation expense. The last valuation was undertaken as at 1 July 2017. It has been assumed that any change in valuation will be in line with assumed rates of inflation. As a result Council considers that Asset Revaluations represent a low level of uncertainty for the LTP forecasts.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
Changes in valuation will be in line with inflation.	Low	Low

**10. Useful Lives of Infrastructural Assets and Depreciation Rates** The useful lives assumed in the Asset Management Plans (AMP's) and therefore the LTP are those provided by the National Asset Management Steering (NAMS) Group and used by experienced valuers. Variations between actual and assumed useful lives will impact on the funding of depreciation and the asset renewal programme, however over time the impact is likely to be self-balancing with minimal impact on the forecasts contained in the LTP.

Council has an asset management planning and upgrade programme in place. Asset capacity and condition is monitored, with replacement works being planned in accordance with standard asset management and professional practices. Depreciation estimates are prepared on the basis of the recent asset revaluation exercise and renewal and development expenditure over the life of the LTP. Council uses the straight line method for calculating depreciation on all property, plant and equipment at rates that tie directly to the useful lives of the assets. Certain factors can distort these calculations such as asset revaluations, knowledge of assets (e.g. age, condition etc) and the level of investment in the

renewal and development programme. Such factors are considered to be low risk as they are reviewed on a regular basis and generally in alignment with the triennial review of the LTP itself.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
Asset lives and allowances for depreciation are adequate for the life of the LTP	Low	Low

## 11. Form of Governance

While it is assumed that Central Government will provide a relatively stable legislative platform for the existence of Local Government in its present form over the life of the LTP, there are some signals that reform may be coming. The Three Waters reform process that has recently been announced signals a firm direction of travel while remaining "optional" for councils. For this LTP however there is little option other than to assume status quo and plan for the three waters in the best interests of our community. Planning for growth and renewing assets must continue and it is assumed that any entity that either government requires, or council agrees to transfer assets to will continue to operate them based on this LTP. Recent reports and recommendations into RMA reform also signal a firm direction of travel but are not sufficiently advanced to change underlying assumptions. At the same time LGNZ and various parts of government are advocating a locally led agenda.

For a district like the Ōpōtiki District there are reasons why the current form of governance is essential:

- The very strong sense of community brought about by the rich Māori and colonial history, and the geographical isolation.

- The harbour development would have been unlikely under a larger Council with governance based elsewhere.
- Any agglomeration will result in increased costs that overall the local community cannot sustain.

There is risk however if the Three Waters and RMA reform proceeds that Opotiki District Council would no longer be a sustainable unit of local government. The loss of local leadership would have large consequences.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
No considerable change to the form of governance through the life of the LTP	Medium	Low ??

### 12. Central Government Policy Direction

Historically successive governments have imposed additional responsibilities on Local Government without associated funding recovery mechanisms. The administration of new and changing legislation, regulations, policy statements, standards, and accreditations over time has been a key factor for increased costs for Local Government in New Zealand. If this trend were to continue then costs would continue to increase as would most likely rate revenue. The past three years has resulted in many, and cumulative, legislative changes that have required changed processes, staff resources to implement and insufficient cost recovery mechanisms. Looking ahead there are cost drivers in waste as levies increase and options for recycling decrease. In the three waters there are consent re-applications needing to be made with unknown standards likely to be imposed. The increased audit standards for our Building Control Act function has had a significant impact on our organisation and the businesses that deal with Council.

Two Treaty Settlements are in process that may also bring increased cost to administer co-governance arrangements.

It is therefore assumed that incremental and cumulative change will continue and costs will rise over time.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Changes to Central Government will have a minimal impact on the role and form of Local Government	Medium	Low

### 13. Climate Change

Climate change poses large long term risks to mankind. Science is advancing rapidly around the extent and magnitude of those risks and community acceptance that is happening is now high.

- areas, and has the potential to decrease coastal flood protection levels of service;
- An increase in the intensity of rainfall rising the flood risk to floodplains; and
- More frequent and intense storms which could change flood protection design levels, increase erosion impacts, increase coast storm effects, and increase run-off from upper catchments leading to an increase in sediment transport to harbours and estuaries.

Climate Change can affect Council’s functions in a number of ways:

- A. Hazard Planning and other regulatory and environmental planning roles Council has a shared responsibility under S31 of the RMA for management of natural hazards. This is further reinforced in the Regional Policy Statement that directs a shared approach to the management of natural hazards. Council’s regulatory role is generally well defined by the hierarchy of RMA planning documents and national guidance is given on the parameters and the process of implementation. From time to time national policies are promulgated that require council to update its planning documents and regulatory functions in accordance with revised guidance. A recent RMA amendment brings the consideration of emissions into the resource management framework. It is assumed that updates will be accommodated within normal planning processes.
- B. Design of assets  
In designing its assets council will continue to use the latest guidance for the various design parameters. Climate change effects are built into the design of new assets and on replacement of existing assets. Some assets may need additional capacity as climate change effects become apparent, however climate change scenarios indicate there is sufficient time to plan ahead. It is assumed that guidance on increased rainfall or sea level parameters will continue to be readily available and council will continue to adapt as new predictions from credible sources become available.
- C. Increase in frequency of extreme events  
Climate change predictions are for an increase in the number and size of extreme events over time. This is a difficult science in that there is a lot of noise in the data that can lead the public to perceive a rapid change in weather events when in fact it is a slow change over decades. It is assumed that there will be a gradual increase in the frequency and size of events causing increased erosion and damage. Over time Council may find itself facing increased costs of flood and erosion events however it assumed this will be over a number of decades and can be reviewed in successive LTPs.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Climate Change will affect the District over the medium to long term	Medium	Low

#### **14. Population Structure and Growth**

The Ōpōtiki district’s population has been growing rapidly. Since 2013, The Ōpōtiki district population has increased by an average of about 160 people each year (1.9% per annum)<sup>1</sup>. In June 2019, Ōpōtiki district had an estimated population of 9,720.

According to the Council’s ratings database, the district had about 3,300 occupied residential dwellings and 500 vacant residential dwellings on record. This is slightly fewer than the 4,250 dwellings (occupied, unoccupied and under construction) identified through the 2018 census.

A review of the 2018-2028 LTP forecast for Ōpōtiki district shows that it is in line with the 2018 census (9,280 people). However, the LTP population forecast for 2019 is about 200 less than the Statistics New Zealand sub-national population estimates suggesting that the LTP estimates might be on the low side going forward. A review of the assumptions suggests that the growth in population has come from inward migration as some of the key projects

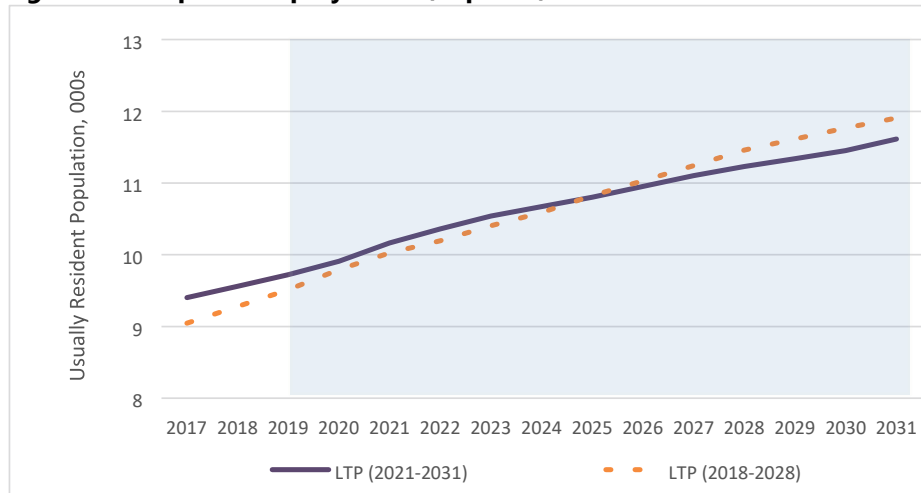
<sup>1</sup> (Statistics New Zealand, 2019)

included in the LTP forecast had not occurred, in particular the harbour redevelopment.

The 2021-2031 forecast is for the Ōpōtiki district population to increase to 11,614 residents in June 2031, up from 9,720 in 2019, an average of 1.5% each

year. This would result in an additional 570 households over the ten years to 2031, or 57 new households each year.

**Figure 1: Population projections, Ōpōtiki, 2017–2031**



Source: MartinJenkins

While starting from a higher population, growth is slightly lower than previously forecast (2018-2028). We have revised down the impact from new jobs, to reflect a higher proportion of those jobs filled by local residents. We also do not see inward migration continuing at the rate that it has over the past 10 years.

### COVID-19 impact on forecast

Although it has been almost ten months since the initial COVID-19 lockdown, there is still uncertainty around what impact it will have on the Ōpōtiki district population. While unemployment is expected to increase, the magnitude and the timeframes are not apparent. Questions remain such as what further actions will government take to support jobs? Are there likely to be future lockdowns

and how long will it last for? Our current view is that Ōpōtiki will not be as affected as the rest of New Zealand due to the industry structure in the region. However, what unemployed people will do and whether they will remain in the district is uncertain – although we would expect less mobility. Aside from jobs, COVID-19 will impact on migration – both international inward migration and inter-regional migration. We expect Ōpōtiki to benefit from migration patterns, as it has done over the last 5-10 years. We will continue to monitor the impacts of COVID into the new year and make any revisions to the forecasts when and if more clarity emerges.

The Ōpōtiki Population Forecast model builds on the Statistics New Zealand subnational population forecasts. It allows us to include population and rateable assessment changes resulting from major projects that generate sustainable employment and housing developments. Key projects and industries included in this forecast include the Twin Harbour Projects (including mussel farms and processing), horticulture (including the kiwifruit and mānuka sectors), upcoming settlements, and investments into the CBD and district to improve the quality of amenities and services.

### Assumptions and limitations

Our population projections and rateable assessments are based on a number of projects creating sustainable jobs in Ōpōtiki coming to fruition. A portion of these jobs will be filled by people moving to the district, with some of these bringing their families with them. We have been relatively conservative in our estimation of total jobs created by these projects by assuming a relatively high level of job absorption by existing residents and people travelling in from other districts. We have provided the forecast model to Ōpōtiki District Council so they can run alternative scenarios as they see fit. The key assumptions used in the model are shown in the following table.

The LTP projection for 2021–2031 applies a consistent methodology to that used in the previous LTP. We use the Statistics New Zealand high projections as

the baseline<sup>1</sup> to which we add population growth resulting from major developments.

We re-calculated the high projections by incorporating the subnational population estimates through to 2019 (9,720 residents), which more accurately reflects the current population. We then adopt the high population projections growth rates going forward. Under this revised high projection, the Ōpōtiki resident population declines to 9,696 by 2028 and then to 9,619 by 2031.

We then estimated the additional population that would result from major industry and infrastructure investments underway in the Ōpōtiki district over the next 20 years.

Based on our modelling, the aspirational scenario sees population grow by 1.3% each year between 2021 and 2031 to 11,614 people, a net increase of 1,450. Households in Ōpōtiki increase by 1.3% each year to 5,091, a net increase of 571. Rateable assessments in Ōpōtiki increase by 0.7% each year to 6,685, a net increase of 461.

The aspirational scenario adds population change expected to occur as a result of known developments including the harbour redevelopment and associated aquaculture processing, and primary sector growth in the Horticulture industries (mainly kiwifruit and manuka). We also assume some population growth from upcoming iwi settlements, although the specific projects are unknown and the benefits of this are only likely to occur in the latter stages of the forecasts and depend on what iwi do with their settlements.

Table 1 presents a summary of the key assumptions underpinning the analysis.

**Table 1: Summary of key assumptions**

**Ōpōtiki Population Projections - Assumptions**

Statistics New Zealand high (2019-2031)

-0.09%

Impact of COVID-19

??

<sup>1</sup> revised to reflect the 2019 subnational population estimates.

New Jobs (2020-2031)	
Aquaculture jobs	385
Horticulture jobs	673
Settlement jobs	72
CBD/QOL jobs	102
Share of additional employment filled from outside of Ōpōtiki	50%
Indirect and induced multiplier	1.5
	1.18
Average employees (full time) per household	
Average household size	2.54
proportion of new households that build new houses	50%
ratio of commercial to residential	0.49

Source: MartinJenkins

The aspirational population projection is based on projected employment growth in Ōpōtiki. However, for this analysis we have taken a very conservative approach. For example, we have only considered growth as a result of the Twin Harbour projects (wharf, and mussel farming and processing), the kiwifruit and mānuka industry. There is potential to achieve growth in other sectors of the local economy, such as tourism; or other regional development activity that is occurring in the district such as Whakatōhea Māori Development Board activity to encourage opportunities for their iwi within their rohe.

Adding further projects from other sectors or activities would result in higher employment levels leading to higher population projections.

Second, we have also applied conservative assumptions, such as in the indirect and induced multiplier. A multiplier of 1.5 is at the low end of the range of industry multipliers for Ōpōtiki.

## Population projections

By 2031, the aspirational scenario sees the population increase to 11,600.

This is slightly lower than the earlier aspirational scenario in the previous LTP<sup>2</sup>, where the population increases to 11,900. Under the Statistics New Zealand high scenario, the population falls to 8,960. Population projections under the three scenarios are shown in Figure 4.

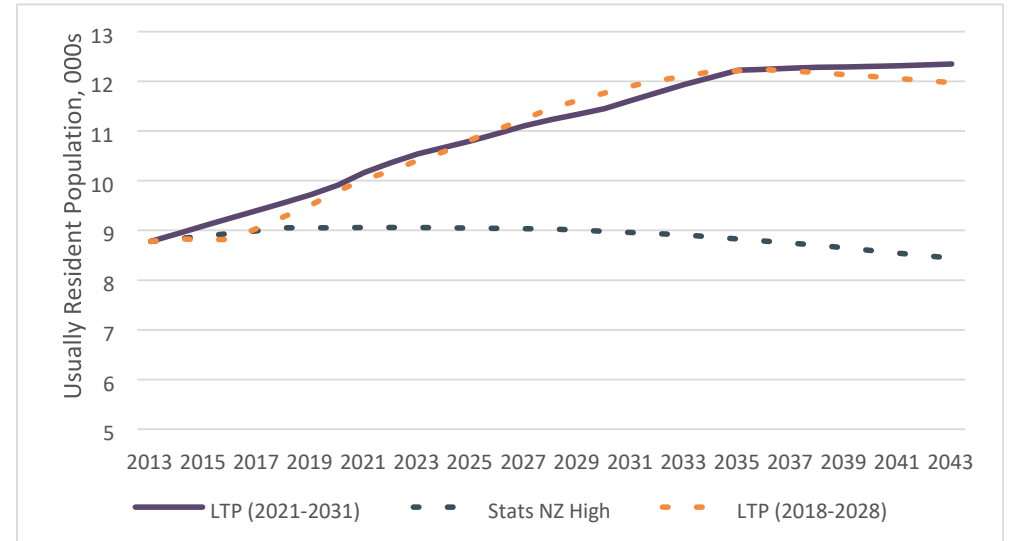
**Figure 2: Population projections, Ōpōtiki, 2013–2043**

Source: MartinJenkins

Under the latest forecast, Ōpōtiki’s population increases by 1.5% each year between 2019 and 2031, a net increase of 1,890 people.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That changes in population structure and growth have been adequately provided for in the Long Term Plan	Medium	Medium

<sup>2</sup> (2018-2028)

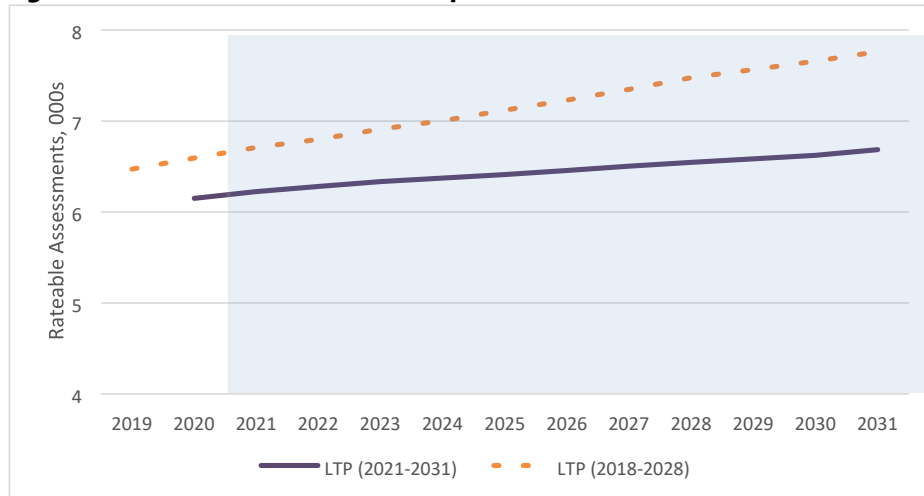


## 15. Rating Unit Growth

Rateable assessments in 2020 have been updated based on the council’s ratings database. Rateable assessment projections are aligned to population growth projections by changing the number of residential rateable assessments based on the change in population as well as accounting for the available housing stock. The ratio of residential assessments to commercial assessments remains constant. Public rateable assessments grow at historical rates.



**Figure 3: Rateable assessments, Ōpōtiki, 2016–2028**



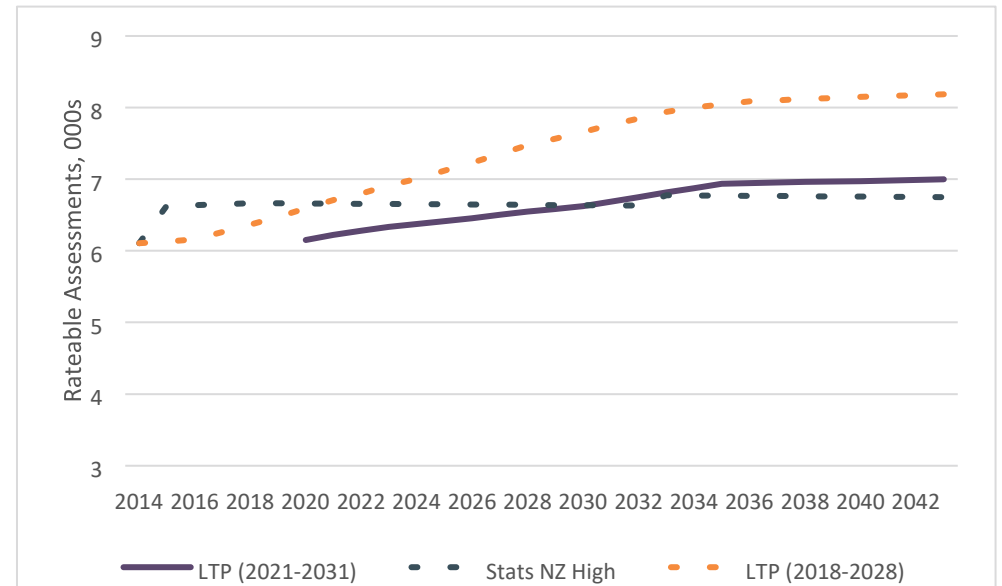
Source: MartinJenkins

With residential rateable assessments correlated to the number of households, the projected growth in rateable assessments falls compared to the previous forecast (2018-2028). Rateable assessments increase to about 6,685 in 2031. This compares to about 7,760 under the previous forecast.

Residential rateable assessments are forecast to increase to 4,160 in 2031. This compares to the previous forecast, where residential rateable assessments reached 5,210 in 2031.

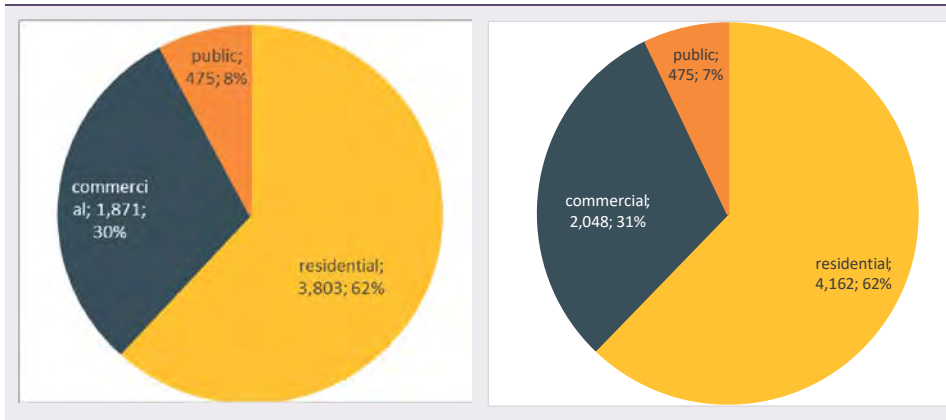
**Figure 4: Rateable assessments, 2014–2043**

Source: MartinJenkins



The current projection method uses additional households to estimate the growth in rateable assessments. To do this, rateable assessments are split into residential, commercial, and public/non-rateable properties. The share of assessments in each area is shown in Figure 7.

**Figure 5: Rateable assessments, Ōpōtiki, 2020 and 2031**



Source: (Ōpōtiki District Council, 2020), MartinJenkins

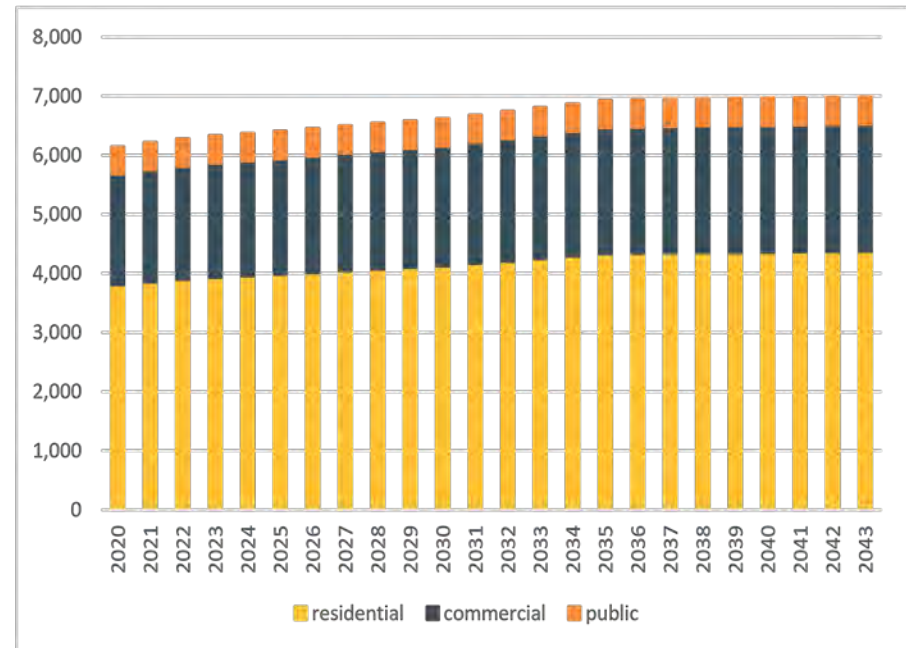
There were 6,150 rateable assessments in Ōpōtiki in 2020. Looking at a breakdown of the rateable assessments by type, residential dwellings account for three-fifths (62%) of rateable assessments. Commercial assessments account for 30% total assessments and public assessments just under onetenth.

An assumption is made for the proportion of new households that move into existing (vacant residential) housing, and those that create a new rateable assessment. The forecast sees the ratio of commercial to residential staying constant out to 2031, whereas public rateable assessments do not change.

### Rateable assessments by type

Rateable assessments are split into residential, commercial, and public.

**Figure 6: Aspirational scenario rateable assessments by type, Ōpōtiki, 2020–2043**



Source: MartinJenkins

There are currently just over 500 vacant residential properties in Ōpōtiki. A portion of residents will take up existing vacant properties, until all vacant properties (that are habitable) are used (there will always need to be a proportion of properties vacant). With the growth in households forecast, this will be achieved relatively quickly.<sup>3</sup>New properties will be built to meet growth in demand. This includes developments that are already in the planning stage (the Drifts and the Saleyards), as well as new developments that have been

<sup>3</sup> Under the aspirational scenario, 40% of new households take up vacant residential properties with the remaining building new. This reduces to 25% by 2028, when the stock of vacant residential properties falls to around 130. The likely scenario is that locals/investors will build new houses and rent to new residents.

identified, such as papakāinga housing. As well, the council has identified the potential for over 1,000 infill (subdivision) developments in the district.

We have assumed that commercial properties will increase to maintain the same proportion of residential properties, while public properties will grow faster under the aspirational scenario than they will under the low scenario.

Based on these assumptions, we expect the number of residential properties to increase to 4,160, commercial properties to 2,048, and public properties to 475. This is an annual growth rate for residential and commercial properties of 0.83% each year and no growth for the number of public properties.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That growth in the rating base is adequately provided for in the long Term Plan	Medium	Medium

## 16. Development of commercial aquaculture industry and navigable harbour entrance at Ōpōtiki

The Ōpōtiki Harbour Transformation Project is now fully funded and under construction. What started as a proposal to build a marine farm and a harbour entrance has grown significantly. The 3800 ha Eastern Seafarms waterspace (54% owned by Whakatohea) is now well developed and producing 2000 tonnes (2020 expectation) of mussels for export and local market. It is being farmed by Whakatohea Mussels Opotiki Limited whose mussel processing plant will commence operations in July 2021. A further 950 ha of waterspace has recently been consented and a further 4050 ha is in process. These consents will be fully owned by Whakatohea via Pakihi Trading Company Limited. Whakatohea are in the process of completing a spatial plan for their waterspace, that includes a

further 5000 ha (subject to resource consent). To the east Te Whanau a Apanui have 5000 ha "reserved" in their draft agreement in Principle to Settle.

Ōpōtiki District Council has led the development of the proposal to recreate a usable harbour entrance that provides a level of access suitable for servicing the growing aquaculture industry in the Eastern Bay of Plenty. In July 2009, all necessary resource consents were granted for the improvement works, including regional and district council consents and restricted coastal activity approvals from the Minister of Conservation.

In February 2020 the government announced the funding of the harbour and in March 2020 announced funding to accelerate the aquaculture development as a key part of the governments ambitions to take the NZ Aquaculture industry to a \$3B industry. Additional support has been committed to the Marine Aquaculture Industrial Zone designed to support the vessels using the Opotiki Harbour.

The combined effect of the harbour and aquaculture ventures is in the order of \$165M of development in Opotiki in the next 3 year period.

<b>Aquaculture Industry</b>		<b>Ōpōtiki Harbour Development</b>	
Factory build commenced	March 2020		
First harvest processed in Opotiki	July 2021	Construction started	Mid 2020
		Construction finish	Mid 2023

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>

That the aquaculture industry and related Ōpōtiki Harbour Transformation Project will continue to develop as planned.	Low	High
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Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That there will be a Treaty of Waitangi Settlement with Whakatōhea Iwi and Te Whanau a Apanui within the life of the 202131 Long Term Plan	Low	Medium

### 17. Treaty of Waitangi Settlement

A significant Treaty of Waitangi Settlement with the Whakatōhea Iwi is expected within the planning horizon of the 2021-31 Long Term Plan. Certainly the downstream benefits to the Ōpōtiki District Community are likely to materialise beyond that point in time. However the reality that settlement will occur within the planning period is an important consideration when considering the future of the Ōpōtiki District. Both of these issues will have significant impacts for the Ōpōtiki District Community and its population. In August 2017 Whakatōhea signed an Agreement in Principle with the Crown. The quantum of settlement agreed is \$100M, with additional redress in the form of land, cultural, education and health initiatives as well as a “reservation” of a further 5000 ha of marine farming space. Consent applications have been lodged and are being processed for this space.

Whilst specifics are not yet available it is clear that the Whakatōhea Māori Trust Board intend to invest Treaty Settlements in areas that create opportunities for its people and that those opportunities will primarily be based with the Ōpōtiki District. Investments are likely to be made in the areas of health, education, and employment creating industries such as Horticulture, Forestry, Agriculture and Aquaculture. Such investments will have a material impact on the future growth of the Ōpōtiki District.

A further Settlement has been agreed in Principle with Te Whanau a Apanui. It has a number of innovative features in relation to water and also a 5000 ha seaspace reservation. The quantum is understood to be \$40M.

### 18. Funding of the Ōpōtiki Harbour Redevelopment [we should probably turn this into two assumptions – capex and opex](#)

The development of the harbour to enable the aquaculture industry, and the community development that flows on from it comes at significant cost. The government has recognised that the required investment is well outside the affordability reach of the Ōpōtiki District community on its own. The economic and social impact assessments also demonstrate that the harbour project and the developing aquaculture industry have a range of national, regional and local benefits. As a result, the Crown has decided to fund the entire development, with a supporting contribution from the Bay of Plenty Regional Council. Opotiki District Council is responsible for Ancillary works such as the entrance road and any community amenities.

In 2013, BOPRC committed \$18M in grant funding through their Regional Infrastructure Fund, plus \$2M in its Long Term Plan 2015-25. In 2019-2020 the BOPRC carried out another due diligence process on the harbour and decided to maintain their funding alongside the government funding.

The funding in full frees up earlier and long standing Council commitment of \$5.4M that was to be funded by way of loan. The government also propose to own the harbour structures to help lessen the risk on the Opotiki ratepayers. There is an expectation that Council take responsibility for collecting revenue and operating the harbour post construction (2024). In the earlier years post construction there will be a funding gap as the commercial activities scale up.

The saved capex contribution is proposed to cover that gap.

Capex	Contribution:
Bay of Plenty Regional Council (grant)	\$20M (no inflation allowance)
Central Government	79.4M
<b>Total</b>	<b>\$99.4M</b>

Opex	Contribution:
Ōpōtiki District Council (loan)	\$5.4M

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
The Ōpōtiki Harbour Transformation Project is fully externally funded.	Low	High

**Additional Assumptions:**

The LTP assumes Crown ownership of the harbour training walls but once completed it will be operated by Opotiki District Council under terms to be agreed with the government before July 2024

It is assumed that a revenue flow from the existing mussel farm, and other landbased beneficiaries will fund the ongoing operation of the harbour.

**19. Biosecurity Incursion Risks**

There are a number of biosecurity risks that have the potential to significantly impact the district.

A couple of LTP's ago we had a separate assumption on Pseudomonas Syringae pv. Actinidiae (PSA) which had recently impacted on the district quite significantly.

Prior to the last LTP, an outbreak of Myrtle Rust hit our shores with the potential to devastate Pohutukawa and Manuka. There were a number of positive cases in Northland, and a few in the Bay of Plenty.

In the aquaculture industry, there is potential for a biosecurity risk to affect the production of mussels. In recent times there have been instances of other organisms growing on the mussels grown in other areas. Harvesting of mussels was also halted for two weeks in late 2017 as there was a shellfish biotoxin alert issued by MPI for the Bay of Plenty, this is happening with more regularity. All commercial shellfish growing areas have strict sampling programmes in place to monitor biotoxins and ensure shellfish sold by retailers and wholesalers are safe to eat.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That there is a potential for biosecurity hazards to significantly affect the district	Low	Low

**20. Availability of staff/contractors**

Recent economic conditions in New Zealand mean that there are skills shortages in some industries. In Ōpōtiki, there is evidence that many civil construction

contractors are busy, are recruiting and struggling to attract appropriately skilled staff. Council also struggles to attract staff to some skill areas. As a result of the harbour project, Council is a partner, and has underwritten the development of a Pathways to Work programme. This programme has become a broader programme underpinning the economic development programmes of the Eastern Bay of Plenty and is beginning to have results in ensuring pathways into training and jobs. It is anticipated this will be a strong focus area in the next three years of this LTP. Council included a requirement in the tender process for the harbour for the contractor to engage with the Pathways to Work programme to ensure maximum uptake of the newly created jobs, and has included similar requirements in more recent PGF and Crown Infrastructure Partners funded recovery contracts.

It is assumed that the announcement of the harbour will mean we are able to attract more skilled applicants for the vacancies, and that the Pathways to Work programme, and the joined up programmes of the partners will have positive effects on the availability of work ready local workers.

It is assumed that we will be able to retain and find skilled staff and contractors to undertake work that is required, to the agreed standards, deadlines and cost.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That staff and contractors will be available as needed and budgeted	Low	Low

## 21. Ōpōtiki Wastewater Renewal Project

Council undertook significant investigation works in the first three years of the 2015-25 LTP on the issues present within the network, this involved a find and fix project on a smaller catchment of the town that proved very successful.

The results of the investigation pointed to a much more affordable relining and replacement project to be carried out across the balance of the town which has already begun. The remainder of this project will be completed in the first few years of the 2021-31 LTP. There is a minor risk of delay due to pressure on contractor availability over the next three years.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That the wastewater replacement project will entail a revised replacement and relining project for the Ōpōtiki wastewater network as budgeted	Low	Low

## 22. Source of funds for the future replacement of assets

The sources of funds for the future replacement of assets are outlined in the Revenue and Financing Policy and also referenced in the Financial Strategy in terms of affordability.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That the sources of funds for the future replacement of assets will be available to Council	Low	Low

**23. Resource Consents**

It is assumed that all projects outlined in the Long Term Plan that are required to gain resource consent should do so in a timely manner, within the cost estimates provided.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That resource consents where required for projects will be available	Low	Low

**24. Natural Hazards/Disasters**

Our district is at risk of a range of natural hazards such as earthquakes, flooding, drought, debris flow, slips, tornado, fire, and volcanic activity. We have not allowed for any such event in our LTP. However, we have appropriate insurance policies, and agreements with Central Government to cover the majority of the costs from these types of events. It is also assumed that we will be able to continue operating to deliver essential services to the community in the event of a disaster.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That a natural disaster does not happen over the course of this LTP, should one happen however, it is assumed that Council can obtain funding for recovery	Medium	Low

and still continue to deliver essential services to the community		
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**25. Insurance**

It is assumed that we will be able to obtain insurance cover and that the cost for insurance will be similar to that for the previous year plus inflation.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That insurance cover is available at rates equivalent to the prior year plus inflation	Low	Low

**26. LGFA Borrower Notes**

It is assumed that the LGFA will not default on any of its financial commitments requiring Council to convert its borrower notes into equity over the period of the LTP. As a non-guaranteeing Council we are required to purchase borrower notes as security when we borrow from the LGFA. These notes are converted to equity on default, the likelihood of this happening is very remote as there are many other failsafe measures further up the chain that will get called upon before the borrower notes.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That the LGFA borrower notes will not be called upon over the term of the LTP.	Low	Low



## REPORT

Date : 17 September 2010

To : Ordinary Council Meeting, 6 October 2020

From : Finance and Corporate Services Group Manager, Bevan Gray

Subject : **LONG TERM PLAN – FINANCIAL STRATEGY**

File ID : A214148

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### **EXECUTIVE SUMMARY**

**The Financial Strategy is a key component of the Long Term Plan. It puts together in financial terms what the impact of the proposed budgets and projects are likely to be on the community. Councils are also required to set caps for rates increases and borrowing in the Financial Strategy. There also needs to be some linkage with the Infrastructure Strategy contained within the Financial Strategy as well.**

**For this LTP we will include a separate section on affordability as a key concern for Council and the community. We want to ensure that what we are proposing over the term of the LTP is affordable to our community.**

### **PURPOSE**

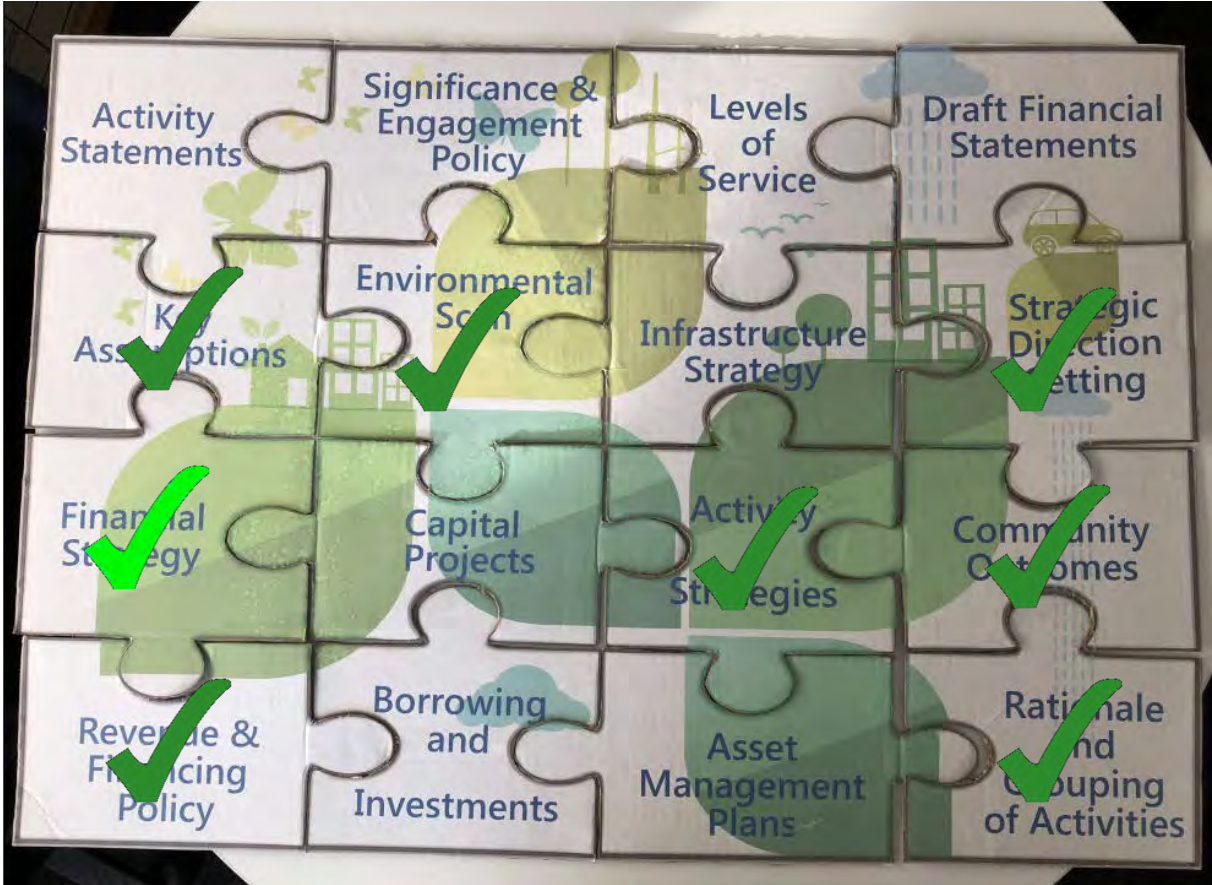
To approve the Financial Strategy as workshopped with Council for inclusion into the LTP process.

### **BACKGROUND**

Council is required to prepare a 10 year Long Term Plan every three years. The preparation of such a plan and the corresponding documents is like putting together a jigsaw puzzle. Local Government often refers to it in this way. It involves a number of key pieces that when pulled together give the Council and community some surety around the next three years, while providing a longer 10 year context.



The pieces of the LTP puzzle identified below.



Financial Strategy – This outlines the key financial aspects of the Long Term Plan, and sets caps/limits on rating and borrowing to ensure affordability and intergenerational equity.



***This is a mandatory requirement of an LTP, and sets the limits for rating and borrowing. The previous workshops provide valuable input into the environment that our Financial Strategy will be operating in. A new component this time will be affordability, how do we measure it, and how can we determine that the LTP that we are setting is affordable.***

**SIGNIFICANCE ASSESSMENT**

**Assessment of significance**

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for Long Term Plan – Financial Strategy is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

The decisions or matters in this report are part of the Long Term Plan process which is subject to a special consultative process. The information contained within this report will be made publicly available as supporting information through the consultation process.

**Assessment of engagement requirements**

As the level of significance for Long Term Plan – Financial Strategy is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



**RECOMMENDATIONS:**

- 1. That the report titled "Long Term Plan – Financial Strategy" be received.**
- 2. That the report titled "Long Term Plan – Financial Strategy" be adopted by Council as part of the backing information for inclusion into the Long Term Planning process.**

**Bevan Gray**

**FINANCE AND CORPORATE SERVICES GROUP MANAGER**

## Financial Strategy

Ōpōtiki District Council's Financial Strategy is an essential element in the 2021-2031 LTP. Council must be financially sustainable to continue delivering services to its communities in the future. This involves a balancing act of delivering services while keeping rates affordable, ensuring equity between current and future generations and fairly sharing the costs of delivering these services across users.

This financial strategy sets out the key financial aspects of the Council's overall direction and how it plans to manage its financial performance over the next ten years to get there. It provides a guide for how we will consider and approach funding and expenditure proposals. It will also inform all subsequent activity decisions made during this 2021-2031 ten year planning process.

The subsection 'Looking Back' has reviewed Council's past strategic direction and considered at a high level how that past translates into a way forward over the life of this LTP. It paints a picture of how Council has had a long run strategy of strengthening its financial position so it has the capacity to respond to growth opportunities in the future. It also explains that a key growth opportunity is available to the community within the next ten year period.

The subsection 'Future Priorities and Direction' explains how Council proposes to capitalise on its long run strategy of consolidation and preparedness to invest in growth supporting opportunities over the life of this LTP. This Financial Strategy seeks to explain how the Council intends to do that in a financial sense.

The key opportunities within the life of this LTP are the Harbour Transformation Project and the Ōpōtiki Wastewater Reticulation Network extension. By the end of this Long Term Plan Council would like to see the wastewater reticulation network extended to Hikutaia and Woodlands, and the Harbour Transformation Project completed with a vibrant and growing Aquaculture Industry present within the Ōpōtiki District. Combined, these two projects will see an increase in population, employment and the number of rateable assessments and all the other positive benefits that come with such growth. However it is important that these milestones are achieved in a manner that maintains financial sustainability over time. Council wants to ensure that the capacity it has created will provide long lasting benefits to the Ōpōtiki District into the future. This means investing wisely, monitoring financial performance closely and establishing meaningful parameters around debt and rate funding to ensure that the right investment decisions are made today so they do not create a burden for the residents and ratepayers of tomorrow.

Ōpōtiki Districts population is expected to increase by 2,656 people (1.3% per annum), and 1,045 households by 2031. We don't expect any significant change in land use over the term of this LTP except for that which is aquaculture related. We are aware of a number of proposals for land based aquaculture to support the offshore aquaculture industry, but there is still work to be done to understand what the infrastructure needs are, in any, for this new industry. We also expect to see continued growth in kiwifruit development, particularly up the coast through PGF funded developments. The capital and operational cost of providing for this growth is outlined in detail in Council's 30 Year Infrastructure Strategy.

Council is a large and complex business. Each of the Council activities is made up of a number of services that our communities receive. The cost of doing business is driven by a number of factors, including the level of service, the growth in population, and the assets required to deliver the services to the community.

To ensure financial sustainability and affordability it is important that Council continues to have a very good understanding of its expenditure. It needs to be clear as to what it is spending money on and why.

There are two types of expenditure; operating expenditure and capital expenditure. Operating expenditure is spent in normal business operation, and capital expenditure is money spent buying, renewing, or upgrading assets such as plant, equipment and buildings.

Council's spending is generally for one or more of the following purposes:

- Maintaining existing service levels – cost to deliver services including maintenance and operations
- Increasing service levels – additional cost to improve services
- Adding capacity for growth – extending a service for new households or other growth.

Like any other business Council buys goods and services so it can deliver services to the community. The cost of those goods and services, like any other, increase over time due to inflation. Inflation incurred on Council costs is different from household inflation because the spending is on different goods and services, such as asphalt for roads. This is reflected in the local government cost index that has been used to calculate budgets in the 10 year forecasts.

Local government costs are currently increasing at a higher rate than household inflation, and are predicted to continue to do so. Further, the historic trend has been one of increasing devolution of responsibilities from central to local government. The cost of servicing existing infrastructure is increasingly expensive. These factors mean that costs are continuing to increase, and Council is very aware of the burden that will place on ratepayers.

Council is concerned about the level of rate increases required to fund the services that it delivers and that income levels within the Ōpōtiki District are lower than the New Zealand average, and that some ratepayers are reaching their limit in terms of ability to pay. Balancing these concerns with customer expectations for improved services, and the need to invest in growth opportunities for the District, continues to be a challenge.

In response to the challenges faced, Council is looking to balance the investment required to achieve a prosperous, vibrant and green district, while keeping funding affordable over time and maintaining a sound financial position.

The following self-imposed ceilings on Public Debt (borrowings) and Rate Income are introduced with a view to provide the community with some certainty for the future.

#### Affordability

Council has always considered affordability as a key issue for our community, but has lacked reliable quantified information to assess the affordability of rates on the community.

Bay of Plenty Regional Council and Ōpōtiki District Council both procured affordability reports in 2019 and 2020 respectively. These reports were prepared by BERL and looked specifically at what possible households in the region and district might have affordability issues. The reports outlined that the main area for concern for Ōpōtiki was those on pensions with no other sources of income. The report also suggested that the rates rebate scheme does not sufficiently address affordability issues. In some cases

the rates levied by ODC are not high enough to trigger a large enough rates rebate to make a tangible difference to those that need it.

Anecdotal evidence suggests that rates over 5% of household income could result in potential affordability issues. The most recent data that we have to test this or measure against is the 2018 Census data, which is grouped up to a statistical area level, comprising of a group of properties numbering between 100-200. This survey was undertaken pre-Covid, so the landscape and household incomes may have changed since. Unfortunately without access to household income at a household level the 2018 Census is the best source of information that we have.

We will use this information for the following affordability purposes;

- To ensure current rates and proposed rates increases are affordable
- To identify how many additional rating units we need over the term of the LTP to ensure that the proposed capital projects and subsequent borrowing is affordable.

The first is reasonably easy to do as we can assess current and proposed rates against household incomes at a statistical area level, which will at a high level provide us with a rates to household income percentage. The aim will be to keep these percentages below 5%, and investigate further any incidences where the rates are close to or above that level. For the purposes of the studies undertaken above we included BOPRC rates, including the river scheme rates. In preparing this Long Term Plan we may not necessarily have access to proposed rates for the Regional Council, so we will need to make some assumptions about these in certain instances.

Understanding affordability in the outer years of the LTP is more difficult to ascertain as it requires estimates of growth and household incomes. We will certainly be able to undertake rates scenarios at a household level, however these will be based on the current number of properties in the district.

Running this analysis later in the LTP will undoubtedly indicate affordability issues for some households, and possibly some rating areas. The likely reasons for this will be increased expenditure or capital works required in a particular targeted rate activity to allow for growth, or increase levels of service.

The outcomes of undertaking this work is that it provides Council and the community with three things;

- An understanding of how many additional properties are needed across the district, or in certain instances, within a targeted rate area, to make rates affordable. This is the more slices of the rating pie scenario, where total rates required is the pie, and the more slices there is the less each household pays.
- An indication of possibly where we should be aiming to move median incomes in our district. This is something that Council will have little control over, but as a community we can influence.
- Finally it gives both Council and the community an understanding of what is affordable, and what realistically isn't. If we don't predict any movement or increases in additional properties or household incomes then we need to remove costs to maintain rating levels. This could result in reducing levels of service to the community, or not undertaking significant capital works projects.

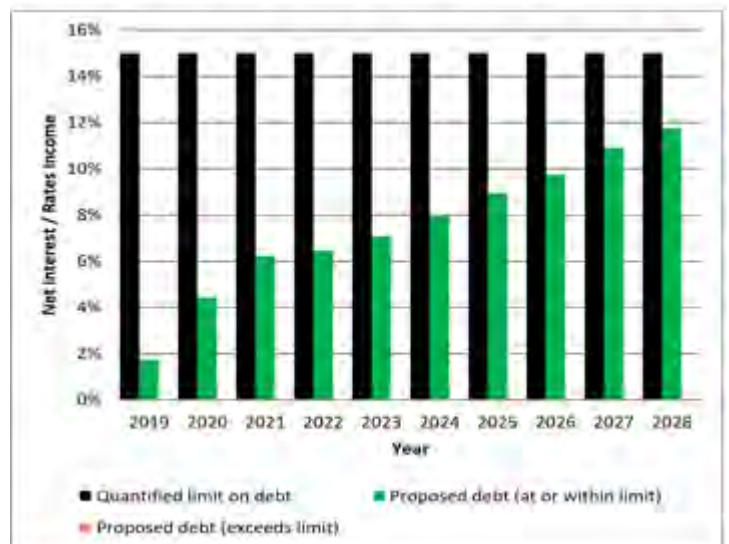
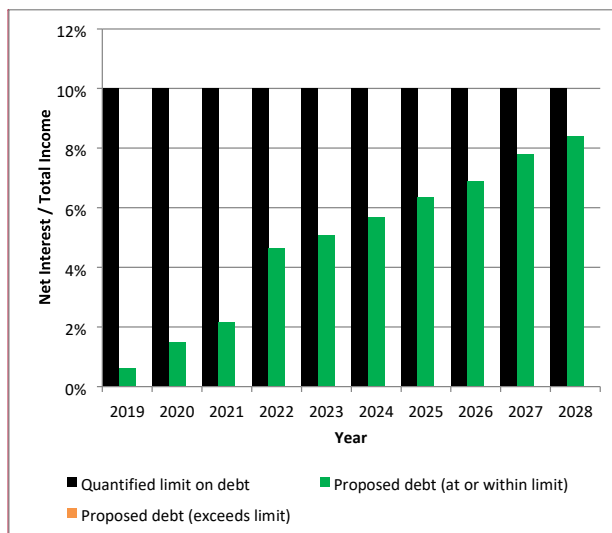
We are aiming for this LTP to include all three outcomes listed above. We are expecting growth in the number of properties across the district due to the significant job creating projects that are underway, we also expect that these jobs will lift median incomes across the district, and Council can manage expenditure and projects to ensure affordability as best as it is able.

## Borrowings

Council intends to increase borrowing over the life of this LTP, mainly to fund infrastructure projects that will generate and allow for and manage the effects of growth. Council has been reducing debt over time in order to have the capacity to invest in growth opportunities when they present themselves. The planning assumptions section of this LTP point to a range of growth opportunities that will present themselves over the next decade and that the community must be ready for.

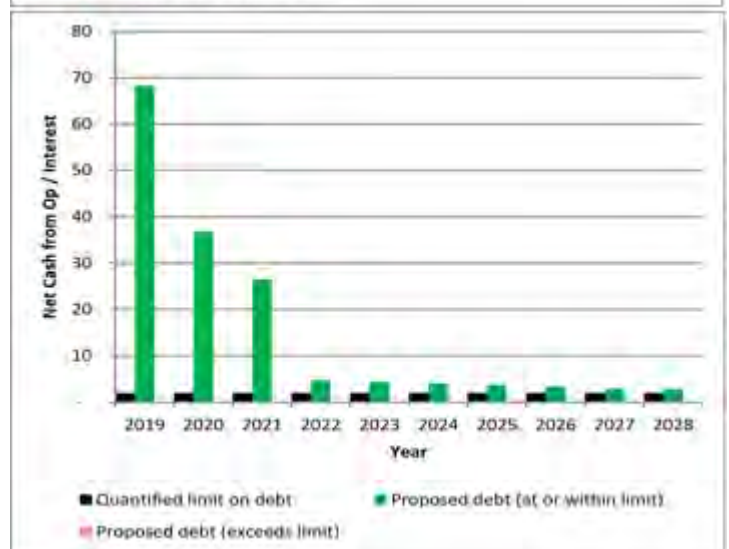
Borrowing is a useful mechanism to finance the construction of long-term assets. By financing long-term assets through debt Council seeks to provide a balance between funding from current and future ratepayers, matching the cost to those who receive the benefits, thereby establishing inter-generational equity.

Council recognises the need to manage its finances in a sustainable and affordable manner and therefore has established some borrowing parameters to ensure that investment priorities are carefully considered and are within the financial reach of the Ōpōtiki District Community. These limits are derived from the Council's existing Treasury Risk Management Policy:



### Borrowing Limits:

- Net interest expense/total revenue  $\leq 10\%$
- Net interest expense/rates revenue  $\leq 15\%$
- Net cash flows from operating/interest expense  $\geq 2$



Other than to achieve strategic objectives, it is not our intention to undertake new equity investments. We will periodically review investments with a view to exiting at a time when market conditions are favourable and overall strategic objectives are not compromised.

Any dividend income is included as part of general revenue.

Any purchase or disposition of equity investments not identified in this plan is by Council resolution. At the time of disposal, we will determine the most appropriate use of sale proceeds.

### Rate Income

Currently 63% of Council’s income is derived from rates as it does not have alternative revenue streams such as investments. Council proposes to limit annual general rate increases to the Local Government Cost Index (LGCI) plus approximately 3%. Individual rate increases for ratepayers may be higher or lower than that average, but the overall increase in general rates revenue will be kept within a total annual increase of this limit. The self-imposed cap provides certainty to the community around future rates increases. This also enables Council to have the flexibility that should a particular group of ratepayers want additional services, Council can cater for this need through a targeted rate to that group. By capping the level of general rate increases this leaves targeted rates separate to enable funding of services for those that want additional services. Council thinks that this flexibility is important given the growth prospects currently out in the community. One of the outcomes of the strategy day we had a number of years ago with businesses in the district that is still relevant now, is that Council needs to be there to enable business, not disable it. So the last thing we need is to have a self-imposed rates cap hampering our ability to enable growth in others.

### General Rates Cap



Targeted rates currently make up around 15% of Councils total income. Council sees utilising targeted rates as the most effective way to fund additional services or increase in service levels to those that are willing to pay for them as mentioned earlier.

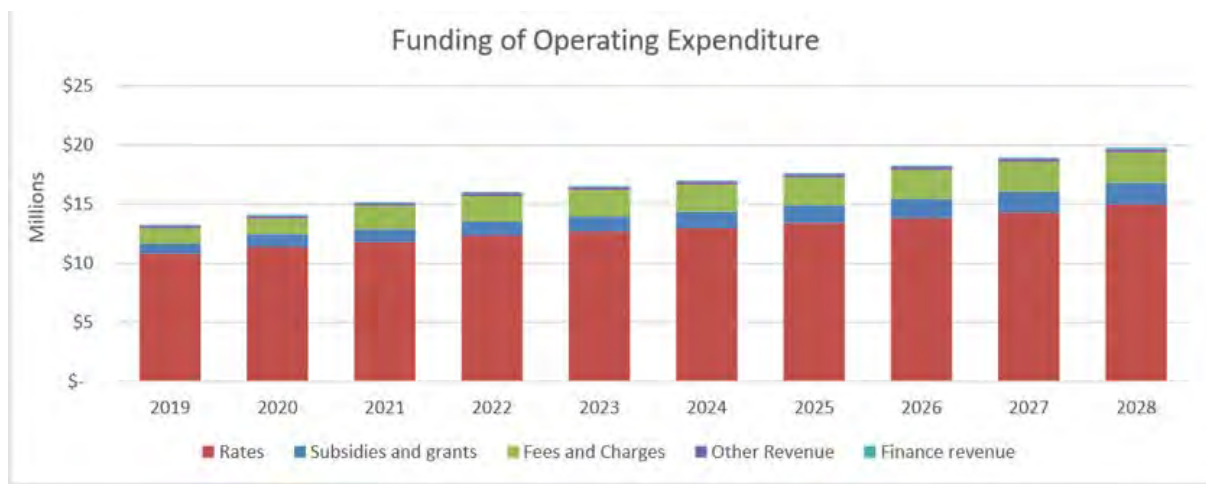
Council is required to set a cap on total rates, which means to retain a cap on general rates we would need to also set a self imposed cap on targeted rates. This is very difficult given the low starting point for targeted rates. We therefore need to set a high cap that we don’t breach our own limits. We have set a cap limiting increases in targeted rates to 10%. This is to ensure that the proposed increase in year 1 of the LTP is within the limit.

Although 10% seems extremely high, in reality the starting point is very low, and we have not historically pursued the utilisation of targeted rates. Prior focus of Council was also on debt reduction, consolidation, and no changes to levels of service. It has been often said that “our ratepayers have

gone without” in doing so. Continuation of this strategy set in the last two long term plans separating out general rates increases from targeted rates attempts to address this.

There are two aspects of the caps that we have set in this financial strategy. Our limit on general rates increases places importance on affordability general rates are by far the largest component of rates, and includes the uniform annual general charge (UAGC). Having a limit set higher than LGCI means that Council.

The next graph shows Total Forecast Rate Revenue over the life of the LTP against the self-imposed cap on rate increases. The Total Forecast Rate Revenue represents Council’s agreed quantified limit on rates.

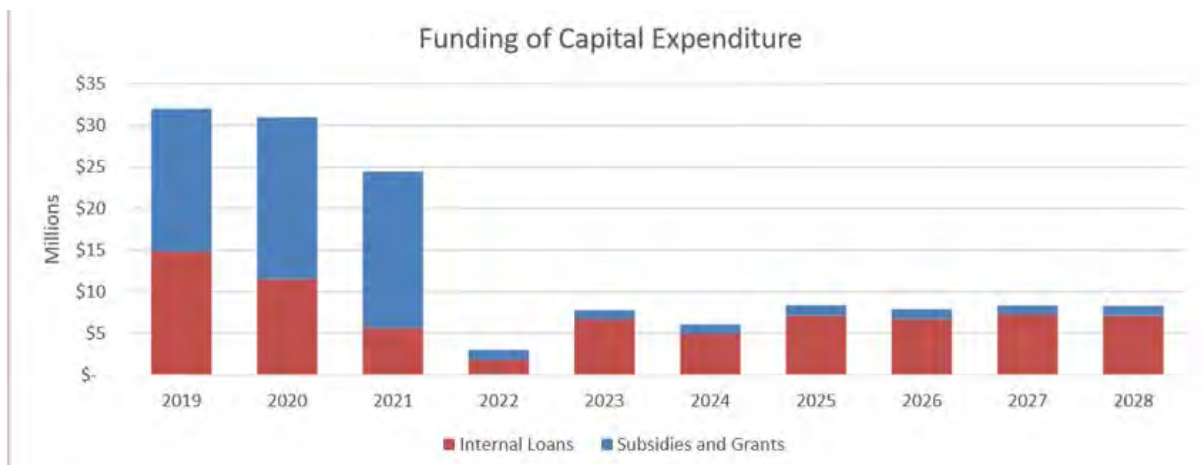


Operating expenditure pays for the day to day cost associated with delivering Council services. Just as the costs of running a household increase from year to year with inflation, so too do the costs of delivering Council services. This is because input costs such as the cost of labour, fuel, electricity and other construction costs increase and therefore the cost of delivering Council services increases.

Inflation incurred on Council costs is different from household inflation because the spending on different good and services, such as asphalt for roads. This is reflected in the local government cost index (LGCI) that has been used to inflate budgets in the 10 year forecasts. The projected rates and rates increase graph shown earlier shows total operating costs inclusive of inflation as measured by the by the LGCI at an average of 2.38% per year.

The graph above shows rates will continues to be the main source of revenue for the Council over the life of the LTP however Council is looking to offset future cost increases through increased user fees and charges over time in line with its principles of aligning costs to those who benefit (Revenue and Financing Policy) and affordability.





Capital expenditure pays for buying or building new assets, renewing an existing asset or improving an existing asset to deliver a better service. Capital expenditure in the LTP mainly focuses on the renewal/development of the Ōpōtiki Wastewater Reticulation Network and the Harbour Transformation Project. Combined these two projects represent a significant proportion of Council's total capital expenditure over the next decade.

The large increase in Capital Expenditure in years one to three in the graph above represents investment in the Harbour Transformation Project. The corresponding increase in Operating Surplus (as a funding source) is directly related as it reflects subsidy income from the Bay of Plenty Regional Council and Central Government as expected funding partners

### Funding of Depreciation

Council doesn't have a policy as such around funding of depreciation and how that relates to capital expenditure, in particular capital expenditure to renew existing assets. However in order for Council to focus on the long term sustainability of the asset base and how it is maintained and renewed, the funding of depreciation is an integral part of creating intergenerational equity and ensuring that depreciation expenditure is put to good use. Theoretically depreciation is a non-cash estimate of the value of an asset that has been used up or utilised that financial year. So funding this depreciation is key to ensuring Council is being financially prudent and managing the assets it owns to its best ability.

In certain instance the effect of fully funding depreciation may result in current ratepayers bearing a funding burden that is not entirely fair and equitable. Circumstance where Council will take the approach not to fully fund depreciation will be:

- NZ Transport Agency (NZTA) funding – NZTA will fund their share of renewal costs in the year that the renewal occurs. It is therefore not necessary for Council to fund NZTA's share of this cost which is currently 75%.
- Some low use building – these may be building that are unlikely to be replaced should they be destroyed in a disaster, therefore depreciation should not be funded. However, Council will continue to maintain these building as required in the interim
- Internal borrowing – internal loans are used to fund all capital expenditure, and internal loan repayments are funded from depreciation reserves internal loan repayments required may in some instances be less than depreciation meaning it may not be necessary to fund 100% of it.
- If it is deemed financially prudent not to fully fund depreciation to avoid unnecessary surpluses being created.

Making informed decisions about the levels of depreciation that Council chooses to fund enables Council to effectively smooth the impact on rates whilst also being prudent about how asset

replacement can and should be funded. Council considers rates smoothing is financially prudent and is an effective mechanism to ensure that rates movements are at a level where they are contained within the acceptable limits set in this Financial Strategy

#### Statement concerning balancing the Budget

The Council will produce a balanced budget in each of the 10 years of the LTP. Having considered the overall the overall impact of its financial management policies and decisions we believe it remains financially prudent.

In setting the budget Council has had regard for the following matters:

- Maintaining levels of service
- Maintaining service capacity and integrity of assets
- Intergenerational equity
- Compliance with the Council's revenue and financing policies

The Council has set the expenditure and revenue at levels it considers appropriate to meet the funding needs of the District over the next 10 years.

#### Conclusion

Ōpōtiki District Council is looking to balance the provision of services to achieve a prosperous, vibrant and green district, while keeping funding affordable over time and maintaining a sound financial position. This LTP continues with the strategic theme of prudent financial management, affordability and enabling growth opportunities. This is to be achieved by focusing investment on essential services required to support social and economic growth opportunities. General rate increases will be kept to the maximum increase of the local government cost index plus allowance for growth, with total rates revenue increasing from \$10.6m in 2021 to \$14.3m in 2031.

#### Relationship to the 30 year Infrastructure Strategy

This is the third long term plan since the legal requirement to include a 30 year infrastructure strategy in the document was introduced.

Amendments to the Act in 2014 introduced the requirement for local authorities to prepare an infrastructure strategy as part of their LTP.

The purpose of the infrastructure strategy is to identify:

- Significant infrastructure issues for the local authority over the period covered by the strategy; and
- The principal options for managing those issues and the implications of those options

Local authorities hold significant infrastructure assets. Infrastructure operations and works make up most of local authorities' spending. An infrastructure strategy providing, at a minimum, a 30-year view, and offers the opportunity for local authorities to present a strategic picture of their infrastructure portfolio.

In this 30 Year Infrastructure Strategy we have looked in detail at the information that the asset databases are telling us, compared this to what we are planning to do in terms of asset renewals over the term of this LTP, and considered the levels of funding that we are providing to these assets.

With affordability in mind we have evaluated the level of depreciation that we are funding based on two things:

1. The Long Run Average Replacement Cost of the assets that we currently own and are maintaining. This is based upon the 30 year term of the Infrastructure Strategy. And,
2. The level of internal loan repayments required to service not only the renewal of existing assets, but the installation of new assets to respond to growth or demand for increases to levels of service. There are activities and asset categories where we have chosen not to fully fund the depreciation. In these instances both of the above scenarios have identified that if we did fully fund depreciation we would be funding significantly more depreciation than we would need to over the next 30 years, and would in all likelihood build significant cash reserves for asset replacement.

In this LTP we continue with the funding principles for capital renewal expenditure set out in the 2018 LTP. Prior to 2015 these were funded by rates, which meant that there was inconsistency in rates increases from year to year based on the lifecycles of asset replacement. Or, we made decisions not to renew assets in certain years because it would create a significant jump in rates in that year, this way of funding could have potentially led to poor asset management principles, and large variability in rates income.

From 2015 to 2018 we funded renewal expenditure from depreciation reserves instead of rates. Rates were used to fund depreciation on the assets, which were then transferred to the depreciation reserve for asset renewals. This had the effect of smoothing rates increases from year to year, and worked well in concept if done from the time of the asset addition, but had flaws when trying to implement late in asset lifecycles. In most cases these will either build significant cash reserves to fund the replacement of long lived assets over a great number of years, or end up in overdraft because we didn't start building them early enough to fund any significant asset renewals, and we would potentially spend the next foreseeable future trying to fund the reserve out of overdraft. This may not be financially prudent in some cases, and should not be the driver behind how much depreciation we are choosing to fund.

In the 2018 LTP we funded all capital expenditure, including renewal expenditure by internal loan. We still used rates to fund depreciation. However, the depreciation was used to fund the repayment of those loans, not the full renewal of the asset. This had two consequences.

1. It smoothed rates increases as levels of loan repayments will only ever shift slightly from year to year. And,
2. It allowed Council to make judgement calls around the levels of depreciation that need to be funded based on robust information provided from both asset management systems through the Infrastructure Strategy, and the levels of loan repayments required.

Council feels that this method of funding asset replacement will be much more financially prudent over the long term as it creates no incentive to over fund depreciation through overdrawn depreciation reserves. Depreciation is funded to precisely the level that it needs to be funded to maintain the whole asset base, including newly built assets and not just the existing ones.

Council also amended the term of internal loans for financial prudence. Previously Council's terms for internal loans were set at 20 years. This was reasonably consistent across the sector. What we do now is to tie the term of the loan to the life of the asset. This brings alive the concept of intergenerational equity, and ensures that the generation of today do not pay the entire cost of the infrastructure that will provide benefit to two, three, or perhaps even four generations, when you look at some of our long life assets.

From July 2018, loans on a 100 year asset will be repaid over a 100 year term, and conversely a loan on short lived assets of 5 years will be paid for over 5 years, not 20 years, where potentially one generation could be paying for four asset replacements under the old methodology.



## REPORT

Date : 17 September 2020

To : Ordinary Council Meeting, 6 October 2020

From : Planning and Regulatory Group Manager, Gerard McCormack

Subject : **REPORT TO COUNCIL ON ŌPŌTIKI DISTRICT COUNCIL'S RESERVE MANAGEMENT PLAN**

File ID : A209993

### EXECUTIVE SUMMARY

**The purpose of this report is to brief Council on the submissions received during the special consultative process on the Reserve Management Plan; to inform Council about the responses and recommendations of the hearing panel on the submissions received on the Reserve Management Plan, and to recommend that the Reserve Management Plan be adopted. The responses and recommendations of the hearing panel on each of the submissions received and the Reserve Management Plan are circulated as separate documents.**

### PURPOSE

The purpose of this report is to brief Council on the submissions received on the Reserve Management Plan (the 'RMP'), and to set out the responses and recommendations of the hearing panel relating to those submissions. The responses of the hearing panel on the submissions received, and the Reserve Management Plan are included as appendices to this report. If Council is satisfied with the recommendations of the hearing panel it is recommended that the draft Reserve Management Plan in Appendices 2 and 3 to this report be adopted.

### BACKGROUND

#### **Consultation on Reserve Management Plan**

Under the Reserve Act 1977, administering authorities are required to prepare reserve management plans. Section 41(3) of the act requires "*management plans shall provide for and ensure the use, enjoyment, maintenance, protection and preservation, as the case may require, and, to the extent to which*

*the administering body's resources permit, the development, as appropriate, of the reserves for the purpose it is classified..."*

Council staff presented the draft RMP to Council at an Ordinary Council Meeting on Thursday, 5 September 2019. The reviewed RMP consolidated existing reserve management plans into one document and includes those reserve which did not previously have a management plan. The draft RMP did not include any significant amendments.

In accordance with section 83 of the Local Government Act 2002, consultation on the RMP opened on Monday, 9 December 2019. The initial close date was Friday, 28 February 2020. However, due to an omission of several reserve in the draft RMP, and a request for an extension to the timeframe as a result of the Coastal Reserves consultation process, it was decided to extend the consultation period to Tuesday, 18 April 2020.

A letter was sent to the Director-General of the Department of Conservation to inform him that Council was reviewing its RMP, in accordance with section 41(6)(aa) of the Reserves Act 1977.

Consultation was advertised in the Ōpōtiki News on Tuesday, 26 November 2019 and on Facebook in a post on the Ōpōtiki District Council page (Tuesday, 10 December 2019). In addition, two "pop-up shops" were held at 18 King Street on Thursday, 30 and Friday, 31 January 2020, to allow the public to speak with the Mayor, the Chief Executive and other Council staff about the RMP, infrastructure projects and other policies that Council was reviewing at the time. On Friday, 21 and Saturday, 22 February 2020, two Council officers travelled to Te Kaha and Ōmaio, and Waihou Bay and Whanarua Bay respectively, as part of the special consultative process for the RMP and for the Bylaws.

At 5.00pm on Tuesday, 18 April 2020, Council had received 55 submissions. Since the close of the consultation period, four further submissions were received, one of which was a re-submission to ensure Council had received it. In total, 59 submissions were received on the Reserve Management Plan. It is recommended that Council accept all submissions received on the RMP.

Due to the COVID-19 national lockdown, the hearing for the RMP was on Monday, 2 August 2020. 26 submitters requested to be heard by the hearing panel. The hearing panel was formed of Mayor Riesterer; Deputy Mayor Browne; Cr. Nelson and Cr. Rāpihana. Four submitters were unable to attend the hearing at the specified date and time; two submitters sent their apologies for the hearing, and 19 submitters attended the hearing.

## **DISCUSSION AND OPTIONS SECTIONS**

### **Submissions to the Ōpōtiki District Council's Reserve Management Plan**

Circulated separately to Council is the hearing panel recommendation on all submissions received on the RMP, organised by topic. These recommendations followed deliberations of the hearing panel immediately following the hearing, and at a further meeting of the panel on 8 September 2020.

Under section 41(4), Council is required to keep its reserve management plan under continuous review so that the plan is adapted to changing circumstances or in accordance with increased knowledge.

During the consultation period, people were able to submit on any part of the Reserve Management Plan. 59 submissions were received in total, one of which was a submission received twice. It would not be practical to list every topic that people submitted on in this report as they number more than 300, but Appendix 1 list the topics of each submission and the response of the hearing panel and recommended decision to the topics within each submission.

Broadly, the topics that Council received submissions on are:

- Church Street Reserve
- Coastal reserves
- Consultation process
- Cycling – Mōtū Trails and Whakamumu Track
- Firearms, shooting and game bird hunting on reserves
- Fireworks and fire management on reserves
- Horses in Ōpōtiki township
- The Long Term Plan
- Council's reserves policies
- Ohui Domain (Magpie Park)
- Ōpōtiki horse trail
- Planning framework and Council's roles
- Property values
- Rates
- Vehicles on beaches
- Waioeka Flood Management reserves.

### **Coastal Reserves - Whanarua Bay Recreation Reserve**

Of all reserves included in the Reserve Management Plan, the majority of submissions received were in relation to Coastal Reserves at Whanarua Bay (Whanarua Bay Recreation Reserve). At the hearing, the majority of people who spoke to their submission did so about Whanarua Bay. The submissions received about Whanarua Bay can be broadly categorised into four themes:

1. Submitters were not supportive of the proposed Reserve Category Cultural Heritage. The hearing panel recommends that the draft category of cultural heritage is retained because of the urupā present at the reserve. This category ensures council protects the built cultural and historical environment and/or provide for heritage conservation, education, commemoration, mourning and remembrance. This category does not preclude council from managing the recreational values of the reserve. The background section of the Whanarua Bay management plan acknowledges and describes the recreational value the reserve provides. The hearing panel have assessed the reserve and considered the category of cultural heritage as the most appropriate one, and recommend that it is retained.
2. Submitters were not supportive of the concept plan: *Concept plan: Yes, 2x picnic tables, and improved access to road and parking*. The hearing panel recommend that the concept plan is removed from the Whanarua Bay Recreation Reserve management plan.
3. Submitters provided comment on Future Management Strategy WHBS3 and WHBS4. Submitters requested that council formalise access over Lot 66 using different methods; some suggested council provides an easement over Lot 66; some wrote that Lot 66 needs to remain in council ownership, and two stated that the management plan needs to remove any mention over council seeking any form of access because of the presence of urupā. The hearing panel recommends that Council creates an easement and access policy to address access issues over all ODC reserves in the district. This work will commence if Council agree to this recommendation of adopting the RMP.
4. Submitters did not approve of council handing back any of the reserves in Whanarua Bay to iwi as part of any Treaty of Waitangi settlement negotiations for various reasons. Treaty of Waitangi settlement negotiations about any reserve in the district are outside the remit of the Reserve Management Plan review, and outside the remit of the Reserves Act 1977. The Reserve Management Plan review is concerned only with how Council manages the reserves it has in the district, in accordance with the Reserves Act 1977. Treaty settlement negotiations are being conducted by Te Arawhiti.



**SIGNIFICANCE ASSESSMENT**

**Assessment of significance**

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for receiving the report on the Ōpōtiki District Council’s Reserve Management Plan is considered to be low as determined by the criteria set out in section 17 of the Significance and Engagement Policy.

The decisions or matters in this report are the culmination of a process to arrive at a decision that is significant in accordance with Section 2 of the Significance and Engagement Policy. This states that a matter shall be determined to be significant when the decision will have a major and long-term impact on a wide range of people and/or groups who reflect the makeup of the district’s community. As a significant decision or matter, the Council must apply greater diligence in regards to the decision making requirements in sections 76-81 and the principles of consultation in section 82 of the Local Government Act 2002. This includes, but is not limited to, the degree to which different options are identified and assessed and the extent to which community views are considered, including whether consultation is required.

**Assessment of engagement requirements**

As the level of significance for receiving the report to the hearing panel on the Ōpōtiki District Council’s Reserve Management Plan is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



**COMMUNITY INPUT AND PUBLICITY**

As described earlier in the report, the review period of the Reserve Management Plan has been approximately one year. This included consolidating existing reserve management plans into one document which included reserves that previously had no management plans; presenting the draft reserve management plan to council at the ordinary council meeting in September 2019 before going out to the public for consultation under the special consultative procedure; carrying out the special

consultative procedure from December 2019 to April 2020; holding the hearing on Monday, 3 August 2020, and having a further deliberations meeting with the hearing panel on Tuesday, 8 September 2020.

The consultation period was open for approximately five months. The draft Reserve Management Plan was available for the public to read on the council website and as a hard copy in the council offices. The consultation period was advertised in the Ōpōtiki News on Tuesday, 26 November 2019 and on Facebook in a post on the Ōpōtiki District Council page (Tuesday, 10 December 2019). In addition, two “pop-up shops” were held at 18 King Street on Thursday, 30 and Friday, 31 January 2020, to allow the public to speak with the Mayor, the Chief Executive and other Council staff about the RMP, infrastructure projects and other policies that Council was reviewing at the time. On Friday, 21 and Saturday, 22 February 2020, two Council officers travelled to Te Kaha and Ōmaio, and Waihou Bay and Whanarua Bay respectively, as part of the special consultative process for the RMP and for the Bylaws.

## **CONSIDERATIONS**

### **Policy and planning implications**

This report outlines the submissions received from the public regarding the draft Reserve Management Plan, and the hearing that was held for the RMP on Monday, 3 August 2020. We recommend that the hearing panel receive and consider all submissions received, and Council accept the recommendations of the hearing panel.

### **Authority**

The hearing for the Reserve Management Plan was held with a quorum of four councillors, Mayor Riesterer; Deputy Mayor Browne; Cr. Nelson and Cr. Rapihana, who formed the hearing panel. The hearing panel must recommend to Council any decisions to make with regard to the Reserve Management Plan.

## **RECOMMENDATIONS:**

- 1. That the report titled “Staff Report on the Ōpōtiki District Council’s Reserve Management Plan” be received.**
- 2. That Council accept the hearing panel recommendations on submissions to the draft Reserve Management Plan (Appendix 1.)**
- 3. That all people that provided feedback during consultation be thanked for their participation in the process.**
- 4. That the advice from hearing panel be received and used (as amended) for the basis of responses to submitters.**

5. **That in accordance with section 41 of the Reserves Act 1977, the Council adopt the Reserve Management Plan (Appendix 2).**

Gerard McCormack

**PLANNING AND REGULATORY GROUP MANAGER**



## REPORT

Date : 23 September 2020

To : Ordinary Council meeting, 6 October 2020

From : Strategic Development Manager, Sarah Jones

Subject : **REDEVELOPMENT OPTIONS – LOTS 9 AND 10 CHURCH STREET, ŌPŌTIKI**

File ID : A214544

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### EXECUTIVE SUMMARY

**This report provides the background to the proposed redevelopment of Lots 9 and 10, DP 1196AK, Church Street, Ōpōtiki. The report sets out three options for consideration. This report seeks Council agreement to proceed with option 1, a single storey commercial development, with a budget of up to \$2.3 million.**

### PURPOSE

This report seeks to obtain a decision from Council on the scale of redevelopment proposed at Lots 9 and 10, DP 1196AK, Church Street, Ōpōtiki. Funding for this project has been secured through the Provincial Growth Fund and therefore this project needs to advance at pace. Three options are presented to Council for consideration. This report recommends Council proceed with option 1, a single storey commercial development. This report seeks Council agreement to spend up to \$2.3 million on this development.

### BACKGROUND

Lots 9 and 10 DP 1196AK are located on the western side of Church Street, with access to the rear provided by a service lane off Potts Avenue. The properties are outlined in red in the images below:



Lot 9 measures 312m<sup>2</sup> and was formerly occupied by the 'Ōpōtiki Market'. This property was acquired by Council in February 2020. It is currently leased to KJT Styles on a month to month basis at \$200 per week. The tenant does not cover the rates. The building had an initial earthquake-prone assessment completed in 2011 and was rated with an NBS (New Building Standard) of less than 20% and is therefore considered earthquake prone.

Lot 10 measures 417m<sup>2</sup> and contains two shops. There are two tenants currently occupying Lot 10. One tenant uses the back of one otherwise empty shop for storage purposes on a month to month lease at a rate of \$80 per month. The second tenant has a retail and service shop (Your I.T. Company) on a month to month lease at a rate of \$100 per week. Neither of the tenants pay rates. As with Lot 9, Lot 10 had an initial earthquake-prone assessment completed in 2011 and was rated as having a NBS (New Building Standard) of less than 20%, and is therefore considered earthquake prone.

In total, annual income, if both shops were fully rented, would be \$24,360. This figure includes an estimated weekly rent for the one empty shop of \$150 per week. If the current tenants rented the premises for a full year the total rent would be \$16,560.

Both properties form part of the former Mechanics Institute. The Mechanics Institute land was transferred to Council by the Ōpōtiki Mechanics Institute in 1969 pursuant to a Deed of Trust. The terms of the Deed require the Council to hold the land and all money derived from it exclusively for library purposes. This includes the power to erect, alter and maintain buildings for libraries and the provisions of maintenance of furniture and furnishings for library purposes. In effect this means that any revenue derived from the redevelopment and subsequent leasing of Lots 9 and 10 will need to be reinvested in the library (i.e. cover capital or operational works associated with the library).

Redevelopment of these properties was identified in the Council's 2018 – 2028 Long Term Plan (LTP). When the LTP was being put together, redevelopment of these properties was expected to be in the form of a single storey commercial unit and based on the estimated costs for delivering such a building \$1.5 million was allocated for this project (pg. 68 of the LTP).

On the 17 December 2019 Council considered a report on possible redevelopment options for Lots 9 and 10 and asked Council to determine whether it wished to proceed with the proposal set out in the Long Term Plan (single storey retail building), or whether it wished to consider other options for development. At that meeting, Council instructed staff to reconsider opportunities for redevelopment of Lots 9 and 10.

Based on the discussion at the Council meeting in December, and internal discussions with the Executive Management Team, staff began the process of identifying options for redevelopment. At this time, it was envisaged that following initial consideration of the options, discussions would be had with the Property Committee, more detailed analysis would be carried out (on cost and revenue expectations) and all of this work would inform discussions, and be factored into decision making and financial forecasting in the 2021-2031 Long Term Plan. It was also expected that this project would also be considered as part of the town centre revitalisation project that was progressing in tandem.

However, in July external funding for the project was secured through the Provincial Growth Fund from the Ministry of Business, Innovation and Employment (MBIE). The funding contract between the Council and MBIE allocates \$3 million toward the redevelopment of Lots 9 and 10. Funding milestones within the contract include appointment of a design team before December 2020, award of a construction

contract before June 2021 and completion of the build before April 2022 (amongst other things). In order to meet the requirements of the funding contract, this project is now being advanced at pace.

A competitive tender process will be initiated shortly (as soon as a decision is made by Council in respect of this report) to procure a design team to prepare concept drawings, submit and obtain building consent, prepare drawings for construction tender, and oversee the construction works.

Additionally, as soon as a decision is made by Council on the scale of the development, staff will seek expressions of interest from prospective tenants. This will include appointing estate agents to pre-let the space if possible, allowing the building to be fitted out with the end user in mind. If pre lets cannot be secured, alternative uses and users will be considered and the building will be designed to ensure maximum flexibility of use (including ability for the space to be divided up internally to allow occupation by multiple tenants). Although staff will work hard to ensure the building is occupied from the date of completion, there is no immediate financial pressure to let the space or secure a long term tenant given there is no capital cost to council in delivering the project (i.e. no debt to be repaid).

## **DISCUSSION AND OPTIONS**

Three options are presented for consideration. These are as follows:

- Option 1 – Single storey commercial development
- Option 2 – Two storey building, commercial on ground floor, residential on upper floor
- Option 3 – Two storey building, commercial over both floors

At the December 2019 Council meeting there was some discussion about the possibility of demolishing the existing buildings and creating an open space/green space. The funding received from MBIE requires the delivery of a building. If a building is not delivered, the funding will be lost. Additionally, the Long Term Plan identifies delivery of a building in this location. This is what the public has been consulted on and Council has previously resolved to deliver. Providing an open/green space in this location would be a substantial deviation from this, and is therefore a significant decision that would require further public consultation. For these reasons, this option is not considered any further in the detailed analysis below. However, it is worth noting that the masterplanning team have considered an open space in this location and have commented as follows:

Our initial thoughts are that we would not wish to encourage this option; we do not see the need for an open space here, and we do not see the sites as a key route through to the skatepark area. Instead we would prefer to concentrate pedestrians on the existing streets, at least in the short to medium term.

For each of the three options set out above, this report provides:

- A cost estimate (total cost including professional fees, consent, insurances, and contingency) – provided by quantity surveyors
- Possible revenue expectations – provided by valuer (full copy of advice appended to this report). Note that expected revenue is explained in terms of a yield – yield is a measure of how much revenue an asset produces each year as a percentage of that assets value.
- Advice on the advantages and disadvantages of each option

<b>Option 1 - Single storey commercial development</b>	
<b>Cost estimate</b>	Between \$1.8 and \$2.3 million
<b>Revenue expectations</b>	Yield of between 6.75% - 7.0%
<b>Advantages</b>	<b>Disadvantages</b>
Within the budget allocated in external funding contract and so does not require any funding from Council. Allows more funds to be directed to other town centre projects identified within the contract.	
A single storey building would be quicker to construct, becoming available sooner and bringing less disruption to existing tenants in the immediate area.	
A single storey building would allow existing, larger heritage buildings and Te Tāhuhu o Te Rangī to be the key landmark buildings in the main street area, without competition from other new buildings.	
A single storey building would allow good sunlight access to the eastern side of Church Street in the afternoon and evening.	

<b>Option 2 - Two storey building, commercial on ground floor, residential on upper floor</b>	
<b>Cost estimate</b>	Between \$3.2m and \$3.7 million



<b>Revenue expectations</b>	Yield of between 6.5% and 7.0%
<b>Advantages</b>	<b>Disadvantages</b>
Would contribute to meeting a demand for housing in the District.	Council is not in the business of managing housing and therefore it is likely that the management would need to be outsourced. This would come at a cost and reduce revenue.
	Providing access to residential upper floors from Church Street would unhelpfully break the continuous retail frontage.
	Upper floor residential users could be disturbed by lower floor commercial use
	Upper floor use of any type could affect the ground floor structure which needs to remain as flexible as possible.
	Residential accommodation on upper floors would not have a good outlook given the mix of building types and quality to the side and rear of the site; this would impact on both amenity and property values.
	Parking requirements for upper floors (including residential) would put pressure on the service lane and would not contribute to the overall amenity of the area.

<b>Option 3 - Two storey building, commercial over both floors</b>	
<b>Cost estimate</b>	Between \$3.2m and \$3.7 million
<b>Revenue expectations</b>	Yield of between 6.75% - 7.0%
<b>Advantages</b>	<b>Disadvantages</b>
Provides the most commercial floorspace and could accommodate any growth/demand experienced in the town centre over the medium to long term.	There is unlikely to be demand for this level of commercial floorspace in the short term. There is already a substantial amount of commercial space in the town centre and a significant amount of this displays a lower economic occupation leading to lack of maintenance and upkeep.

	Providing access to commercial upper floors from Church Street would unhelpfully break the continuous retail frontage.
	Upper floor use of any type could affect the ground floor structure which needs to remain as flexible as possible.
	Parking requirements for upper floors (including residential) would put pressure on the service lane and would not contribute to the overall amenity of the area.

## **SIGNIFICANCE ASSESSMENT**

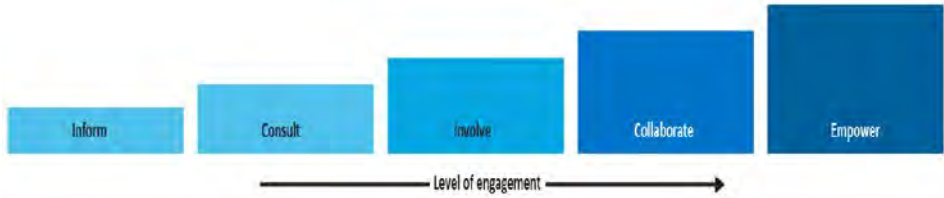
### **Assessment of significance**

Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. If Council decides to choose Option 1 then the level of significance is considered to be low as determined by the criteria set out in section 17 of the Significance and Engagement Policy as the project would remain consistent with what has been agreed as part of the 2018 – 2028 Long Term Plan and would have no financial impact on the ratepayer.

If Council resolved to move forward with Options 2 or 3, then the level of significance would also be considered to be low as determined by the criteria set out in section 17 of the Significance and Engagement Policy. The project would remain largely consistent with what has been agreed as part of the 2018 – 2028 Long Term Plan as it would still result in the redevelopment of the property for commercial use (at ground floor level). There would be no financial implication associated with the delivery of a two storey building (instead of a single storey building envisaged in the LTP), as the majority of the capital cost (up to \$3 million) would come from external funding. The additional financial contribution required from Council (\$700,000) would be less than that allocated toward the project in the Long Term Plan resulting in no extra impact on the ratepayer.

### **Assessment of engagement requirements**

As the level of significance for each of the options is considered to be low, the engagement required is determined to be at the level of 'inform' according to Schedule 2 of the Significance and Engagement Policy.



**CONSIDERATIONS**

**Financial/budget considerations**

External funding has been secured for this redevelopment project up to a value of \$3 million. The 2018-2028 LTP also allocates \$1.5 million toward this project.

Should the Council choose to proceed with Option 1 (with an estimated cost of up to \$2.3 million), this would be funded through the external funding. Provided a building is delivered, MBIE have agreed that should this project be delivered for less than the \$3 million allocated, the remaining funds can be redirected to other projects within the scope of the contract.

Should the Council choose to proceed with Options 2 or 3 (with an estimated cost of up to \$3.7 million), this would be primarily be funded through external funding. Any remaining funding required would be taken from the existing allocation to this project in the Long Term Plan.

**Policy and planning implications**

Both lots are located within the Town Centre land use zone and are part of the Town Centre Policy Area of the District Plan. This zone allows commercial and retail activities and residential accommodation above ground floor level. All options are considered consistent with the objectives of the District Plan.

**Authority**

Council has the authority to make the decisions on the recommendations set out in this report. Through the Local Government Act 2002 Long Term Planning process, Council has the ability to determine the management of its assets.

**CONCLUSION**

External funding has been secured to deliver the redevelopment of Lots 9 and 10. The funding contract includes a number of key milestones to be delivered within a relatively short time frame which means that the project is now progressing at pace. Consideration has been given to a number of options for redevelopment and it is recommended that Council proceed with the delivery of a single storey commercial building (Option 1). This option would be fully funded through the external funding available, and would also allow more funds to be redirected to other town centre revitalisation projects identified in the contract. A single storey building is considered more appropriate in design terms than a two storey building in this particular location, and the construction period would be shortly ensuring the space was available sooner, and would cause less disruption to existing businesses within the town centre.

### **RECOMMENDATIONS**

- 1. That the report titled 'Redevelopment Options - Lots 9 and 10, Church Street, Ōpōtiki' be received.**
- 2. That Council resolves to proceed with option 1 – single storey commercial building.**
- 3. That Council agrees a budget of up to \$2.3 million for this project.**

Sarah Jones

**STRATEGIC DEVELOPMENT MANAGER**



## REPORT

Date : 22 September 2010  
To : Ordinary Council Meeting, 6 October 2020  
From : Planning and Regulatory Group Manager, Bevan Gray  
Subject : **HOUSING CAPACITY WITHIN THE DISTRICT PLAN**  
File ID : A215070

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### EXECUTIVE SUMMARY

**The announcement of the harbour, mussel factory and other provisional growth fund investments has increased the demand for housing within the District. Concerns have been raised that there is insufficient housing capacity within the residential zones in the District Plan to cater for the increased demand for housing. This report seeks to address that concern by highlighting the capacity for new housing developments within existing residential zoned land (the Ōpōtiki township and the Hukutaia area). The report also details of the number of subdivision consents granted over the past five years that are yet to receive titles (and are therefore available for development).**

### PURPOSE

This report seeks to highlight the capacity for additional residential development within the district.

### DISCUSSION

The assessment below looks at the residentially zoned areas of Ōpōtiki, as set out in the District Plan. The District Plan envisages housing to be at its highest density in these locations. Housing development is allowed under other areas, but the residential zone is the area where it is seen to be most appropriate.

#### The Drifts

The Waiōtahe Drifts subdivision has capacity for an additional 120-160 residential units, with a resource consent application for 110 units currently under consideration. In the last five years 75 houses have

been built within the subdivision and we are continuing to receive a steady number of building consent applications.

### **The Ōpōtiki Township**

A desktop study has been undertaken of the township to identify lots that are capable of accommodating additional houses as either a permitted activity in accordance with the District Plan or through a subdivision consent. This work has identified a number of lots capable of accommodating at least 1300 additional dwellings within the township. An aerial photo illustrating the areas where additional capacity has been identified is included in Appendix 01.

This analysis was based on lots achieving the minimum lot size of 400m<sup>2</sup> as set out in the District Plan and having an available waste water connection. It should be noted that housing could be developed at a higher density than this if the effects could be demonstrated to be acceptable (as assessed through a resource consent application).

A resource consent application has recently been submitted seeking to develop 46 new lots on the saleyards site recently sold by Council.

### **Hukutaia and Woodlands Residential Zone**

The desktop analysis has identified 1250 lots that could potentially be developed within this area. This is based on the assumption that all lots will be able to connect to a Council waste water reticulation system. The reticulation of this area will be considered as part of the Councils deliberations on the 2021 – 2031 Long Term Plan. An aerial photo illustrating the areas where additional capacity has been identified is included in Appendix 02.

### **Consented subdivisions since 2015 across the District**

Since 2015, 54 subdivision consents applications have been granted and there are 40 titles yet to be issued.

### **Capacity vs demand**

Based on the desktop analysis of the existing residentially zoned land in the District Plan, it is estimated that there is 2,550 lots available for development within the Ōpōtiki Township and Hukutaia areas. There is a current application to deliver 110 additional lots in Waiōtahe Drifts and a further 40 lots awaiting application and issue of title. Taking all of this together, this represents capacity for 2,700 additional lots/dwellings.

A report has been recently prepared and circulated that looks at the planning assumptions that will underpin the 2021-2031 Long Term Plan (prepared by Martin Jenkins, Ōpōtiki District Population and Rateable Assessment Projections 2021-2031. This report notes that to accommodate the anticipated growth within the district over the Long Term Plan period, 57 residential units need to be annually, to achieve 571 units by 2031.

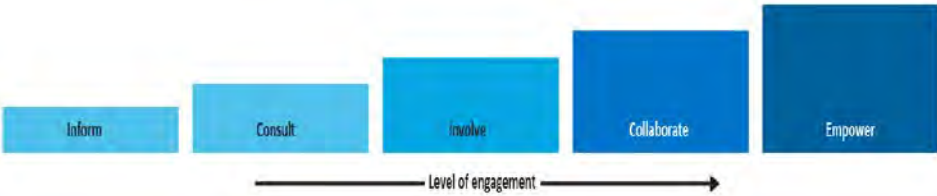
**SIGNIFICANCE ASSESSMENT**

**Assessment of significance**

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for Housing Capacity Within the District Plan is considered to be low as determined by the criteria set out in section 17 of the Significance and Engagement Policy.

**Assessment of engagement requirements**

As the level of significance for Housing Capacity Within the District Plan is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



**CONCLUSION**

A desktop analysis that has been carried out to examine whether there is additional housing capacity within the residentially zones areas of the District Plan. This analysis demonstrates there is significant capacity in both the Ōpōtiki Township and Hukutaia areas. Further capacity exists outside of these areas/zones (i.e. in the coastal settlement zone) and more intensive housing developments could be achieved, if the effects of such developments could be demonstrated to be acceptable. Recent growth projections across the 2021-2031 Long Term Plan period estimate demand for 57 additional houses annually. Based on the above assessment, this demand can be comfortably accommodated by the provisions within the Proposed District Plan.

**RECOMMENDATION:**

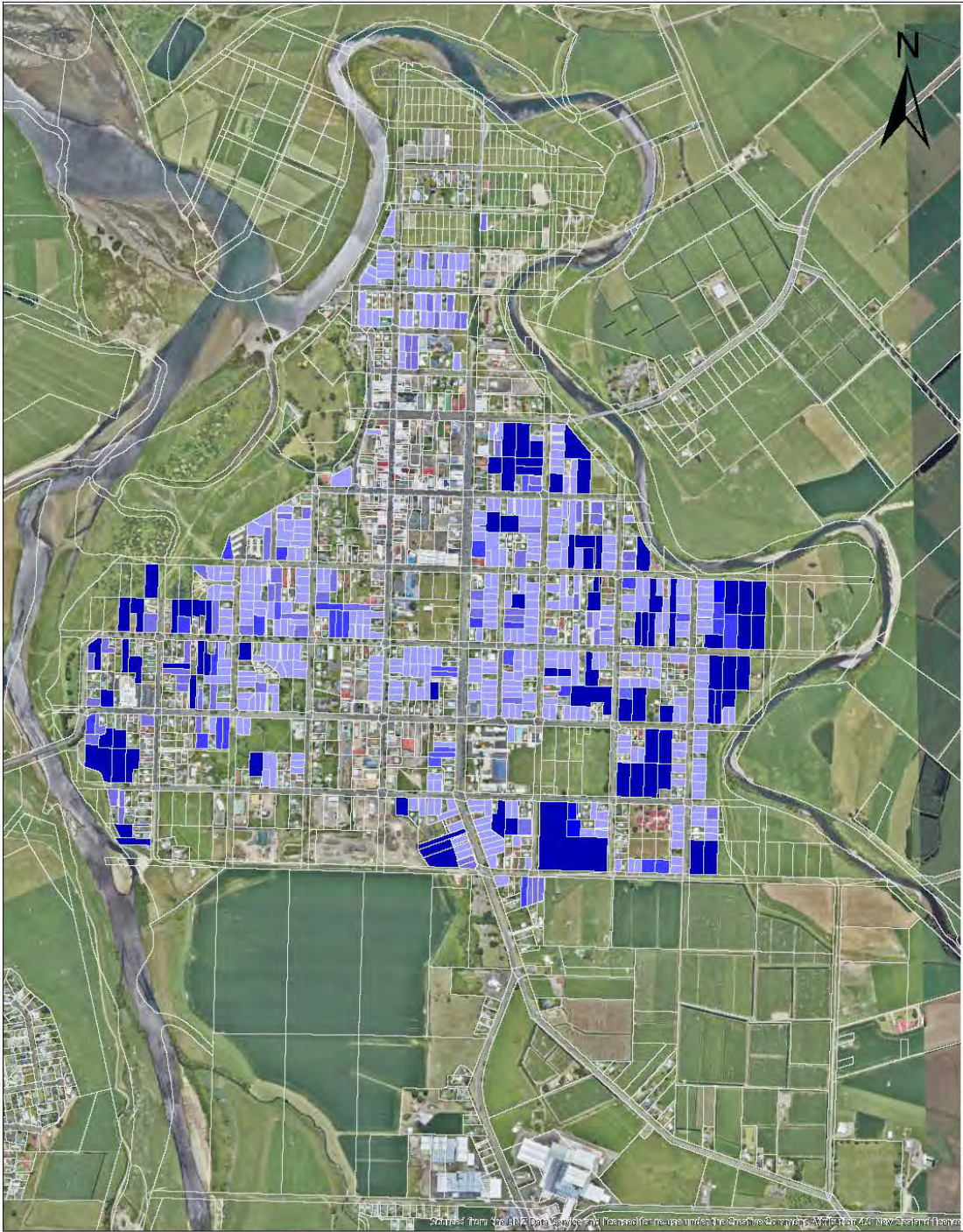
1. That the report titled "Housing Capacity within the District Plan" be received.

Gerard McCormack

**PLANNING AND REGULATORY GROUP MANAGER**

**APPENDIX 01**

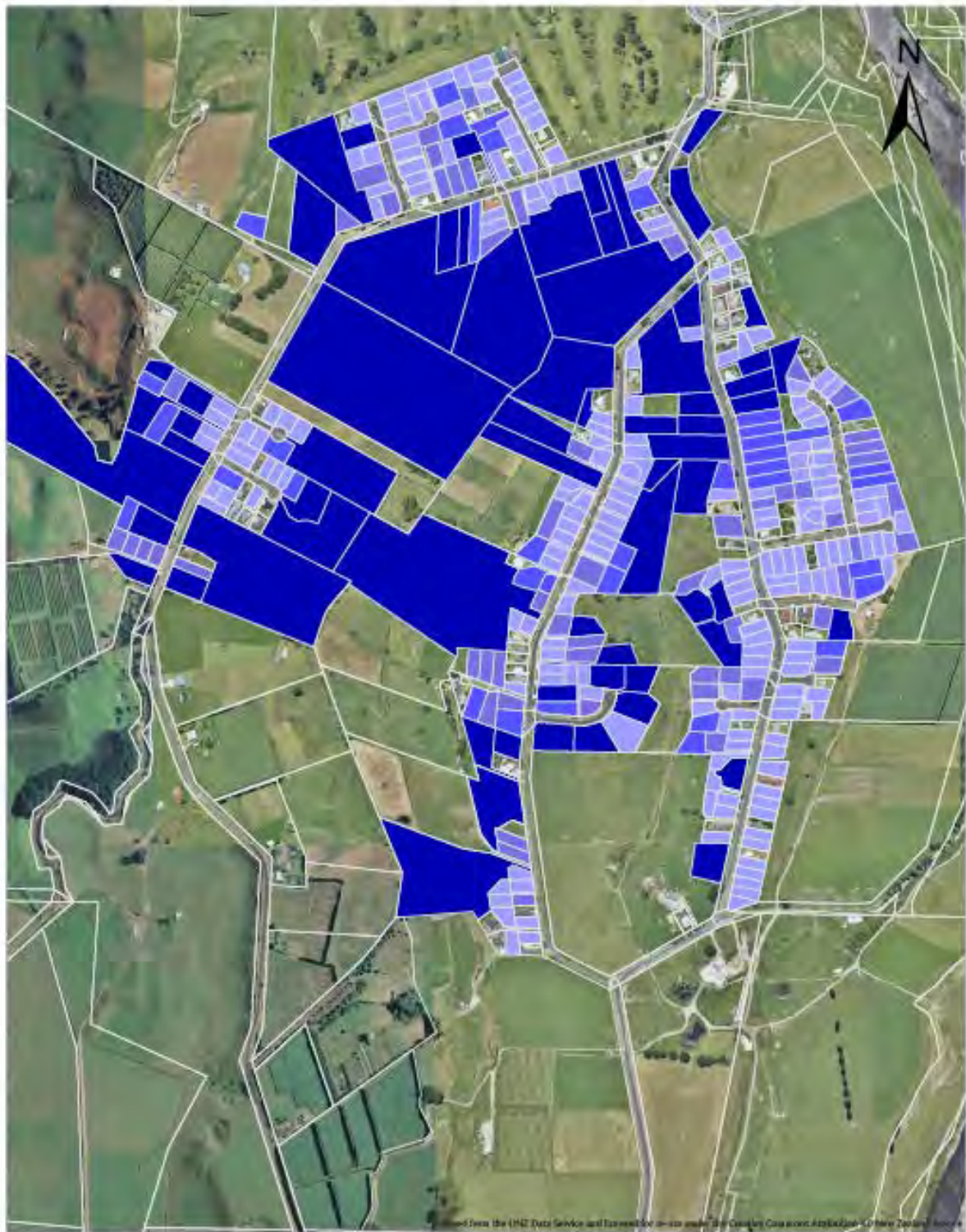




**OPOTIKI TOWN RESIDENTIAL INFILL DEVELOPMENT POTENTIAL**

SCALE 1:10,000

- LEGEND**
- 1 Proposed Site
  - 2 Proposed Sites
  - 3 Proposed Sites
  - 4+ Proposed Sites



## WOODLANDS RESIDENTIAL INFILL DEVELOPMENT POTENTIAL

- LEGEND**
- 1 Proposed Site
  - 2 Proposed Sites
  - 3 Proposed Sites
  - 4+ Proposed Sites

SCALE 1:10,000

## REPORT

Date : 17 September 2020

To : Ordinary Council Meeting, 6 October 2020

From : Workforce Development Co-Ordinator, Barbara MacLennan

Subject : **ŌPŌTIKI WORKFORCE DEVELOPMENT CO-ORDINATION - UPDATE**

File ID : A214341

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### EXECUTIVE SUMMARY

**This report updates Council on progress of the newly established Workforce Development co-ordination function.**

### PURPOSE

Opotiki District Council has established a dedicated local co-ordination position and a part-time support role to co-ordinate local stakeholders, plans, and activities. These positions are enabled by Provincial Growth Funding (MBIE) and Mayors Taskforce for Jobs funding (MSD), and have a strong rangatahi to employment focus.

Current functions of the roles are to work closely with Whakatōhea and other Pathways to Work stakeholders to implement the local Pathways to Work Plan which was refreshed in late 2019, and to deliver on the outcomes of the Mayors Taskforce for Jobs Community Recovery Project. The team also have oversight of the Opotiki Community Driver Mentoring Programme which ODC established in 2017.

### EARLY PRIORITIES AND PROGRESS

#### Information and Communications

- Establishing relationships and processes with key government agency personnel and funders, and identifying issues/barriers
- Establishing stakeholder databases and information flows for people keen to work locally
- Meeting with the Coast and Community Board

- Briefing local businesses about new government funding avenues for apprentices, trainees and cadets and follow up to help them find key contacts
- Briefing trainees on local programmes about local job and career pathways
- Briefing College Staff about local economic growth and emerging jobs
- Preparing Workshops for Year 9 and 10 students to increase their understanding of local job and career pathways.

### **Funding**

- Prepared a successful Proposal for the Mayors Taskforce for Jobs Community Recovery Project

### **Assisting Shovel Ready Project Planning/Implementation**

- Engaging with local companies about rangatahi employment and training (social procurement objectives)
- Co-ordinating Work and Income support and helping resolve issues as they arise
- Funding rangatahi training – Traffic Control Certificates; planning for Wheels Tracks and Rollers training underway
- Co-ordinating a forward plan to help identify additional projects required to enable continuity of work between various projects.

### **Assisting HEB, Livingstone Building Ltd and WOML**

- Facilitating relationships with key local and regional stakeholders that can assist with workforce/training
- Assisting MSD, Whakatōhea and HEB to co-design a targeted training programme for locals to gain heavy machinery operational experience

### **Class 1 Driver Licencing**

- The Ōpōtiki Community Driver Mentoring Programme, currently funded via Toi EDA and led by Eastbay REAP, has supported 13 more locals to achieve their Restricted, and 1 their Full Licence over the past two months
- Te Pou Oranga ō Whakatōhea also now have a dedicated Driving Instructor trained up
- Current focus to secure Defensive Driver Training services locally
- Exploring funding options and facilitation of driver training for rangatahi working for local employers

**Local Training and Trades Hub**

- Assisting preliminary planning by Whakatōhea along with Ōpōtiki College and Whakaatu Whanaunga Trust, for a locally-led Trades and Training Centre for all ages.

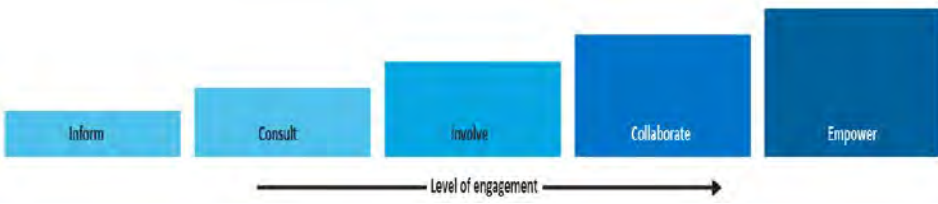
**SIGNIFICANCE ASSESSMENT**

**Assessment of significance**

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for the Ōpōtiki Workforce Development Co-ordination – Update to Council is considered to be low as determined by the criteria set out in section 17 of the Significance and Engagement Policy.

**Assessment of engagement requirements**

As the level of significance for the Ōpōtiki Workforce Development Co-ordination – Update to Council is considered to be low, the engagement required is determined to be at the level of Inform, according to schedule 2 of the Significance and Engagement Policy.



**RECOMMENDATION:**

1. That the report titled "Ōpōtiki Workforce Development Co-Ordination - Update" be received.

Barbara MacLennan

**WORKFORCE DEVELOPMENT CO-ORDINATOR**

## REPORT

Date : 16 September 2020  
To : Ordinary Council Meeting, 6 October 2020  
From : Corporate Services Manager, Muriel Chamberlain  
Subject : **PROPERTY, *i*-SITE AND LIBRARY ACTIVITY REPORT**  
File ID : A214122

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### EXECUTIVE SUMMARY

**The Property, *i*-SITE and Library Activity report covers the six month period 1 January 2020 to 30 June 2020. The report provides information on the use of Council's facilities, services delivered and revenue across a range of activities.**

### PURPOSE

To provide a six month report on the performance and delivery of services by the Property, *i*-SITE and Library activities.

### PROPERTY

Six monthly revenue from fixed Leases, Licences and Rent from Council properties is \$155,197.12. The figure for annual revenue for fixed Leases, Licences and Rent from Council properties for the year 1 July 2019 to 30 June 2020 was \$279,584.18. This is lower than the amount of \$320,326 which was predicted as the annual revenue in the last report and the early lease cancellation as referred to in the next paragraph would contribute to this shortfall in expected revenue.

Please note that this Revenue figure is exclusive of GST as revenue does not attract Goods and Services Tax. The Smiths City (Southern) Lease was cancelled with effect from 22 April 2020. The building at Lot 1, King Street has now been demolished to make way for the new library, Te Tāhuhu. Revenue is derived from a range of Commercial, Community Facilities and Reserves as summarised below.

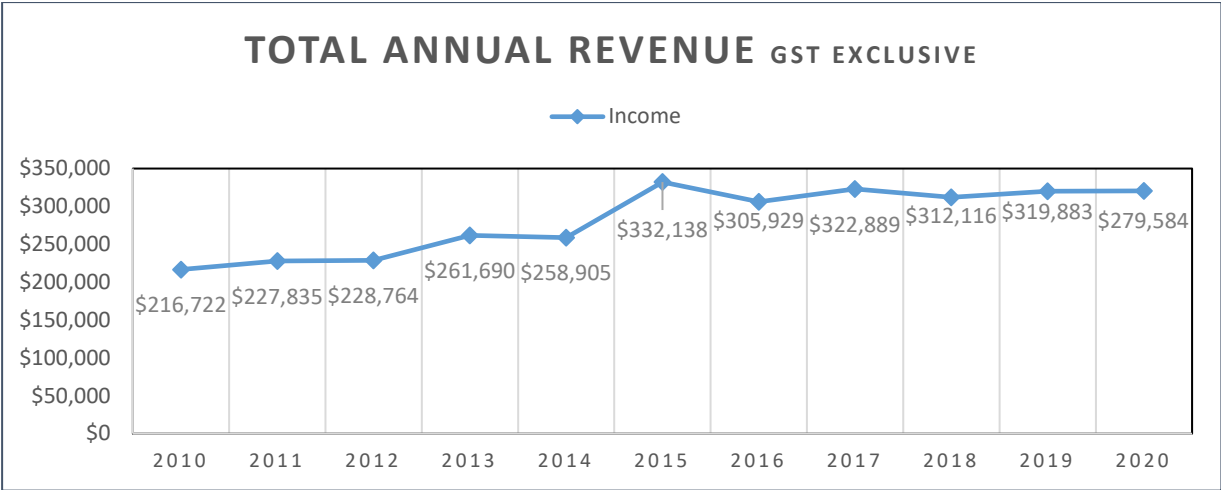
Fixed 6 Monthly Revenue from Leases and Rent

- Aerodrome \$33,747.87
- Parks and Reserves \$26,862.98
- Community \$ 5,214.51
- Mechanics Institute \$14,485.78
- Investment \$74,885.98.

Ōpōtiki District Council granted rent relief for a number of tenants who requested relief as a result of the Covid 19 Lockdown from late March to early June 2020.

Each request was considered on a case by case basis and decided by the Chief Executive.

As a tenant, Ōpōtiki District Council applied for rent relief for the temporary library building it rents at 112 Church St, Ōpōtiki. The landlord, Omea Ltd granted a 30% rent reduction during alert Levels 3 and 4. This amounted to a total credit of \$1669.66 for the Ōpōtiki District Council.



**TOURISM – I-SITE**

**i-SITE VISITOR NUMBERS**

The Bellwether people counter was installed at the Ōpōtiki i-SITE at the end of 2018. We have comparative numbers from 2019. In coming years we will have more comparative data. The statistics only record in person enquiries to the i-SITE Visitor Information Centre and as such are a representative sample of total visitor numbers to the Ōpōtiki District.

Month	Jan	Feb	Mar	Apr	May	Jun
<b>Visitors 2019</b>	2,018	1,556	1,456	1,152	1,117	881
<b>Visitors 2020</b>	2117	1610	951	0	334	985

*Note: The pink boxes relate to Covid-19 lock down effected periods.*

Visitor numbers were tracking higher for January and February and were on track to be higher for March until the doors were closed to in store customers on March 17 to mitigate the risk of Covid-19 community infection. Doors re opened again at the end of May. Despite uncertainty created by Covid our June visitor numbers were up on our June numbers from last year.

### **IBIS**

The *i*-SITE has now moved to the new online IBIS software which enables us to make bookings with accommodation providers and operators in other areas, track our retail items and draw comparisons with *i*-SITES across the country. The software makes us more user friendly for our customers, enables us to generate more revenue through bookings and provides us with accurate reporting of all retail, accommodation and activity sales. We will be able to start sharing these details in future reports.

### **EVENTS**

The Ōpōtiki *i*-SITE produced and delivered nine community events from January to June 2020, supported and promoted numerous community events, supported the Mataatua Kapa Haka Regionals and ran our first virtual community event during lock down. Our funding for the 2019-20 summer festival which started in December was funded during 2019 and amounted to \$60,000.00.

The *i*-SITE organised six events for the summer festival, had an active role in planning and supporting the delivery of the Mataatua Kapa Haka Regionals, planned and delivered the Harbour Announcement Street Party and implemented our first community online ANZAC Service. In total the *i*-SITE has delivered nine events from January to June and planned the Matariki Festival for July.

### **Ōpōtiki Gourmet Food Market with Aaradhna Jan 2020**

After combining a movie night and food market the previous year a decision was made to grow the food market as its own event. Securing well known kiwi artist Aaradhna and her six piece band, along with 20 food vendors from near and far with various styles of cuisine proved to be a winning formula. 2,000 people passed through the gates over the duration of the day and the event had a great summer / family friendly vibe with local personality LJ as the MC.



### **Ōpōtiki New World Race the Tide Jan 2020**

We wanted to bring an old classic event back to life. We attracted the attention of Māori Television with a camera crew and reporters attending to capture the action and screen the story on Māori Television plus feature on their webpage. Teams from as far away as Tauranga travelled to enter this novelty event. Teams of 3-4 people had a set time to create a sand structure strong enough to hold their team and fight off the incoming tide. The winning team was the last team still standing. We will incorporate this event in the next summer festival.

### **Movies Under the Stars 'Dumbo'**

A staple event since we started delivering the Summer Festival. We moved location to Princess Street reserve this year to allow for foot traffic from town and a more sheltered venue. We had a great turn out (400 people) and very positive reviews from the general public. Food stalls and bouncy castles were onsite. Food vendors were happy with the amount of trade generated by the event.

### **Ōpōtiki New World Beach Dig Jan 2020**

With around 400 participants (not including spectators) this continues to be a popular day at the beach for families. Children 12 years and under can enter at no charge and dig for popsicle sticks buried in the sand. Once they find a stick they can be exchanged for New World sponsored prizes.

### **Scary Night Out**

Hundreds of thrill seekers made their way through the scary Marawaiwai Scenic Reserve night time fright walk. The Ōpōtiki College Kapa Haka group and their families provided the actors / scare experts and used the event as a fundraiser.

### **Ōpōtiki O-mazing Race Jan 2020**

Record numbers entered this year's O-Mazing Race, with over 40 teams at the start line. One of our favourite events with both locals and visitors and with many return entrants each year.

### **Ōpōtiki Lantern Festival with Parson James Jan 2020**

This was the 9<sup>th</sup> show since its inception in 2012. The first Lantern Festival was held at Island View Holiday Park with a few hundred in attendance. The show now attracts audiences of 3,000+ people. We were able to secure our first international act for the Ōpōtiki Lantern Festival this year. Parson James is an American singer and songwriter. He is best known for his single "Stole the Show" in collaboration with Kygo. The single has 356 million views on YouTube.

Parson James is also well known in New Zealand for his song with Stan Walker "Tennessee Whiskey". Parson was very well received by our community and he absolutely loves Ōpōtiki and its people. He has been strong advocate sharing his experiences with his friends in America and the music industry.

A light laser show was added as the finale this year. It was spectacular and caught many by surprise. The Lantern Festival certainly brought something new to Ōpōtiki audiences this year with an international super star and laser show.

### **Mataatua Kapa Haka Regionals Feb 2020**

The Regionals were held over two days at Ohui Domain. The event attracted 6,000 people over two days. The Ōpōtiki *i*-SITE were part of the planning committee, involved in site planning and in charge of site management and the info tent during the event. The Committee were very pleased with the outcome of the event, with Event Manager Danny Paruru commenting that it has been hailed as one of the best Kapa Haka region events to date anywhere.

### **Ōpōtiki Harbour Celebration Street Party with Sons of Zion March 2020**

Elliot Street was closed off and a stage erected in the middle of the road to celebrate the \$79.4 million harbour funding announcement. The *i*-SITE planned and implemented the street party with only 2 weeks' notice. A large undertaking for a small team, especially after a very busy summer period and having to keep the specific reason for the event confidential as part of the organisation process.

Food stalls, live entertainment, amusements rides and live announcements made for a fantastic community celebration. The event took place just one day before restrictions on gatherings were announced due to Covid-19.

### **Ōpōtiki ANZAC Service April 2020**

Ōpōtiki *i*-SITE coordinated an online ANZAC service direct to people in their bubbles. Councillor Louis Rapihana opened the formalities followed by live singing of our Nation Anthem performed by some of the Mitai whanau. Mayor Lyn Riesterer spoke to the community and Opotiki College Head Girl, Letisha White delivered a special ANZAC speech. Ōpōtiki Council CEO, Aileen Lawrie played a very special bugle that was on loan from the Ōpōtiki Museum. The bugle dates back to WW1 and was donated to the people of Ōpōtiki by Dean Parkinson. The online video was played on 2,000 screens and devices with a reach of 4,196 people.

## **Ōpōtiki Matariki Celebration Planning**

The first Ōpōtiki Matariki Celebration took place on Saturday 22<sup>nd</sup> June 2019. Despite the uncertainty of events in our current climate, the *i*-SITE still planned a Matariki Event for July 2020. Details will be reported on in the next reporting period.

## **TRUST TAIRAWHITI (RTO)**

Ōpōtiki *i*-SITE is actively re-forming our connection with Gisborne and working more closely with them. Traditionally Ōpōtiki has aligned with the Eastland and Gisborne regional tourism boundaries.

## **ŌPŌTIKI DISTRICT LIBRARY**

### **HIGHLIGHTS 1 January – 30 June 2020**

The reporting period covers a busy half year, with a lot of background work contributing to the development of the Regional Digital Business Hub and the Te Tāhuhu o Te Rangi build. In addition there has been scoping of a potential mobile library service. Operational library services were reasonably standard over the first quarter including an increasing focus on digital services. With Lockdown at the beginning of the second quarter, attention turned to delivering innovative library services and support via phone, email and online platforms.

‘Agile and adaptable’ became best practice for library service delivery, with the primary challenge being to deliver bespoke physical services and optimised virtual and digital resources. Fortunately, the library service has been stretching and innovating since moving to the temporary space in September 2018. This prepared staff for thinking ‘outside the box’ during Lockdown.

A database of contact details was set up and staff while working from home made phone contact with 350 library members (totalling nearly 900 calls). A regular outreach email to all members with email addresses reaching 1000 households was utilised to keep in touch and provide updates on developments.

### **Library Loans**

During Covid loans came to an almost complete stop. Despite plenty of promotion and virtual hand-holding, eBook loans did not surge as expected (this is true throughout NZ and globally, eBooks have not taken off as anticipated). However, eAudio was met with enthusiasm by library members – many of them first-timers who have continued to enjoy this format post-lockdown. In the words of one local business owner: “Over lockdown I painted all my kitchen cupboards inside and out. Then I started on the laundry. I blame the library. Staff talked me through borrowing and listening to eAudio books and

once I started I couldn't stop. I'm dyslexic so 'reading' this way not only allows me to keep up with the home maintenance, it also keeps me up to date with the books everyone else is reading and talking about."

**Membership**

Lockdown spurred more than 30 people to join or renew their membership. Online self-registration made it as easy as possible to register and staff were able to provide plenty of phone and email assistance to get new and existing users on to digital and virtual services. A long term project to update contact details for members paid off and made a shift to remote services and communication relatively efficient.

**2019 Progress stats**

People

<i>Jan-Mar</i>	<i>Apr-Jun</i>	
12616	2821	physical visits to the library
	364	outreach/welfare phone calls to households
	875	outreach/welfare total phone calls

<i>Jan-Mar</i>	<i>Apr-Jun</i>	
18356	5378	APNK Wi-Fi sessions
81475	1794	APNK computer/internet (minutes)
1821	361	APNK computer/internet (sessions)

**Revenue**

Unsurprisingly, Library revenue reduces without face to face services. Printing services and events make up most of the library's income. With just one ticketed event over the 6 month period, a total of \$7,191.72 was banked over the reporting period.

**Library use and activities**

PechaKucha was well attended at the Senior Citizens Hall in February and the 'Rubbish Trip' was a hugely popular Sustainable Backyards event early March. Coffee with Matt Calman, several Arts on Tour events and the library's Book Discussion Groups were shifted to Zoom – with varying but rapidly improving success!

'Stepping Up', has provided a robust template for library staff to provide basic digital learning for Ōpōtiki locals. The learning modules include everything from setting up an email account and introduction to standard software to online safety and banking via DORA the online banking bus. Most popular since lockdown has been the availability of free modems set up to utilise the Skinny mobile network. The modem and low-cost data package is intended to help address digital exclusion issues.

Home delivery services were implemented throughout L3. Staff selected books, DVDs and magazines and made contactless deliveries to letterboxes, front door steps and a few pre-arranged rendezvous. The home delivery service remains available to those who need it but few want to take advantage of the offer – preferring to make their regular in-person visits to the library.

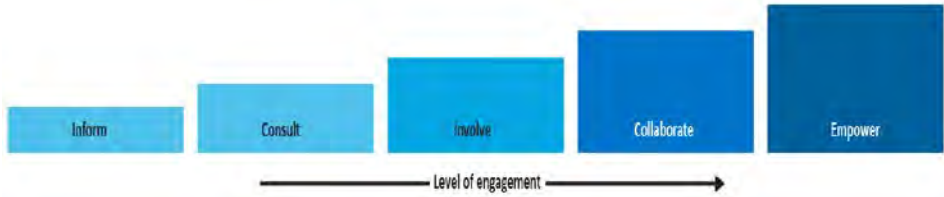
**SIGNIFICANCE ASSESSMENT**

**Assessment of significance**

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for Property, i-SITE and Library Activity Report is considered to be low as determined by the criteria set out in section 17 of the Significance and Engagement Policy.

**Assessment of engagement requirements**

As the level of significance for the Property, i-SITE and Library Activity Report is considered to be low the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



**RECOMMENDATION:**

- 1. That the report titled “Property, i-SITE and Library Activity report” be received.

Muriel Chamberlain

**CORPORATE SERVICES MANAGER**

## REPORT

Date : 15 September 2020  
To : Ordinary Council Meeting, 6 October 2020  
From : Chief Executive Officer, Aileen Lawrie  
Subject : **REQUEST TO SEAL REEVES ROAD EXTENSION**  
File ID : A215148

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### EXECUTIVE SUMMARY

**Council have received an “Unbudgeted Works Request” from a local resident, requesting that Council seal approximately 260 metres of Reeves Road Extension. Council’s policy, on a case by case basis, is that if the applicant pays the previous subsidy rate of 60% then Council will consider approving the other 40%. The upper end cost for the works is estimated at \$40,000.**

### PURPOSE

To have Council agree to fund 40% of the cost of the works in sealing 260m Reeves Road Extension, if 60% of all costs are privately funded.

### BACKGROUND

A request has been received by Council to seal the lower end of Reeves Road Extension because of dust nuisance. The sea breeze in combination with increased road usage is creating an unpleasant environment and potential health effects. The local resident has indicated they are willing to contribute the required 60% of the cost

The length of sealing requested is 260 metres and our works and Serves manager has estimated the full cost at \$40,000. A Council contribution of \$16,000 would be required and some staff time; procure (three prices) and to manage the contract.

## **DISCUSSION AND OPTIONS SECTIONS**

Council can either agree to the request as it aligns with Council policy or it can refuse the request. Given the resident has agreed to contribute as per the Council policy there is little reason to refuse the request. It is also another job for a contractor and will assist to maintain continuity of work in the sector. It will add some work to the ODC Engineering team but it is considered a small and straightforward job.

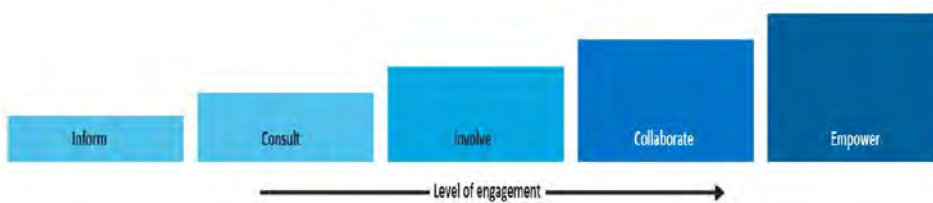
## **SIGNIFICANCE ASSESSMENT**

### **Assessment of significance**

Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for the decision to seal 260 metres of Reeves Road Extension is considered to be low as determined by the criteria set out in section 17 of the Significance and Engagement Policy.

### **Assessment of engagement requirements**

As the level of significance for the decision to seal 260 metres of Reeves Road Extension is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



## **COMMUNITY INPUT AND PUBLICITY**

Each annual process there is an opportunity for people to come forward and request road sealing. It is preferable that work is added to the annual work programme via the Annual Plan to ensure we can manage workloads but in this case the job is small and straightforward.

## **CONSIDERATIONS**

### **Financial/budget considerations**

A nominal budget is set aside for road sealing but it is loan funded so either is drawn down on not drawn down. Council has had very little uptake of this policy over recent years.

**Policy and planning implications**

The decision is consistent with Councils planning framework and contributes to a number of community outcomes, including *services and facilities meet our needs* and *development supports the community*.

**Risks**

This decision has little risk.

**Authority**

Council has the authority to make this decision.

**CONCLUSION**

The request complies with Council's road seal policy, is a simple job and it is recommended that council approve this request.

**RECOMMENDATIONS:**

- 1. That the report titled "Request To Seal Reeves Road Extension" be received.**
- 2. That the Council notes that the resident has offered 60% of the funding required in accordance with Council policy and agrees to the request to seal 260 metres of Reeves Road Extension.**

Aileen Lawrie

**CHIEF EXECUTIVE OFFICER**





## REPORT

Date : 17 September 2020

To : Ordinary Council Meeting, Tuesday 6 October 2020

From : Planning and Regulatory Group Manager, Gerard McCormack

Subject : **STAFF REPORT ON ŌPŌTIKI DISTRICT COUNCIL'S SUBMISSIONS TO THE MINISTRY FOR THE ENVIRONMENT AND THE MINISTRY OF HEALTH**

File ID : A213918

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### EXECUTIVE SUMMARY

**The purpose of this report is to provide an update to Council on two submissions that Ōpōtiki District Council has made to the Ministry for the Environment and one submission to the Ministry of Health.**

### PURPOSE

The purpose of this report is to provide an update to Council on two submissions that Ōpōtiki District Council has made to the Ministry for the Environment and one submission to the Ministry of Health.

### BACKGROUND

Ōpōtiki District Council have submitted on three items that Government agencies have sought feedback on, since the March 2020 Ordinary Council Meeting. They are the Ministry for the Environment's Proposed National Environmental Standard for the Outdoor Storage of Tyres; the Ministry for the Environment's Proposed Amendments to the National Environmental Standards for Air Quality (Particulate Matter and Mercury Emissions), and the Ministry of Health's COVID-19 Psychosocial and Mental Wellbeing Recovery Plan.

### **Ministry for the Environment’s Proposed National Environmental Standard for the Outdoor Storage of Tyres (Appendix 1).**

The Ministry for the Environment (MfE) sought feedback on the Proposed National Environmental Standard (NES) for the Outdoor Storage of Tyres from 25 February 2020 to 8 April 2020. The MfE received approximately 50 submissions on the proposed NES.

The submission council provided was supportive of the NES. The NES proposed to place the responsibility of managing end-of-life tyres and the effects of the outdoor storage of tyres with regional councils, instead of District Councils. The NES also proposed to introduce a consent threshold of 200m<sup>3</sup>, and a permitted activity rule with requirements. From an operational perspective, Council doesn’t monitor end-of-life tyres as it doesn’t have the resources to do so.

District Councils would be approached by regional councils for comment on amenity values where resource consent is required for end-of-life tyre storage piles. Under the proposed NES, Regional Councils would be required to manage the effects of the outdoor storage of end-of-life tyres.

The full submission is attached to this report (Appendix 1).

### **Ministry for the Environment’s Proposed Amendments to the National Environmental Standards for Air Quality (Particulate Matter and Mercury Emissions) (Appendix 2).**

The MfE proposed amendments to the NES for Air Quality with the intention of better controlling the release of fine particles into the air, and assisting the country in achieving its obligations under the Minamata Convention on Mercury. It was proposed that the PM2.5 standard replace the PM10 standard as the primary standard for managing particulate matter.

Consultation opened on 26 February 2020, and closed on 31 July 2020. The original consultation deadline was Friday 24 April 2020 but was extended due to COVID-19. When this report was written, the MfE had not advised the total number of submissions received.

Council was generally supportive of the Ministry’s rationale for the proposed amendments. However, it drew attention to the fact that Ōpōtiki district is part of the Bay of Plenty regional airshed, but the Bay of Plenty Regional Council does not monitor air quality in Ōpōtiki district. The submission highlights that any costs of monitoring and reporting of air quality within the regional airshed need to be administered equitably within regions, and across the country. The submission also draws attention to Ōpōtiki district

being the recipient of several substantial Provincial Growth Fund (PGF) announcements. Central Government needs to ensure that it doesn't operate to conflicting national directions.

The full submission is attached to this report (Appendix 2).

**Ministry of Health's COVID-19 Psychosocial and Mental Wellbeing Recovery Plan (Appendix 3).**

The Ministry of Health (MoH) created a recovery plan to provide a national approach to support the mental and social wellbeing of New Zealanders in the COVID-19 recovery period. It draws on the direction for mental wellbeing that were laid down in *He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction*.

Consultation was open from 16 May 2020 to 17 June 2020. At the time of writing this report, the MoH had not advised how many submissions had been received on the plan. However, the Ministry notes that the plan is a 'living document' which they will continue to review as they assess the ongoing impacts of COVID-19.

Council's submission generally supported the principles of the MoH's COVID-19 recovery plan. However, it drew attention to the fact that inequity existed in health services before COVID-19, and Ōpōtiki district already experienced the consequences of this. The submission highlights the fourth principle of the recovery plan, which is 'Achieve Equity.' To achieve this principle, the submission suggested that the recovery plan ought to include tangible targets and deadline, and on-the-ground resources so that positive effects can be measured.

The submission also informed the Ministry that at the Ordinary Council Meeting in June 2020, Council resolved that the recovery of Ōpōtiki district should be *locally led*, and *regionally and nationally supported*. It highlighted the work that the welfare providers in Ōpōtiki district did during the lockdown, and how the Ōpōtiki EOC focused on supporting the welfare providers so that an all-of-community approach was taken during lockdown.

The full submission is attached to this report (Appendix 3). We expect that the Ministry will notify council officers when a further iteration of the plan is released, later in the year.

**SIGNIFICANCE ASSESSMENT**

**Assessment of significance**

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for the Staff Report on Ōpōtiki District Council’s Submissions to the Ministry for the Environment and the Ministry of Health is considered to be low as determined by the criteria set out in section 17 of the Significance and Engagement Policy.

**Assessment of engagement requirements**

As the level of significance for the Staff Report on Ōpōtiki District Council’s Submissions to the Ministry for the Environment and the Ministry of Health is considered to be low, the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



**RECOMMENDATIONS**

- 1. That the report titled Staff Report on Ōpōtiki District Council’s Submissions to the Ministry of Health and the Ministry for the Environment is received.**

Gerard McCormack

**PLANNING AND REGULATORY GROUP MANAGER**

## APPENDIX 1



**Our Ref:** A193456

Wednesday 25 March 2020

NES Tyres Consultation  
Ministry for the  
Environment

Electronic letter: [tyres@info.mfe.govt.nz](mailto:tyres@info.mfe.govt.nz)

To whom it may concern

### **SUBMISISON ON THE PROPOSED NATIONAL ENVIRONMENTAL STANDARD FOR THE OUTDOOR STORAGE OF TYRES**

Thank you for the opportunity to comment on the Proposed National Environmental Standard for the Outdoor Storage of Tyres.

We provide some background information relating to the Ōpōtiki district before providing response to the questions set out in the consultation document.

The district of Ōpōtiki is located in the Bay of Plenty region on the north-east of the North Island of New Zealand. It is made up of an area of 3105km<sup>2</sup>, accounting for approximately 24% of the total land mass of the Bay of Plenty region. It is the second biggest district in the region, second only to Whakatāne (4442km<sup>2</sup>).

The population of the Ōpōtiki district is mostly rural, with just 46% of the population living in urban areas, the lowest of any district in the region and compares against a regional wide average of 84% of the population living in urban areas. Geographically, much of the region – with the exception of urban coastal areas and farmland – is covered by native and exotic forest. The nearest major town to Ōpōtiki is Whakatāne, around a half-hour drive west.

Ōpōtiki district has among the highest levels of deprivation in New Zealand and features at the wrong end of many statistics: unemployment; median household income; benefit numbers rate of home ownership and health. Of the ratepayer population in New Zealand, residents in Ōpōtiki district have the lowest ability to pay their rates.

Ōpōtiki District Council (Council) supports the overall rationale for the proposed NES for the outdoor storage of tyres. This submission is structured to respond specifically to the questions asked.

**1. DO YOU AGREE WITH RESPONSIBILITY FOR THE NES SITTING WITH REGIONAL COUNCILS RATHER THAN DISTRICT COUNCILS? WHY?**

Yes, Council agrees with the responsibility for the NES sitting with regional councils, rather than district councils.

From a local perspective, Council simply doesn't have the resources to administer and monitor this legislation, let alone pursue any kind of prosecution action should the need arise. Placing this responsibility with Bay of Plenty Regional Council provides more chance for poorly managed end-of-life tyres to be monitored properly.

From an environmental perspective, the risks posed by poorly managed end-of-life tyres are mostly contaminant based (i.e., discharge of contaminants to air; ground; groundwater and surface water). Currently, Council will refer any pollution incidences of this nature to the Bay of Plenty Regional Council as they are equipped to respond to such an enquiry, so the NES would simply formalise this process.

A national standard, administered by fewer entities, encourages a consistent approach to end-of-life tyres, which will hopefully result in less confusion for an individual and a more consistent approach across the country.

**2. DO YOU SUPPORT HAVING A RESOURCE CONSENT THRESHOLD FOR THE OUTDOOR STORAGE OF TYRES BELOW THE PREVIOUSLY PROPOSED 200M<sup>3</sup>? WHY?**

Currently, Council doesn't administer resource consents for end-of-life tyres, or monitor the effects of this activity, so we have no comment to make with regard to the acceptable quantity of tyres at which to require a consent.

**3. DO YOU SUPPORT THE ADDITION OF A PROPOSED PERMITTED ACTIVITY RULE WITH REQUIREMENTS? WHY/WHY NOT?**

Council does support the addition of a proposed permitted activity with requirements. It seems to be a sensible solution to manage the effects of an activity, without requiring someone apply for resource consent. Council understands that there would be sufficient legal backing for regional council to monitor tyre piles that are deemed a permitted activity, and Council would be amenable to providing comment as an affected party with regard to amenity effects, if regional council requested this.

**4. DO YOU HAVE ANY SUGGESTIONS ON THE INDICATIVE REQUIREMENTS IN TABLE 1?**

No suggestions.

**5. WHICH OF THE OPTIONS (200M<sup>3</sup> OR 100M<sup>3</sup>) FOR SETTING A RESOURCE CONSENT THRESHOLD DO YOU SUPPORT? WHY?**

As mentioned in the answer to Question 3, Council does not have any comment to make with regard to the threshold at which requires a resource consent, and would look to regional councils to provide feedback on this question.

**6. HOW WOULD THE PROPOSED OPTIONS AFFECT YOUR BUSINESS/ORGANISATION?**

Ōpōtiki District Council has a very small planning and regulatory team (we have one Compliance Officer), and we currently don't monitor pollution incidences in the district because we simply don't have the resources to do so. Any calls of this nature are immediately referred to Bay of Plenty Regional Council so placing the responsibility of responding to enquiries about end-of-life tyres on the regional council would formalise the process that we currently operate to.

**7. DO YOU THINK THE SCOPE OF THE PROPOSED NES SHOULD BE EXTENDED TO INCLUDE INDOOR TYRE STORAGE? WHY/WHY NOT?**

As mentioned in Question 3, Council doesn't monitor this activity or the associated activities, so we don't have a formal comment to provide.

**8. DO YOU AGREE WITH THE PROPOSED EXEMPTION FROM THE RESOURCE CONSENT REQUIREMENT FOR FARM SILAGE TYRES? WHY/WHY NOT?**

As mentioned in the answer to Question 3, Council doesn't have any comment to make with regard to consent requirements the storage for end-of-life tyres.

**9. DO YOU HAVE COMMENTS ON THE OTHER ASPECTS OF THE PROPOSED NES?**

No other comments.

Yours sincerely



Aileen Lawrie,  
**CHIEF EXECUTIVE**

## APPENDIX 2



**Our Ref:** A208022

Friday 31 July 2020

Ministry for the Environment

Electronic letter: [AirQualityNESsubmissions@mfe.govt.nz](mailto:AirQualityNESsubmissions@mfe.govt.nz)

To whom it may concern

### **OPOTIKI DISTRICT COUNCIL'S SUBMISSION ON PROPOSED AMENDMENTS TO THE NATIONAL ENVIRONMENTAL STANDARDS FOR AIR QUALITY**

Thank you for the opportunity to provide feedback on the Ministry for the Environment's (MfE) Proposed Amendments to the National Environmental Standards for Air Quality (Particulate Matter and Mercury Emissions).

We provide some background information about the Ōpōtiki district before providing responses to the questions set out in the consultation document.

#### **BACKGROUND**

The district of Ōpōtiki is located in the Bay of Plenty region on the north-east of the North Island of Aotearoa New Zealand. It is made up of an area of 3105km<sup>2</sup>, accounting for approximately 24% of the land mass of the Bay of Plenty region. It is the second biggest district in the region, second only to Whakatāne (4442km<sup>2</sup>).

The population of the Ōpōtiki district is mostly rural, with just 46% of the population living in urban areas, the lowest of any district in the region and compares against a regional wide average of 84% of the population living in urban areas. Geographically, much of the region – with the exception of urban coastal areas and farmland – is covered by native and exotic forest. The nearest major town to Ōpōtiki is Whakatāne, which is around a forty-minute drive west.

Ōpōtiki district has among the highest levels of deprivation in New Zealand and features at the wrong end of many statistics: unemployment; median household income; benefit numbers; rate of home ownership and health. Of the ratepayer population in New Zealand, residents in Ōpōtiki district have the lowest ability to pay their rates.

Ōpōtiki District Council (Council) supports the overall rationale for the proposed amendments to the NES for air quality (particulate matter and mercury). This submission is structured to respond specifically to the questions asked.



## FEEDBACK

### ***Introduce PM2.5 as the primary regulatory tool to manage particulate matter pollution***

**1. Do you agree the proposed PM2.5 standards should replace the PM10 standard as the primary standard for managing particulate matter?**

The rationale behind replacing PM10 with PM2.5 is reasonable. However, Ōpōtiki district does not have a gazetted airshed and the two gazetted airsheds are in Rotorua and Mount Maunganui. Therefore, Council does not have any comment to make with regard to what agreed standards on air monitoring should be.

**2. Do you agree we should include both a daily and an annual standard for PM2.5?**

As mentioned in question 1, Council does not monitor air quality in the district because this responsibility lies with the regional council, so Council does not have any comment.

**3. Do you agree the standards should reflect the WHO guidelines?**

With regard to human health, it is reasonable that New Zealand standards should meet WHO guidelines, especially when the evidence shows the health implications for New Zealanders. Council does not monitor air quality and this responsibility lies with the regional council so they are best placed to provide comment.

**4. Do you consider that your airshed would meet the proposed PM2.5 standards? If not, what emissions sources do you expect to be most problematic?**

As mentioned, Council does not monitor air quality in Ōpōtiki district and this responsibility lies with the regional council.

### ***Retain the PM10 standard with reduced mitigation requirements***

**5. Do you agree councils should be required to keep monitoring PM10?**

The consultation document outlines the benefits of understanding the quantity of discharge of PM2.5 and PM10 to an airshed. However, Council's concern would be any financial implications for Ōpōtiki ratepayers and making sure these are equitably distributed. As mentioned earlier, Ōpōtiki district residents have the lowest ability to pay their rates. It needs to be ensured that regional councils recover any additional monitoring costs equitably. BOPRC monitors PM10 in Rotorua, Whakatāne and Tauranga. None of the air quality monitoring sites in the Bay of Plenty are in Ōpōtiki district, and none of the air quality monitoring reports produced by the regional council in the past four years mention Ōpōtiki district. It is important to make sure that any new costs of additional monitoring are distributed equitably.

**6. What would be the additional costs involved in retaining PM10 monitoring alongside PM2.5 monitoring, versus the potential loss of valuable monitoring information?**

Currently, Ōpōtiki district is within the Bay of Plenty airshed and monitoring requirements sit with BOPRC. As mentioned earlier, BOPRC does not have any air quality monitoring stations within Ōpōtiki district, so it is very important for Council that the costs of any additional monitoring is distributed equitably within the region.

### ***Polluted airsheds***

**7. Do you agree an airshed should be deemed polluted if it exceeds either the annual or the daily PM2.5 standard?**

As mentioned earlier, Ōpōtiki district does not monitor air quality and is not part of a gazetted airshed. The consequences for a deemed polluted airshed sits with the regional council to address and rectify.

- 8. If all new resource consent application to discharge PM2.5 into a polluted airshed must be offset or declined, how would this affect your activities, or activities in your region?**

Council's concern would be that because regional council does not monitor air quality in Ōpōtiki district, any future resource consents that could result in the discharge of PM2.5 to the Bay of Plenty airshed within Ōpōtiki district may not be considered equitably, and are assessed against monitoring results that have not ever been gathered from Ōpōtiki district. As Ōpōtiki district grows and develops, it is important to recognise that national environmental standards need to be applied to the country equitably, and recognise the current situation of each district as the Bay of Plenty air quality numbers are not representative of Ōpōtiki district.

- 9. Can you identify a more appropriate, measurable threshold for controlling consented discharges in a PM2.5 context?**

As mentioned earlier, PM2.5 is not monitored in Ōpōtiki district. Council does not consent discharges to air.

- 10. Do you agree that if councils do not have adequate PM2.5 data, the airshed's classification under the PM10 standards should apply?**

No comment.

#### ***Domestic solid-fuel burner emissions standard***

- 11. Do you agree with the proposal to reduce the emissions standard to no more than 1.0g/kg? If not, what do you think the standard should be?**

Council considers that this is a target for the industry to meet. The majority of fuel burners listed on the MfE's *Authorised wood burners* list meet the proposed standard of 1.0g/kg already so this does not seem to be an unreasonable standard.

- 12. Are there areas where a lower (more stringent) standard could be applied?**

No comment.

#### ***All domestic solid-fuel burners covered***

- 13. Do you agree the new emissions standard should apply to all new domestic, solid-fuel burners newly installed on properties less than two hectares in size?**

Yes.

- 14. Do the current methods to measure emissions and thermal efficiency need updating or changing? For example, to address any trade-off between thermal efficiency and emissions, or to test other types of burners or burner modifications that seek to reduce emissions?**

No comment.

#### ***Mercury emissions***

- 15. Do you support the proposed amendments to the NESAQ to support ratification of the Minamata Convention on Mercury?**

No comment.

- 16. Do you agree with how these amendments will affect industry?**

No comment.

- 17. What guidance do you think will be needed to support implementation of the proposed amendments? Will industry need help to interpret the best practice guidance for the New Zealand context?**

No comment.

- 18. Do you use any of the manufacturing processes listed in Proposal 9? If so, does this process use mercury?**

No, none of these practices occur within Ōpōtiki district.

**19. Do you agree with the Government's proposed approach to regulate the source categories in Proposal 10? If not, why not?**

No comment.

**20. What air pollution control technologies are currently required for existing source categories listed in Proposal 10?**

No comment.

***Timing, implementation and transitional provisions***

**21. Do you agree that lead-in times are required for starting to monitor PM2.5 and for burners that will no longer be compliant? What lead-in times do you suggest and why?**

BOPRC will be the authority required to monitor PM2.5, so it is for the regional council to comment on appropriate lead-in times.

**22. Are there any matters you think would require transitional provisions? If so, what?**

As mentioned, the regional council is the authority that would comment on any transitional provisions.

***Other comments***

**23. Do you have any other comments you wish to make?**

As mentioned in the answer to Question 8, it is important to recognise that different districts within regional airsheds will have different ambient PM10 and PM2.5 levels. In the Bay of Plenty, there are two gazetted airsheds (Rotorua and Mount Maunganui), and the rest of the region is in the Bay of Plenty regional airshed.

Currently, Bay of Plenty Regional Council does not have an air quality monitoring site in Ōpōtiki district. Further, Ōpōtiki district is not mentioned in the last four annual air monitoring reports produced by the regional council. As Ōpōtiki district has recently been the recipient of several substantial Provincial Growth Fund announcements, central government must ensure that conflicting national interests does not hinder development in Ōpōtiki district. For example, assessing any new discharges to air in Ōpōtiki district against existing data wouldn't be equitable because development in other parts of the region already far outweighs that in Ōpōtiki district, and declining any resource consents based on regional data would be in conflict with the development expected and encouraged by the Provincial Growth Fund.

We reiterate that the proposed amendments to the NES needs to be applied equitably to the Bay of Plenty, and Ōpōtiki district.

Thank you for taking the time to read and consider our submission.

Yours faithfully,



Aileen Lawrie  
**CHIEF EXECUTIVE OFFICER**

## APPENDIX 3



**Our Ref:** A201396

Wednesday 17 June 2020

Ministry of Health  
Electronic letter: [MHAD-responses@health.govt.nz](mailto:MHAD-responses@health.govt.nz)

To whom it may concern,

### **FEEDBACK ON THE MINISTRY OF HEALTH'S COVID-19 PSYCHOSOCIAL AND MENTAL WELLBEING RECOVERY PLAN**

Thank you for the opportunity to provide feedback on the Ministry of Health's (MOH) COVID-19 Psychosocial and Mental Wellbeing Recovery Plan.

We provide some background information about the Ōpōtiki district before providing responses to the questions set out in the online feedback forum.

#### **BACKGROUND**

The district of Ōpōtiki is located in the Bay of Plenty region on the north-east of the North Island of Aotearoa New Zealand. It is made up of an area of 3105km<sup>2</sup>, accounting for approximately 24% of the land mass of the Bay of Plenty region. It is the second biggest district in the region, second only to Whakatāne (4442km<sup>2</sup>).

The population of the Ōpōtiki district is mostly rural, with just 46% of the population living in urban areas, the lowest of any district in the region and compares against a regional wide average of 84% of the population living in urban areas. The nearest major town to Ōpōtiki is Whakatāne, which is around a forty-minute drive west.

Ōpōtiki district has among the highest levels of deprivation in New Zealand and features at the wrong end of many statistics: unemployment; median household income; benefit numbers; rate of home ownership and health.

During the COVID-19 event, the MOH was the national lead agency managing the public health response to the pandemic. The direction was that the Council's EOC, and the wider Bay of Plenty Civil Defence and Emergency Management Group, was to assist the MOH in their response to COVID-19.

In response to that direction, the Ōpōtiki Emergency Operations Centre (EOC) took a view that the best way it could respond to that direction and provide what was needed by our community was to assist, enable and facilitate already established providers within the district. In relation to welfare provision, a group was brought together by the Ōpōtiki EOC in the first few days of setting up, comprising of the Local Controller, Police, OPAC, EastPak and the following welfare providers:

- Whakaatu Whanaunga Trust
- Te Ao Hou Trust
- Whakatōhea Iwi Social Health Services
- Te Whānau-a-Apanui.

These agencies had a well-established welfare presence within the community, and Ōpōtiki EOC focused on supporting these organisations, all of which took an all-of-community approach to providing assistance. During the event, Ōpōtiki district demonstrated incredible levels of adaptability; innovation and resilience. It was plainly obvious that the people of the district focus on the community, and how they can best serve and help one another.

It also became clear that the lockdown enforced during Alert Levels 4 and 3 highlighted the inequality and inequity that exists in New Zealand, and how many small regional districts in the country were disproportionately affected by the event: this includes Ōpōtiki district.

The COVID-19 event has provided the opportunity for inequality and inequity in healthcare and mental wellbeing in Ōpōtiki district to be addressed. In relation to the psychosocial and mental wellbeing space, the plan that the MOH has proposed appears to consider this as an important issue.

## **FEEDBACK**

Council supports the guiding principles; focus areas, and the overall rationale of the plan. This feedback is structured to respond specifically to the questions asked on the online feedback forum.

### **1. Do the vision, principles and focus areas in the plan resonate with you?**

The vision, principles and focus areas in the plan resonate with Council. The context of the plan describes that it must be grounded in equity, and ensure responsiveness for Māori and for other population groups who experience inequitable outcomes or have unique needs, while also meeting the needs of the population.

This is something that strongly resonates with Council. At our Council meeting on 2 June 2020, Council resolved that the recovery of Ōpōtiki district should be *locally led*, and *regionally and centrally supported*. The plan appears to recognise the importance of this approach in the psychosocial aspect of the recovery.

### **2. In what ways does your organisation see itself contributing to the focus areas in the plan?**

With regard to all five focus areas, Council sees itself as having a supportive role to the existing partner agencies in the community.

During the COVID-19 response, Council had the opportunity to support the various welfare agencies in the community, and the services they already offered. This was an invaluable experience for Council as it meant existing networks and knowledge were utilised and strengthened. Council's contribution in the future will be to continue supporting the agencies with the work that they already do, and continue collaborating with the MOH and the Bay of Plenty District Health Board (BOPDHB) to make sure all relevant parties are involved in planning and recovery discussions.

### **3. What do you think the critical factors are to ensure success of this plan?**

Council consider the following to be critical factors:

- ensuring that District Health Boards are equipped with funding and resources to provide physical, *on-the-ground services that have a physical presence in Ōpōtiki*
- ongoing and consistent collaboration of the MOH and DHB with councils and community agencies, to make sure that resources and funding are provided as the recovery evolves and moves forward.

Principle 4 of the plan is Achieve Equity. This is an excellent principle to base the plan around, and we would expect that in order to realise this principle, criteria that were used in the past to allocate funding and resources to Ōpōtiki district won't be the same the criteria used in the future.

As mentioned previously, Ōpōtiki district has some of the highest levels of deprivation in the country, and it's quite possible that existing issues will be worsened as a result of COVID-19. It will be critical to the success of the plan to ensure that funding and resources are allocated equitably.

For example, people that require psychosocial help are referred to centres in either Rotorua or Tauranga, both of which are approximately 140km, or a 1.5 hour drive, away. The median income of Ōpōtiki district is \$22,000p.a. Therefore, referring people to clinics that are out of the district simply won't suffice in addressing psychosocial and mental wellbeing issues. Providing physical services on the ground in Ōpōtiki district is a critically important step toward addressing the inequity in healthcare services currently provided.

It's important for the Ministry to recognise what hasn't worked well in Ōpōtiki district previously and what isn't working currently, and seek to address these issues quickly. We would suggest that talking directly with council and our local agencies would provide an opportunity to better understand the issues, and not base funding on what the perception of existing issues is or may be. We are keen to avoid the mistakes of the past being repeated.

**4. What positive examples of actions to support mental and social wellbeing are you aware of?**

In Ōpōtiki district, Council worked alongside partner agencies during Alert Levels 4 and 3 to support them with necessary resources as part of the Civil Defence response, and have continued to collaborate with the same agencies during Level 2 and will do so in the future. Council takes its direction from the partner agencies that provide the welfare services in the community, and is invested in supporting them wherever possible.

**5. Do you think there is anything missing from the plan?**

As previously described, Ōpōtiki district has some of the highest levels of deprivation in the country. With regard to psychosocial and mental wellbeing, travelling to centres outside of the district which provide treatment is a serious and real challenge, so equitable access is crucial.

With equity in mind, Council suggests that tangible targets; resources and deadlines are missing from the plan. We appreciate that this is a high-level 'living document', but it will be critical to ensure that it translates into on-the-ground work for it to be effective. Putting targets into this plan will provide opportunity for the MOH, the BOPDHB, council and the partner agencies to begin working toward achieving these targets.

Thank you for taking the time to consider our feedback on the plan. If you have any queries, please contact Katherine Hall, Policy Planner, in the first instance.

Yours sincerely,



Aileen Lawrie  
**CHIEF EXECUTIVE OFFICER**

**REPORT**

Date : 18 September 2020  
 To : Ordinary Council Meeting, 6 October 2020  
 From : Chief Executive Officer, Aileen Lawrie  
 Subject : **CHIEF EXECUTIVE OFFICER'S UPDATE**  
 File ID : A214126

**LGOIMA REQUESTS**

**LGOIMA Report (29/07/2020-18/09/2020)**

Month	Submitter	Subject	Due
July 2020	Michel Verhagen	All submitted TMPs on Ōhiwa Harbour Road, Reeves Road and Ōhiwa Loop Roads	Completed
	New Zealand Taxpayers	Iwi engagement costs	Completed
	NZ Forest & Bird	Vegetation clearance	Completed
August 2020	VoyagersNZ	LGOIMA request - Code of conduct	Completed
	Ivan Arnerich	Request for minutes of the Hearing for the Bylaws 24 June 2020	Completed
	Peter Martelletti	Request for minutes of the Hearing for the Bylaws 24 June 2020	Completed
	Holland Beckett	Reserve Management Plan (Whanarua Bay) request for supporting documents	Completed
	New Zealand Taxpayers	Rates revenue changes	Completed
	University of Auckland	SPCA Nationwide Desexing Initiative	Completed
	Lawrence Haywood	Analysis of Ōhiwa properties rating	Completed
	New Zealand Taxpayers	2019 Ratepayers Report on Rating (Part 1 of 3)	Completed

September 2020	New Zealand Taxpayers	Ratepayers' Report (Part 2)	Completed
	Renters United	How is the Council using its rights under the Public Health Act to inspect rental housing properties?	06/10/2020
	Little & Brave	Waste Statistics/Waste Minimisation	Completed
	NZARH	Health License Query - Hairdressers in region	Completed
	New Zealand Taxpayers	Ratepayers Report (Final Request) (Part3)	Completed

### THREE WATERS

At the 25 August Council meeting a report was received outlining the proposal from Government about the reform of the Three Waters. Council resolved to sign the Memorandum of Understanding, and Funding Agreement with Government that enabled a grant of \$1.6m for spending in the next 12-18 months on any aspect of the Three Waters not already funded by the Annual Plan. Since then the agreements have been signed with a covering letter from the Mayor. A response was received from the CEO of DIA. Both of these letters are attached for your information.

A meeting of the BOP Mayors also led to the signing of a letter to DIA agreeing the regional share should be split in the same allocations as the original district allocation. This means that ODC has \$3.2m allocated.

A resolution of the meeting of 25 August was:

**That Council authorises the Chief Executive to finalise the delivery plan to address feedback from government and obtain the approval needed to release funding.**

Council was briefed on the draft delivery plan at a workshop on 14 September. The work plan involves:

- Stormwater – Tarawa Creek upgrade
- Wastewater – decommissioning and replacement of the primary screening facility and relocation to the at the wastewater treatment area at Snells road.
- Design on the Hukutaia reticulation; and
- A range of minor projects spread across the district.

Co-funding a delivery plan is proposed to ensure that money can reallocated and spent in the event that any one project is delayed. This is funding already allocated to these jobs in future years.



The delivery plan was submitted before the end of September and is currently under consideration by DIA. We expect Funding Agreement to be signed by the end of October.

A resolution is sought for Council to retrospectively approve the submission of the delivery plan and to approve the bringing forward of the co-funding budget currently spread across years 4 to 7 in the current LTP. This could also be done via the LTP process but it is preferable that Council resolve prior to the funding agreement being completed.

Activity		cost	Co-funding \$
Stormwater	Tarawa open-drain desilt, build where necessary, remove bottlenecks + pump chamber and a 40m long silt trap with 600mm deep floor below invert, build sidewalls to where needed. Pump purchased separately not included here.	\$ 1,000,000	\$ 550,000
Wastewater	Construct new inlet screening, grit and balance tank at Snells Road site. Allow head for future upgrade. Upgrade PS1 pump system to match new head. (Cost \$1,400,000), plus storm pond system.	\$ 1,600,000	\$ 1,450,000
Wastewater	Hukutaia design, stormwater and wastewater	\$ 150,000	
Assorted	14 minor projects	\$ 2,140,000	\$ 200,000
		<b>\$ 4,890,000</b>	<b>\$ 2,200,000</b>

#### **ROAD SAFETY IMPROVEMENTS – STATE HIGHWAY 2 BETWEEN MATEKEREPU AND ŌPŌTIKI**

Attached from Waka Kotahi – NZ Transport Agency is attached, advising of the preliminary work being undertaken and the proposed safety improvements for State Highway 2 between Matekerepu and Ōpōtiki.

#### **ŌPŌTIKI SUMMER FESTIVAL – FUNDING**

Since 2012, the Opotiki *i*-SITE / Events staff have organised the Ōpōtiki Summer Festival through the summer holiday period. The festival has included an array of events which provide affordable, fun, family-based activities and entertainment for both locals and visitors.

The Ōpōtiki *i*-SITE seek a resolution to apply for funding for the 2020/21 Summer Festival from the Southern Trust and The Lion Foundation and to authorise Joseph Hayes and Muriel Chamberlain to make the application to the Southern Trust.

## **MEETINGS / EVENTS ATTENDED BY CEO – 8 AUGUST 2020 – 18 SEPTEMBER 2020**

### **10 AUGUST 2020**

Toi-EDA Board meeting, Whakatāne

Ōpōtiki Harbour Project update meeting with MBIE, via Zoom

### **11 AUGUST 2020**

Ōpōtiki District Council Long Term Plan workshop

### **14 AUGUST 2020**

Apanui me nga Pirimana o Aotearoa meeting, via Zoom

### **17 AUGUST 2020**

Workshop with Risk and Assurance Committee

Three Waters Reform webinar

Ōpōtiki Harbour Project update meeting with MBIE, via Zoom

### **18 AUGUST 2020**

Workforce Strategy Implementation Meeting

Meeting with Far North Solar Farm, via Zoom]

Delivered afternoon tea to footpath contractors at various locations around town

### **20 AUGUST 2020**

Meeting with MSD re work preparation/ training for Ōpōtiki projects, via Zoom

Ōpōtiki Harbour Development Project meeting with MBIE, via Zoom

### **21 AUGUST 2020**

Ōpōtiki Harbour Development Project progress meeting with HEB

### **24 AUGUST 2020**

Te Tāhuhu o Te Rangī Karakia

Regional Growth Leadership Group meeting, Whakatāne

### **25 AUGUST 2020**

Ordinary Council meeting

Ōpōtiki District Council Long Term Plan workshop

**26 AUGUST 2020**

Met with Steve Mutton - Director Regional Relationships Waka Kotahi – NZ Transport Agency, via Zoom

**27 AUGUST 2020**

Three Waters Reform meeting for CEOs, CFOs and Chief Legal Officers, via Zoom

**28 AUGUST 2020**

Met with HEB representatives

**31 AUGUST 2020**

Ōpōtiki District Council Long Term Plan workshop

Ōpōtiki Harbour Development Project update meeting with MBIE, via Zoom

**2 SEPTEMBER 2020**

Councillor/CEO catch up meeting

**3 SEPTEMBER 2020**

Workforce planning meeting with MSD, via Zoom

Catch up meeting with Anne Tolley MP

**4 SEPTEMBER 2020**

Ōpōtiki Harbour Development Project progress meeting with HEB

**7 SEPTEMBER 2020**

ODC Risk and Assurance Committee meeting

Bay of Plenty Mayors meeting re Three Waters Regional Funding Agreement, via Zoom

**8 SEPTEMBER 2020**

Meeting with Lani Evans, Head of Foundation & Sustainability, Vodafone NZ Foundation, via Zoom

**9 SEPTEMBER 2020**

Ōpōtiki Marine Advisory Group (OMAG) meeting

Eastern Bay Chamber of Commerce Business After 5 event in Ōpōtiki

**10 SEPTEMBER 2020**

Ōpōtiki Harbour Development Project update meeting with Whakatāne District Council representatives  
Ōpōtiki Harbour Development Project update meeting with MBIE, via Zoom

**11 SEPTEMBER 2020**

Meeting with Area Police Commander Andy McGregor, Whakatōhea and Te Whānau a Apanui re Government services in Ōpōtiki

**14 SEPTEMBER 2020**

Ōpōtiki Harbour Project update meeting with MBIE, via Zoom

**16 SEPTEMBER 2020**

Meeting with HEB representatives

**17 SEPTEMBER 2020**

Meeting with David Cunliffe, Stakeholder Strategies

**18 SEPTEMBER 2020**

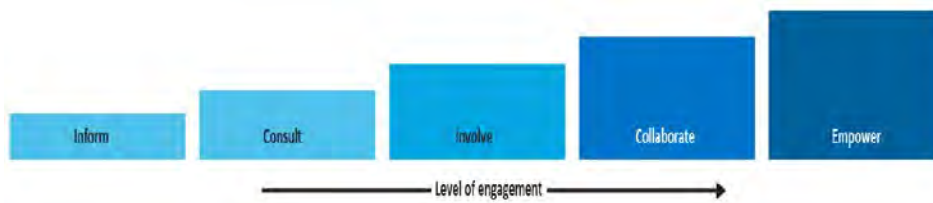
SOLGM Annual Summit, via Zoom

**SIGNIFICANCE ASSESSMENT****Assessment of significance**

Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of Significance for the Chief Executive Officer's Update is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

**Assessment of engagement requirements**

As the level of significance for the Chief Executive Officer's Update is considered to be of low the level of engagement required is determined to be at the level of inform according to Schedule 2 of the Significance and Engagement Policy.



**RECOMMENDATIONS:**

1. That the report titled “Chief Executive Officer’s Update” be received.
2. That Council approve the submission of the 3 waters delivery plan to DIA, and agree to bring forward the indicated co-funding.
3. That Council approves that a funding application be lodged with the Southern Trust to support the 2020/21 Ōpōtiki Summer Festival up to \$30,000, subject to quotes.
4. That Council authorises Joseph Hayes and Muriel Chamberlain to apply to the Southern Trust for funding on behalf of the Ōpōtiki District Council to assist with the costs of the 2020/21 Ōpōtiki Summer Festival.
5. That Council approves that a funding application be lodged with The Lion Foundation to support the 2020/21 Ōpōtiki Summer Festival, subject to quotes.

Aileen Lawrie

**CHIEF EXECUTIVE OFFICER**



**Our Ref:** A211348

27 August 2020

Paul James  
CEO  
Department of Internal Affairs

**By e-mail:**

[Paul.James@dia.govt.nz](mailto:Paul.James@dia.govt.nz);  
[threewaters@dia.govt.nz](mailto:threewaters@dia.govt.nz)

Dear Paul

**THREE WATERS REFORMS**

I hereby supply the signed MOU for engagement on the Three Waters. It was discussed at length by Council and agreed to by majority vote, with significant reluctance, concern and caution expressed by our members.

1. We have met and discussed the reforms with our three iwi. All of them expressed concern about the reforms and the lack of engagement with them, at a time when two of them are close to finalising their Treaty of Waitangi settlements with significant provisions relating to water, that seek to devolve decision making to a local level. The DIA 3 waters reform process looks to them to be moving in the opposite direction and is therefore a cause for concern. One iwi went as far as suggesting the proposed reforms could impact their willingness to settle.
2. In the Ōpōtiki District we often find ourselves being shoe horned into "one size fits all" that does not work in our isolated, deprived but highly resilient community. We hold grave concerns that this is another of those processes that removes local decision-making to a remote and uninformed entity.
3. The reforms do not address our local priorities – the Government ambition to take our connected water services from "great to excellent", does nothing to address the 50% of our district that are not connected, leaving them with the most work to do to achieve "great".
4. Our Council felt that needing to be tied into Tranche One without any decent data or modelling for Tranches Two and Three left us with very little decent information on which to base our decision-making on behalf of our community. We have not seen any financial modelling to show how any of the aggregation will keep the cost of water in our District to the same or (even better) lower than they are now. Nor has there been any collective reports around health issues covering all of New Zealand to show the significant "unhealthiness" of all the water schemes.

5. It was also pointed out that the 3 waters was only 2 waters and trying to do anything without stormwater in the conversation was "rather cloudy at best".
6. It would be very hard to explain to our ratepayers if we did not take part in the first step (i.e., turning away money) although we are concentrating on continuing the conversation with our iwi around Three Waters to try and achieve a localised bespoke solution.

#### Delivery Plan

I would like to transparently outline risks in relation to the Delivery Plan:

1. Council is under significant pressure locally to deliver PGF and post-covid grant funding projects. We also took Government direction to maintain our Capital Works programmes rather than retrench, for the purposes of keeping our local economy supported. These projects have been fantastic and are doing amazing things in our community, both providing infrastructure and jobs. The relative slowness of the decision-making on the Three Waters funding means our staff/consultants are now tied up implementing the earlier funding received, and these are highly job rich so are sensible to prioritise. On top of a LTP year this means a high pressure year for our staff.
2. The workload on our staff means there are delivery risks in carrying out the Three Waters Delivery Plan within the timelines and constraints signalled by DIA. There are risks to the Three Waters reform project that we will struggle with resource to be engaged, and risks to Council that staff will be unable to provide the proper level of analysis to support subsequent decision-making.

Finally I would like to express my concerns about the speed at which the reforms are proceeding, and suggest it is somewhat opportunistic and unfair on small councils such as ours who are doing their very best to keep their local economies afloat post-covid while carrying out all that is asked of us by Government. Please engage with us around our concerns mentioned above. I am writing this covering letter in "good faith" signalling why we are not happy about what we are needing to do, and expressing our concerns about the whole concept of where this is heading does not fit in our District.

Yours sincerely



Lyn Riesterer  
**MAYOR OF ŌPŌTIKI**



**Te Tari Taiwhenua  
Internal Affairs**

4 September 2020

Lyn Ríesterer  
Mayor of Ōpōtiki  
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Tēnā koe Lyn

**Three Waters Reform Programme**

Thank you for your email of 27 August 2020, attaching Ōpōtiki District Council's signed Three Waters Services Reform Memorandum of Understanding (MoU) and an accompanying letter.

I am pleased to see that your council has agreed to sign the MoU and committed to engage in the reform discussion. It is important that all parts of the sector are involved in this important conversation to address significant challenges facing New Zealand's three waters services, and the communities that fund and rely on these services.

I acknowledge the concerns you and your councillors have raised with regards to the reform programme. However, I note that this is only the initial phase of a three-year reform process. Jointly led by the central/local government Three Waters Reform Steering Committee, there are many details and issues to be worked through in partnership with the sector, and alongside iwi/Māori representatives, water industry professionals and others.

Assisting smaller rural and provincial councils and their communities to fund the costs of upgrading and maintaining water infrastructure is a key priority of the reform programme. The \$761 million funding package has been committed by the Government, as a first step, to assist councils with critical three waters infrastructure needs, and support economic stimulus in the current COVID-19 environment.

I recognise the challenges facing smaller councils, such as Ōpōtiki, in terms of the resourcing required to engage in Government-led reform processes and funding programmes. In particular, I note the pressures facing your council in delivering Provincial Growth Fund projects, while meeting requirements of the Three Waters Delivery Plan.

I have invited Allan Prangnell and Richard Ward, Directors from the Department's Three Waters Reform Programme team, to contact you to work through the specific issues you have raised.

Thank you again for writing. I look forward to continuing to work with you and your council on matters of common interest.

Heoi anō

**Paul James**  
Chief Executive





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31 August 2020

Opotiki District Council  
PO Box 44  
Opotiki 3162

Dear Sir / Madam

### **Making State Highway 2 Between Matakerepu and Ōpōtiki Safer**

We're writing to update you on the proposed safety improvements on State Highway 2 (SH2).

Waka Kotahi NZ Transport Agency is starting preliminary work on SH2 between the SH2/Wainui Road (Matakerepu) intersection and Ōpōtiki.

This work will help inform the detailed design of the proposed safety improvements.

The objectives of the project are to reduce the number of deaths and serious injuries and improve flood protection at the SH2/Wainui Road intersection.

We are aware that, despite having relatively low traffic volumes of 4,400 vehicles per day, this section of SH2 has significantly higher rates of rural deaths and serious injury road crashes.

Earlier feedback provided by the community has helped us to better understand the safety issues and what to do to make it safer.

Initial funding of \$7.6 million means detailed design can start and enable Waka Kotahi to complete some safety improvements along the state highway, such as widening the road at key locations and determining the land and resource consents needed for potential intersection upgrades.

However, further funding is needed to complete the state highway safety improvements, finalise the detailed designs, purchase land and construction of the intersection upgrades.

This project will be considered as part of the next National Land Transport Programme (NLTP), starting in July 2021.

Proposed safety improvements on SH2 include:

- **Roadside safety barriers and shoulder widening** at high risk locations on SH2 to help reduce the risk of drivers running off the road and hitting something much less forgiving – like a tree or power pole.
- **Rumble strips** on centrelines and edgelines to give fatigued or distracted drivers a wake-up call if they stray across the line.
- **Proposed intersection upgrades** including a roundabout for the SH2/Wainui Road (Matakerepu) intersection, also raising the road to reduce flooding.

#### **What's happening and when**

**Now to January 2021**

- Continue detailed design and preliminary works such as surveying and determine land and resource consents required.
- Start construction on first SH2 section this summer, between the SH2/Wainui Road and Ōhiwa Beach Road intersections. This section will include side barriers at high risk locations and edgeline and centreline rumble strips.
- Discussions with directly affected property owners and update the wider community as the project continues to develop.

**Early 2021 to July 2021**

- Continue safety works, including road widening along sections of the state highway.
- Apply for further funding.

**Why is it taking so long?**

It's important we make improvements that are right for the road that work for those who use and live along it. Initial funding has meant that preliminary works are able to take place, including detailed design and site surveying. Further funding is required to complete the project and we will keep you up to date as things progress.

**What about the Wainui Road section?**

In July 2019, Whakātane District Council received funding to complete the design and construction of the safety improvements for Wainui Road, between SH2 and Ōhope. Works have recently commenced along this section.

If you have any further queries about the SH2 Wainui Road to Ōpōtiki safety improvements project, please contact us via email [bopprojects@nzta.govt.nz](mailto:bopprojects@nzta.govt.nz) or visit [www.nzta.govt.nz/WR20](http://www.nzta.govt.nz/WR20).

Yours sincerely



Malcolme Flattery  
Senior Project Manager  
Waka Kotahi NZ Transport gency

**REPORT**

Date : 28 September 2020  
 To : Ordinary Council Meeting, 6 October 2020  
 From : Chief Executive Officer, Aileen Lawrie  
 Subject : **RESOLUTION TO EXCLUDE THE PUBLIC**

**SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987**

**THAT the public be excluded from the following parts of the proceedings of this meeting, namely:**

**26. Confirmation of In-Committee Minutes – Ordinary Council Meeting 25 August 2020.**

**28. Investment.**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>Item No</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
<b>26.</b>	<b>Confirmation of In-Committee Minutes – Ordinary Council Meeting 25 August 2020</b>	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)
<b>28.</b>	<b>Investment</b>	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)

**This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982,**

**as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:**

26.	Protect the privacy of natural persons Protect information  Protection from improper pressure or harassment Prevent disclosure or use of official information Carry out negotiations Maintain legal professional privilege Carry out commercial activities	Section 7(2)(a) Section 7(2)(b)(i) & (ii); (d) & (e) and Section 7(2)(c)(i) & (ii)  Section 7(2)(f)(ii) Section 7(2)(j) Section 7(2)(i) Section 7(2)(g) Section 7(2)(h)
28.	Protect the privacy of natural persons Protect information (commercial sensitivity)	Section 7(2)(a) Section 7(2)(b)(ii)