



**Have
your
say**

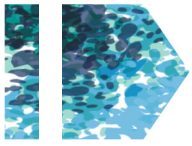
Help us build a strong community with a strong future

This is our 2021-2031 Long Term Plan consultation document.
It shows the key issues we're facing, the major projects we want to take on,
how we plan to pay for it, and how it may affect your rates.

He aha ō whakaaro?



Opōtiki District Council
STRONG COMMUNITY STRONG FUTURE



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Message from our Mayor and CEO



Lyn Riesterer
Mayor



Aileen Lawrie
CEO

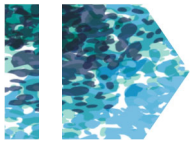
We present our Long term Plan consultation document to you with a great sense of enthusiasm about the future of the Ōpōtiki District. Over the last year, we have had the confirmation of funding and started the construction of our long held aspiration for a harbour to support our growing aquaculture industry. PGF funding into our industries is driving many job opportunities and potential prosperity for our district. Additionally we have secured post-Covid funding that has meant that many of our long term aspirational projects are also confirmed and underway. The Long Term Plan that we must prepare now continues with the same long term thinking as in previous years, but with much more emphasis on planning for the effects of the economic activity and growth that we are now seeing. Growth must be planned for carefully, balancing the need to support development with the ability to fund.

Our main item for consultation in this LTP is around our plans to extend services (most importantly) the sewer into the Hukutaia area. Council consulted on this three years ago outlining the climate change and water quality benefits of sewerage, and the area of land unlocked by removing the need for septic tanks. Three years ago, after submissions, we decided we should extend into here, as growth became apparent. As we start to see growth, and exacerbated by the effects of Covid we now face pressure on housing in Ōpōtiki. Building sewerage creates a medium term opportunity for housing development. We now seek your feedback on the specifics. Do you think there is demand for sections in this area? If you live in that area we want to hear how you feel about getting connected to the sewer and paying for it. If you own land in the area we want to know whether you are planning to develop and whether you would commit to developing if the sewer went ahead. This is a big project and we need to know your thinking and whether you are willing to pay for it. We also appreciate there are unknowns, and uncertainties in terms of the rate of uptake of the land because of things like Covid 19. We would appreciate your thoughts on these also.

Our other consultation items are driven by demand for services on the Coast, community requests for rubbish bins at recreational areas. The fourth consultation area is whether council should step further into community development. Particularly in rural areas where there is little central government presence, Councils are under increasing pressure to work in areas such as housing and workforce development. We seek your feedback about whether we should be making this a more formal part of the services council delivers.

Our proposed rates rise is driven by the operational impacts of the government funded projects (such as footpaths, cycleways, and buildings), a catch up for last years "hold" on rates, and the proposals to increase our services to the community and the major growth related projects.

It is a positive future ahead but there is much work to be done. Please help us shape the future by providing your thoughts through any of our feedback options.



What is this about?

We're putting together our Long Term Plan

The Long Term Plan (LTP) will set out what our activities are for the next 10 years. This is our consultation document. We're consulting with you because the decisions we make can affect things like rates and debt levels. It can also affect the level of service you get. That's why it's important for us to hear what you think about our proposals on the important issues and choices ahead.

LTP's get reviewed every three years so this is a great opportunity to have your say and help shape the future of our district. You can also learn more about our activities, financial status, and priorities.

We really hope this consultation document gives you the information you need to have your say on the key issues. If you do want to read more, supporting documents are available at our service centres or online at odc.govt.nz/ntp



This process is important for our future. If we have a clear focus on what we want to achieve, and a good plan on how to achieve it, our chance of success significantly increases.

Our timeline



From June 2020
Loads of planning
(and we're still going!).



From July 2020
Council workshops and meetings



From October 2020
Informal hui with community interest groups



6 April 2021
Consultation opens



7 May 2021
Consultation closes



3 June 2021
Hearings & deliberations meeting



29 June 2021
Long Term Plan gets adopted



Why we need you to have your say

The year 2020 was a turning point in the direction of the Ōpōtiki District. A number of major investments came through the NZ Infrastructure fund, the Provincial Development Unit and the Department of Internal Affairs. The long held aspiration of a local aquaculture industry became a reality with public and private investments confirmed and construction of a processing plant began. The long awaited Ōpōtiki Harbour Project was confirmed and a contract let. Investments have flowed through into kiwifruit and other horticultural ventures.

Following Covid 19 many of council's planned projects were funded as "shovel ready" thanks to years of hard work by previous councils and the community – Te Tāhuhu o Te Rangi our Research and Technology hub, our rebuild of two earthquake prone council owned properties on the main street, rose garden upgrades, footpath extensions, cycleway improvements and extensions, and skatepark are all funded and either completed or started as we move into considering our 2021 LTP.

The coming LTP now needs to take a different approach as the Ōpōtiki story moves into its next chapter. In the not too distance future we expect to see settlements for both Te Whānau a Apanui and Whakatōhea that will further drive the economy of the district.

The coming year must be one of focussing on delivering the many projects, at a rate that is manageable, and maximises the benefits for local employment. The successful delivery of these projects sets the scene to take the district into an era of opportunity.

This will take coordination and investment in the right places, in council, in local business, in agencies, and in developing people.

As we start to experience growth (and compounded by Covid 19) we are seeing demand for housing escalate, demand for more skilled workers in businesses, busier roads, and demand for more "nice to have" amenities in the community.

We also need to grow capacity as a community for the increased level of economic activity.

While Council has had reasonably well developed plans for infrastructure growth, we have never had the certainty to make the significant investments needed to do the detailed planning. The main challenge in this LTP is to decide how best to deliver our proposed infrastructure (including sewer) extension into Hukutaia, and to ensure it is affordable and risks are minimised.

The key issues for consultation this LTP are:

1. The roll out of infrastructure into Hukutaia to unlock housing required for growth.
2. Solid Waste — the provision of bins at each public toilet in response to request to councillors.
3. Mobile services on the coast to provide accessibility of services.
4. Social Development— creating a mandate for council to step up its activities in social development to help ensure that our major projects deliver benefit to our communities.

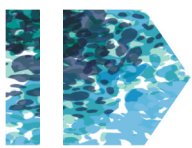
It is vitally important that we undertake these projects to enable growth and opportunity for our district, but it is equally important to ensure that it is affordable to those in our community, who have some of the shallowest pockets in the country. We look at ways to manage this through our financial strategy, which you can read more about through this document or in full on our website.

Pre-engagement we've done



In the lead up to this formal consultation with you, we got feedback from different interest groups. That feedback has helped us shape this consultation document.

We had a stakeholder strategy day towards the end of 2020 to get some thoughts from those in the community about what we should be focussing on in the short term, and what their aspirations were for the District in the next 30 years.



Consultation happening at the same time

As well as consulting on the LTP we are also consulting on the following policies.

Revenue & Financing Policy

Opens 26 January
Closes 23 February

Significance & Engagement Policy

Concurrent with LTP

2021-2031 LTP

Opens 6 April
Closes 7 May

January

February

March

April

May

Revenue & Financing Policy

This policy outlines how we fund the activities that we provide to the community. We work out who benefits from the activities—there are direct and indirect benefits for some activities—and then there are also things that create the need for activities. We try, as best as possible, to align the funding of activities proportionately to those that benefit from it, but we must also consider the total cost of activities on ratepayers as well.

We rewrote the policy during this LTP to try and make it more understandable for the community. We feel we have a good balance, promoting affordability and transparency around how our services will be funded.

This policy was consulted on with the community earlier than the LTP consultation so we could add in any changes that resulted from the feedback received and then let the community know about any financial impacts from those changes along side our LTP consultation.

You can view a copy of the Revenue and Financing Policy supporting document on our website at odc.govt.nz/ltp or at our main office.

Significance & Engagement Policy

We're reviewing our Significance and Engagement Policy. Given the importance of this policy, the nature of the changes proposed, and as we haven't consulted with the public on this document for some years, carrying out consultation was recommend and that consultation should be carried out in conjunction with this Long Term Plan consultation.

This is in line with Local Government Act legislation and gives the community the chance to make a submission on the draft policy. That's important because this policy is all about making sure the decisions we make best reflect the wants and needs of the community.

Read more on page 31 or head to our website to view a full copy of the draft Policy and the Statement of Proposal.

You can use the submission form at the back of this document to send us your feedback or use our online submission form at odc.govt.nz/ltp

READ
MORE

Full information on all current consultations, and any policies that form part of the Long Term Plan are on our website at odc.govt.nz/ltp

We've achieved a lot since our last Long Term Plan

2018



Our water supply critical trunk mains are now more resilient



Te Tāhuhu o Te Rangi technology and research centre is being built



Plans have been made for town centre revitalisation



Modelling and design work completed to allow for major upgrades to the Ōpōtiki stormwater system



Online building consent system implemented



Wastewater Rehabilitation Project undertaken



There are extra street lights and miles of new footpaths



Te Ahiaua (Pipi Beds) Reserve had major upgrades



We kept essential services operating during the Covid-19 lockdown, while also running a civil defence emergency operations centre with all functions operating from staff members homes



Provincial Growth Funding received to provide jobs for locals and new and upgraded amenities for our communities



Ōpōtiki's new digital hub opened enabling individuals, community groups, and small businesses to access high quality digital access and technology



Ōpōtiki Harbour Development build is underway

2021

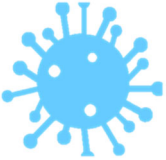


There's too much to include everything here. You can find more in our Annual Reports which are on our website.



What's happening in our district

Covid-19



Covid 19 has not hit the Ōpōtiki community as hard as we feared. The hard work of our kiwifruit industry to continue during our major lockdown with enhanced safety precautions, and the impact of governments recovery projects means our economy has remained relatively buoyant. The PGF projects getting underway in this period have helped maintain and have started to grow our economy. The loss of international tourists has been more than offset by domestic tourists. Into the future we know we may continue to feel unpredictable impacts and will need to remain adaptable to the changing circumstances of this and other potential pandemics. In particular supply chains present some risk. During the early years of this LTP we will still be delivering government funded Covid recovery projects, and supporting the community through workforce development. We expect any further lockdowns in our community to be short-lived, so for the most parts we are proceeding with business as usual. More information is contained in our key assumptions.

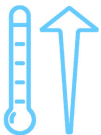
Growth



Our long held aspiration of an aquaculture industry, enabled by a harbour entrance is on track to being a reality, with the aquaculture processing plant almost ready for commissioning, and the build of the harbour underway for delivery in 2024. Jobs have already been created and more are coming. At the same time we have seen returnees to the district because of Covid and we have seen our horticulture industries expanding. Our projections are that we need almost 60 new houses a year to keep up with a relatively conservative growth prediction.

The provision of services for growth – planning, consents, subdivisions, infrastructure (pipes) has a reasonably long lead in time and to meet the demands it is important we get moving. There is an important decision about when to build infrastructure and who pays. It is costly to build and operate and it needs to be just in time i.e. not too early that the significant costs are carried by the community, and not too late such that the growth is unplanned and sporadic, with negative environmental consequences.

Climate Change



We continue to see the effects of climate change and predict increased weather events (droughts to floods), and we see the need to consider climate change in our decisions. In this LTP the Hukutaia growth consultation item provides an opportunity to enable and encourage the location of new housing away from the flood plain and start the long process to future proof the township of Ōpōtiki. We await the sustainability review that the Regional Council is undertaking on the Ōpōtiki stop banks to further understand the timelines around the challenge ahead of us. In the meantime we will also get on with the proposed stormwater projects identified in this and previous LTP's that will provide surface flooding relief to the town.

Waste



As a result of changes in international markets and Covid 19 it is becoming increasingly difficult to dispose of recycling. Increasing costs of disposal of residual waste as a result of environmental safeguards at landfills will likely impact our waste services into the future. At the same time our community is requesting bins in public place in an effort to curb littering.

Social Development



As our key projects are completed we are setting the scene for prosperity in the district. It is important that the projects create benefits to as many people in our community as possible and that it is local people that gain the employment where possible. Council and its partners have been planning for a number of years through its workforce development programme, connected to many of our service providers. Small amount of funding have enabled us to create a workforce development plan and a number of sector plans. Covid showed the huge impact we can have coordinating the effort of trainers, employers and social agencies. It is important that the work we have started is continued. Likewise we are short of houses in Ōpōtiki with high levels of overcrowding and homelessness. Council needs to address housing shortages through its functions where it can but also has a role to help plan in partnership with other agencies.



Want to know more? Check out our Planning Assumptions supporting document at odc.govt.nz/ltp

Here are some of the things we've already committed to do

- Te Tāhuhu o Te Rangi - Technology and Research Centre
- Ōpōtiki Harbour Development in partnership with Ministry of Business Innovation and Employment, Bay of Plenty Regional Council and Whakatōhea.
- Extensions to Cycle trails and new horse trail
- New footpaths
- Infill street lighting
- Upgrade for Ford Street Reserve
- Wastewater treatment upgrade planning
- Investigations into Stormwater detention basins, pipe upgrades and strategically placed pump stations
- Upgrade Tarawa Creek pump station and install new trunk main along Richard Street
- Redevelopment of the Pound
- Redevelopment of Lots 9 and 10
- Ōpōtiki Town Centre Revitalisation
- Skatepark upgrade with new pump track

Already started

Planning underway



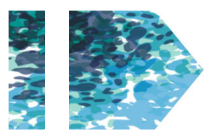
Do you remember the street party we held after the harbour project funding was announced?

That project, and those listed above, had been planned for in our Long Term Plans over many years. They are all great examples of how community feedback and engagement influences the decisions we make and helps give direction to Councillors.

Make sure you have your say on the key issues in this consultation document to help set the direction for the next 10 years and beyond. Our key issues start on page 12.



You can learn more about our current major projects at odc.govt.nz/projects



Where we want to be

How we plan to address our key infrastructure and financial challenges

In the future, we want to be a thriving, growing community that has taken full advantage of the opportunity that the harbour project has given us.

Our key infrastructure challenge is that the growth we are expecting means our wastewater treatment plant in Ōpōtiki won't be big enough. Also, we don't have any pipes and pumps in some of the places we want this growth to happen around Ōpōtiki. Having the right infrastructure in place makes it easier for developers to build more houses and for businesses to create more jobs. In particular, we want to encourage growth in Hukutaia because it is away from natural hazards like flooding, tsunami, and sea level rise.

Our plan is that Council will build the infrastructure that is needed to support this growth. This means major projects upgrading the treatment plant and extending our network.

However, we need to be careful not to get carried away – if we build more than is needed, then the community is left paying off more debt than was necessary. So, as much as we can, we plan to build in steps, expanding as we confirm actual growth over the coming years.

In addition to upgrading for growth, we have to also replace our existing water, stormwater, and wastewater assets as they get too old.

We know that, along with other changes in services, this work has a big impact on Council's rates and that affordability is an issue for the community. This creates a financial challenge. In the future, there will be more people living in the district to share the cost of our infrastructure, but we need to build the infrastructure to attract them first. To help with our financial challenge, we have chosen not to fund some of the depreciation on our assets for now. This means there will be more to pay later, when there are more people here, but it makes the projects we are planning more affordable now.



Want to know more? We suggest reading our Planning Assumptions and our Infrastructure and Financial Strategies at odc.govt.nz/itp

So our plan for the next 10 years is to:

- ⇒ Focus on building key infrastructure to enable growth, in the right place and at the right time so that it is affordable to our community.
- ⇒ Fund it utilising debt, repaid over the lives of the assets, this will ensure that each person that benefits from the use of the asset pays their equal share.
- ⇒ Look to bring back Development Contributions in year 1 to help fund the infrastructure required for growth in Hukutaia.
- ⇒ Take over the operation of the harbour asset once it has been built by Government. This means undertaking the operating expenditure and collecting the revenue, the asset will still be owned by Government. Refer to the section relating to the harbour development in the other important matters section.



Which path would you take?
 We have four main issues
 we want to get your
 Input on to help us
 decide the future.
 They're up next.

Help us decide

We'll always look for ways we can operate more efficiently and keep our costs down but if we want to cut back our rates bills and the amount we borrow, we would need to look at reducing the level of service we provide, or even change who pays for our services.



Hukutaia growth

The challenge we face and the decision we need to make

The Situation

There could be about 2,000 extra people living in our district in 20 years time. Council wants to support that growth by planning for the infrastructure for extra housing.

In 2018 Council consulted the community about a proposal to provide sewerage for Hukutaia. There were a number of reasons why this makes sense in the medium to long term:

1. The area already has other Council services such as water supply, rubbish collection, footpaths and stormwater management.
2. It allows more housing to be created from the same amount of land, if farmland (greenfield land) is developed. The map on the right indicates where the greenfield development could happen.
3. It allows existing houses to connect and stop using septic tanks. That stops the negative effect that discharges can have on water quality over time.
3. It allows those existing sections to be further subdivided as additional area is not needed for septic tank disposal fields.
4. Hukutaia is away from the flood, tsunami, and sea level rise hazards, making it more sustainable in the long term. This is a first step to enabling future relocation from areas at risk from climate change.

Following the previous consultation Council decided it would build the sewerage for Hukutaia but at a point in time when growth became apparent. With the construction of the harbour, aquaculture processing plant and various other PGF and post Covid projects underway we believe that growth is starting and now is the time to begin preparing for development in these areas.

The infrastructure that we install will service both existing properties and new development. Our priority is to service new greenfield development but we have the option of servicing existing properties at the same time or delaying that by several years.

The map below shows the approximate area of existing homes in Hukutaia that could be connected to the new infrastructure. It also shows the approximate location of greenfield land that could be developed more intensively because of it (although some of this land may be unsuitable for development because it is steep or low-lying.)



Project Details and Status

Due to forecast growth in Ōpōtiki, and in particular the Hukutaia/Woodlands area, an estimated total spend of approximately \$23 million is required.

We have not undertaken any detailed design to confirm these numbers. However, we expect it to be in this range due to using per metre rates for the wastewater reticulation work in town.

To develop in Hukutaia we will need to spend money in the following areas:

Wastewater

There is currently no wastewater infrastructure in Hukutaia. We'll be starting from scratch. That means we need a new pumpstation, new trunk mains and additional pipes and private connections.

Stormwater

There are already some stormwater pipes in Hukutaia. However, if there is a lot of development, there will be more stormwater flowing in to streams. Work will be needed to make sure this extra flow is managed and treated properly before it goes to the Waioeka River.

Water Supply

The existing homes in Hukutaia already have a Council water supply. Some upgrades will be a needed to support growth but these projects are smaller than the wastewater and stormwater works required.

For this Long Term Plan we propose to spend \$800k in year one to:

Undertake the detailed design - this includes looking at options and then deciding the technology, the best routes for the pipes, who would get service first, and staging options. We need this time to develop the plan. At best we could start connecting in early 2024.

Seek the commitment of land owners to connect - both greenfields and existing dwellings.

Look at all options on how this large project will be funded. That includes considering rating and development contributions mechanisms as well as potential external funding opportunities such as with Ministry of Housing and Urban Development and Kainga Ora.

Review the risks and uncertainties. From population change associated with Covid-19, market demand, and other developments that might take up the anticipated demand and make this scheme less financially viable, there are a number of risks we need to consider in our planning.

Engage with Whakatōhea over the potential impact of their ambitions on our investment plans.

Once the detailed design is complete, and Council is satisfied that the financial risks are managed, it intends to spend the money required and build the infrastructure to enable the growth and development. Capacity to do this has been put into this Long term Plan over the first 10 years based on the expectation that there will be sufficient demand to provide infrastructure for both greenfields development and existing housing. If Council are not satisfied with progress around commitment it can address this in next years Annual Plan by deferring the spend.

Once sufficient demand has been confirmed Council will consider bringing back development contributions to part fund the provision of the infrastructure required to enable growth.

As part of the planning work we are proposing for year one we have some really important questions for you.

Hukutaia residents:

Q: If you own a house in Hukutaia, do you want to connect to the wastewater network?

This will mean that you will no longer need to maintain a septic tank. It also means you may see an increase in your land value as your property no longer needs a septic tank and disposal area to be able to be subdivided.

You will also have to pay the cost of abandoning (i.e. filling in) your septic tank and connecting your property to the new network. This could range between a few thousand dollars and as much as \$15,000, depending on your property. We will provide more information as we confirm details in year one. You will also have additional rates for the service once it is available.

Hukutaia greenfield owners:

Q: Do you want to develop this land? If so, can you tell us when and what commitment you are willing to give?

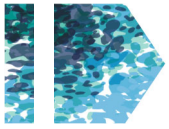
This will help us understand the difference this infrastructure would make in delivering residential development and the financial viability of the works.

Wider district ratepayers:

Q: Are you willing to contribute?

This development has the potential to underpin our ability to deliver housing to support the growing population in a sustainable location. More houses are needed right now and further will be needed into the future to ensure that we can deliver the workforce needed for the industries that are growing and so that we can maintain a sustainable community.

You can use our submission form to give us your answers at odc.govt.nz/ltp



The options

Option 1

Provide infrastructure to new development and existing properties together

Wastewater

Provide services for both greenfield development and existing properties beginning in 2024.

Stormwater

Undertake all upgrade works in streams and pond construction to match extension of services to greenfield and infill development areas.

Water Supply

Provide the required infrastructure to enable growth for new development.

Implications of Option 1

- ⇒ Existing properties will begin to have access to the new wastewater network from 2024/5
- ⇒ Connection costs and annual targeted rate charges for existing properties in Woodlands/Hukutaia area must be paid sooner (from about 2024/25)
- ⇒ Bay of Plenty Regional Council rules state that existing properties must connect to a wastewater network within two years of one becoming available
- ⇒ Once the service is available, properties will have to pay additional wastewater charges from the following financial year—this will be an “availability” half charge
- ⇒ Existing Hukutaia properties will become easier to subdivide into smaller lots, allowing property owners to pursue this if they want to
- ⇒ Servicing the whole area means there is a sufficient number connecting to the new system to prevent overburdening the general rating base for Ōpōtiki township
- ⇒ This option is the most capital intensive option requiring more upfront capital expenditure.

Cost for Option 1

Total cost of Option 1 including inflation is just over \$23 million, with a large portion of the work being done in 2025.

Funding for Option 1

In this LTP we have budgeted for the total cost to be funded by loan and repaid over the life of the asset. In year 1 we will consider implementing Development Contributions again once uptake and demand is confirmed.

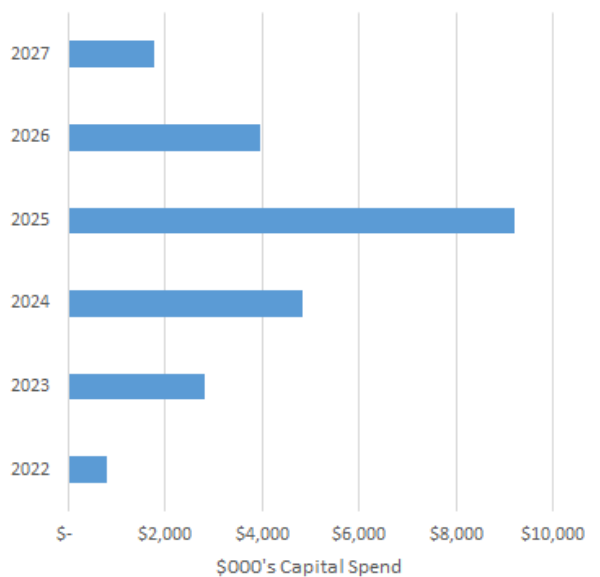
Impact on Rates per annum

Year	Targeted Rate*	General Rate**
2023	-	\$3-7
2024	\$555	\$4-\$12
2025-27	\$630	\$11-55
2028-31	\$665	\$24-75

*The targeted rates proposed will be for all Ōpōtiki properties connected to the wastewater network in Ōpōtiki. If you are already connected this is what you would pay in total, not additional to what you are paying now, which is approximately \$500 per property.

**The general rate range is based on the upper, median, and lower quartile property values across the district.

Timing of spend - Option 1



Option 2

Provide infrastructure initially for new development only. Existing properties cannot connect until later.

Wastewater

The minimum works from Option 1 to enable greenfield growth are constructed. The additional work required for existing properties to connect is delayed until year 8 of the LTP.

Early connection to the new wastewater scheme may be considered for some existing properties on a sub-catchment basis if requested.

Stormwater

Upgrades to existing open channel network are done in stages, driven by actual growth.

Water Supply

Provide the required infrastructure to enable growth for new development.

Implications of Option 2

- ⇒ Wastewater service will not be available to existing residents until year 8 (2029)
- ⇒ Connection costs and annual targeted rate charges for existing properties in Woodlands/Hukutaia area are deferred, allowing residents more time to budget for this
- ⇒ Subdividing existing residential lots into smaller sections (infill growth) will be delayed
- ⇒ Development opportunity is only available to surrounding farm areas initially—loads the development pressure and opportunity on the few rather than the many
- ⇒ If later phases of the scheme are not developed within the medium term it requires the district rating base to support the scheme
- ⇒ Allows use of the existing river crossing for longer. However, there is uncertainty in the timing of the Marina development, which may require the new western pump station to be brought forward – reducing this benefit
- ⇒ While doing the stormwater reticulation upgrades would provide a saving on cost in the near future, the downstream stormwater storage basin would require construction to its full capacity.

Cost for Option 2

Total cost of Option 2 including inflation is close to \$25 million. Although it involves the same capital expenditure as Option 1, the delay in build drives the total cost up.

Funding for Option 2

In this LTP we have budgeted for the total cost will be funded by loan and repaid over the life of the asset. funded by loan and repaid over the life of the asset. In year 1 we will consider implementing Development Contributions again once uptake and demand is confirmed.

Impact on Rates per annum

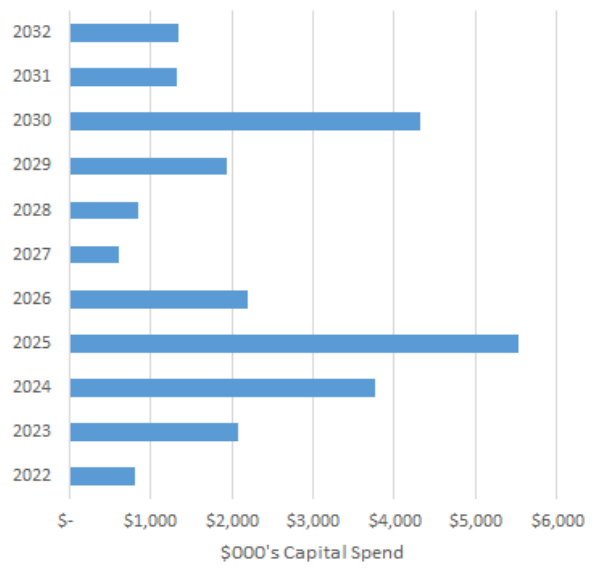
Year	Targeted Rate*	General Rate**
2023	-	\$3-7
2024	\$550	\$4-\$12
2025-27	\$600	\$11-36
2028-31	\$625	\$15-65
2032***	>\$665	>\$25-75

*The targeted rates proposed will be for all Ōpōtiki properties connected to the wastewater network in Ōpōtiki. If you are already connected this is what you would pay in total, not additional to what you are paying now, which is approximately \$500 per property.

**The general rate range is based on the upper, median, and lower quartile property values across the district.

***From 2032 onwards Option 2 is more expensive than Option 1 as delays mean the project is more expensive.

Timing of spend - Option 2



Option 1 is our preferred option

- ⇒ It provides for greenfield and infill growth and provision of wastewater services to existing properties in one stage.
- ⇒ It will allow existing properties to have access to the new wastewater network earlier (2024/25).
- ⇒ Existing Hukutaia properties will become easier to subdivide into smaller lots allowing property owners to consider this if they wish
- ⇒ Providing the whole scheme should give economies of scale and a sufficient number to prevent overburdening the general rating base for Ōpōtiki township
- ⇒ This option will allow for the expansion of the number of users on the current scheme to 2,668 by 2031 based on estimates of growth.



What do you think? Which option do you prefer? Let us know by filling in the submission form at the back of this document or online at odc.govt.nz/ltp

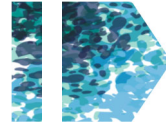


This is a really big issue and It's a lot to take in. Both options have implications for all properties in Ōpōtiki.

If you want to learn more about why we are building new assets to allow for growth, how we work out who pays for what, and what it all means for our finances, you can find more information in the supporting documents on our website at odc.govt.nz/ltp



Bins at public toilets



The options

The challenge we face and the decision we need to make

Council has had a Zero Waste Policy since 1998. Under that policy, we've taken a 'user-pays' and 'personal responsibility' approach to waste in an effort to help people understand the true cost of throwing items away (to either rubbish or recycling). It has also been seen as a fair way to make sure that those who generate very little waste do not subsidise those that generate a lot and those who pay rates in the district do not subsidise those that are passing through.

In recent years though, perceptions of littering and fly tipping have increased (but not our clean up costs, which have decreased), and a common belief is that providing rubbish bins in key locations will discourage fly tipping and/or littering.

There have been requests for more public bins to be provided in the community and Council is proposing to install new rubbish bins at each of the public toilets at parks and reserves in our district. This would mean an additional 13 bins would be installed and they would be emptied by the contractors that clean the toilets.

Option 1

Install rubbish bins next to every toilet across the district at reserves and camping areas.

This would be an additional 13 bins. The cost in 2022 to install the bins would be approximately \$8,400 and every year it would cost Council approximately \$100,000 to empty them.

Cons for Option 1 — Install rubbish bins

- ⇒ Providing additional bins is not expensive. The cost comes with emptying them. This will be an ongoing annual cost and it is significantly more expensive than the capital cost of installing them
- ⇒ It is inconsistent with our zero waste policy and waste reduction policies generally
- ⇒ Bins can detract from the natural character of the environment
- ⇒ In the past when we have had bins around the district they were often over filled and then rubbish was stacked up around them. Additional cleaning of these areas and picking this litter up cost more than the emptying of the bins. There is a risk this will happen again
- ⇒ It lessens the personal responsibility for consumers to dispose of their rubbish themselves
- ⇒ Ratepayers will be covering the costs of rubbish left by tourists
- ⇒ Public bins can attract more litter / household waste—which ratepayers would also have to subsidise to have moved
- ⇒ Bins can be vandalised and in some cases even set on fire
- ⇒ Understanding the differences between fly-tipping and minor littering. Fly-tipping instances would probably not lessen with the provision of small public rubbish bins for general litter

Pros for Option 1 — Install rubbish bins

- ⇒ Bins are visual reminders of personal responsibility
- ⇒ Rubbish attracts rubbish if minor littering occurs
- ⇒ The cost to do more enforcement and more prosecutions or fining of people who dump rubbish—instead of putting in more rubbish bins—could be very expensive
- ⇒ There may be less minor litter in our district.

Option 1 — how your rates would change

Litter control has historically been funded largely by targeted rate as the service has been restricted to the urban and CBD area following the removal of the district wide bins a number of years ago.

The increase to service levels proposed by this option will provide benefit to the whole district again so it would be funded by general rate.

That part of your general rate will increase by the approximate amounts per year shown below.

This will be funded from rates, there is no impact on debt.

Capital Value	Annual General Rate
180,000	\$6.76
287,500	\$10.79
500,000	\$18.77

(These figures are based on low, medium and upper valued properties in the district based on capital value)

Option 1 is Council's preferred option

Our Councillors have taken on board some comments from the community and believe this is what the community wants.

Option 2

Do not install rubbish bins — no change

No new rubbish bins will be installed.

Cons for Option 2 — Do not install rubbish bins

- ⇒ Littering may not be reduced
- ⇒ Rubbish attracts rubbish if minor littering occurs
- ⇒ More enforcement action may be required to deal with littering

Pros for Option 2 — Do not install rubbish bins

- ⇒ No additional annual charge to ratepayers for bin emptying and maintenance
- ⇒ Ratepayers do not need to subsidise tourists/household waste dumpers
- ⇒ This option is consistent with our zero waste and waste reduction policies
- ⇒ Natural character of the environment is maintained



What do you think? Should we install rubbish bins at public toilets? Or do you think it is the consumers responsibility to take their rubbish with them? Let us know by filling in the submission form at the back of this document or online at odc.govt.nz/ltp



Mobile services on the coast

The challenge we face and the decision we need to make

For a long time those living on the Coast and other outlying areas have received lesser services than those that live in or around the Ōpōtiki township.

In the last LTP we asked for your feedback about providing more services on the Coast in the form of a mobile library service. Since then the Coast Community Board (CCB) has been working with Council to investigate options for providing this and the CCB has also committed some CCB funding towards it.

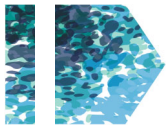
Alongside this work, Council has received funding from the Provincial Growth Fund for a digital hub as part of the new Te Tāhuhu o Te Rangi development. The kaupapa for the hub includes mobile digital equipment that would be able to be included in any modern outreach service for the coastal community.

This gives Council and the Coastal community an opportunity to create a bespoke, innovative service to improve accessibility to a wide range of services and opportunities.

Two options are presented for consideration below and it is proposed that both options be funded 100% through general rates. This service is considered an extension of the existing library service which has always been rated in the same way (as outlined in our revenue and financing policy). Both options will ensure that Council services, currently only available in the Ōpōtiki township, are also available to our communities in harder to reach locations.

We see many opportunities for providing new and innovative services through a mobile outreach service including:

- ⇒ Making the on-line world accessible for our harder to reach communities
- ⇒ Access to assistance and training in using on-line facilities such as online banking, electronic forms, email, and social media
- ⇒ More te reo resources
- ⇒ Book lending and book groups
- ⇒ Access to training programmes, e.g. Stepping Up digital skills programme
- ⇒ Access to design software and hardware
- ⇒ Opportunity for other council/central government departments to have a base to work from occasionally



The options

Option 1

Traditional Mobile Library Service — Bus

Option 1 involves the delivery of the services mentioned on the previous page out of a traditional mobile library bus.

The vehicle would carry a large number of books available for borrowing and browsing. The vehicle required to provide this type of service is larger (in order to carry a large number of books) and has certain parking and turning requirements. For these reasons it is likely that this service would keep a more regular timetable, stopping at specific places at specific times.

The capital cost to purchase the bus is \$375,000 and the fit out would be \$55,000. The capital cost will be funded by loan and repaid over the life of the assets.

The operational cost per year to keep the service running would be \$40,000 for the bus and \$48,000 for the additional staff required to run the service. The operational cost would be rated for annually.

Council has received funding from National Libraries for staffing costs, this is expected to cease in July 2022, so the rating impact in the first year is lower as a result. Ongoing rating impacts are illustrated in 2023-2031.

Option 1 — how your rates would change

Your general rate component for this option will increase by the following approximate amounts:

Capital Value	2022	2023-2031
180,000	\$2.70	\$12.70
287,500	\$4.32	\$20.00
500,000	\$7.51	\$35.50

(These figures are based on low, medium and upper valued properties in the district based on capital value and are approximate, average per annum amounts).



Option 2

Modern Mobile Service — Van

This option involves a smaller vehicle that would provide all the services described previously, but without books for browsing. Such a service would deliver books, magazines, DVDs and other resources that have been requested for borrowing in advance. Out of a smaller vehicle, the service could be delivered from more locations and on a more flexible timetable and also provide 'pop-up' venue opportunities, parking up at schools, and sporting and other community events. It is expected that this type of flexible use would have the added benefit of promoting communication between Council and the community.

The capital cost to purchase the van is \$95,000 and the fit out would be \$55,000. The capital cost will be funded by loan and repaid over the life of the assets.

The operational cost per year to keep the service running would be \$20,000 for the van and \$48,000 for the additional staff required to run the service. The operational cost would be rated for annually.

Council has received funding from National Libraries for staffing costs, this is expected to cease in July 2022, so the rating impact in the first year is lower as a result. Ongoing rating impacts are illustrated in 2023-2031.

Option 2 — how your rates would change

Your general rate component for this option will increase by the following approximate amounts:

Capital Value	2022	2023-2031
180,000	\$1.35	\$7.00
287,500	\$2.16	\$11.50
500,000	\$3.75	\$20.00

(These figures are based on low, medium and upper valued properties in the district based on capital value and are approximate, average per annum amounts).

Option 2 is Council's preferred option

A smaller vehicle would allow the service to be delivered to more people in more places. We also think a service that focuses on digital technologies, but is able to provide traditional services on request, will better suit our communities now and into the future.



Which option do you prefer? Let us know by filling in the submission form at the back of this document or online at odc.govt.nz/ltp



Want to know more? We suggest reading our Community Outcomes supporting document and our Coast Community Board meeting report at odc.govt.nz/ltp



Social Development

- signalling a new chapter

The challenge we face and the decision we need to make

At the heart of council's existence is the wellbeing of the community.

Our many projects are designed to improve the circumstances of our people. While we can deliver pipes, bricks, concrete and tar seal, we can also work with people to ensure the best outcomes from the delivery of projects. Much of this needs to be done in partnership with others as many agencies influence how our community develops.

Originating in the Harbour development programme, council has led a community workforce development programme. More recently we have been working on housing outcomes in partnership with the Ministry of Social Development. Much of the work we have done has been piecemeal and additional to staff roles. Some funding has been secured through the Ministry of Business Innovation and Employment (Te Ara Mahi), and Mayors Taskforce for Jobs (MTFJ) and resourcing has been made available by the Ministry for Social Development in housing. Good progress has been made on both workforce development and housing but there is much more needing to be done. At our stakeholder engagement day we heard a strong message that our underlying social challenges are a risk to realising the benefits of our major projects and stakeholders asked us to do more work in that area. Now that we have secured and have our major projects underway Council believes we need to do more work in social development but seek a mandate from the community for this work.

A key question is how much should council do to facilitate and advocate for local solutions on social challenges for our communities?

Option 1

Continue in a piecemeal way to gain external support to our social development activities. The Te Ara Mahi funding finishes in August this year and we may see additional MTFJ for 2021-2022. This funding supports young people into work. Risks with this approach is that the funding ends and the activity ceases, or it remains piecemeal. There is no additional cost of this option and no impact on rates.

Option 2

Create a formal Social Development activity to partner with local agencies and ministries. This could create a leadership role to coordinate local place based solutions and provide certainty over the term of the LTP for these activities to continue to support the community during the delivery of the major projects. Grant funding could sought but this option would provide an underwrite for a leadership/coordination role. This would mean providing some modest additional budget into continuing this service following the end of the government funding – perhaps \$50k per annum. This will cost between \$3 and \$9 per annum per ratepayer in the general rate.

Option 3

Stop any work. This would involve forgoing grant funding likely from MTFJ .



Option 2 is Council's preferred option



Our Infrastructure Strategy

Our Infrastructure is vital for the health, safety and prosperity of the District. It enables us to provide roads and footpaths, deliver fresh drinking water, and remove wastewater.

As part of our Long Term Plan, we have a strategy about how we will manage our water, wastewater treatment and disposal, stormwater, and roads and footpaths. This is our Infrastructure Strategy. We use it to look forward into the next 30 years (and beyond) to decide how we will manage our assets.

There's a lot we have to think about when planning for the future. The natural environment, service delivery, population, economic environment and land use among others. That's because many things can play a part in our management of infrastructure.

We have developed our strategy to try and make sure that all our assets are managed so they are fit for purpose (they will do the job we need and expect them to do), and can be provided in a cost effective and reliable way now and into the future.

Our focus in this strategy is to maintain our assets and the levels of service they provide through:

1. Provide infrastructure for growth
2. Regular Maintenance
3. Condition assessment
4. Renewal works and replacement

We are assuming growth and extension of existing services following completion of the harbour development project.

We have identified the areas designated for growth and included projects in our infrastructure strategy to provide services to these areas where and when needed.

We have listed some of the key things that we are planning in the four infrastructure activities on the next page for your information— we are not consulting on these. The projects that we *are* consulting on are covered in the key issues section of this document.

We have identified the areas designated for growth and included projects in our infrastructure strategy to provide services to these areas where and when needed.

Our key Infrastructure



Water Supply

101kms of pipelines, 3 treatment plants



Sewerage

34kms of main sewer lines connecting 1140 properties, 1 treatment plant



Stormwater

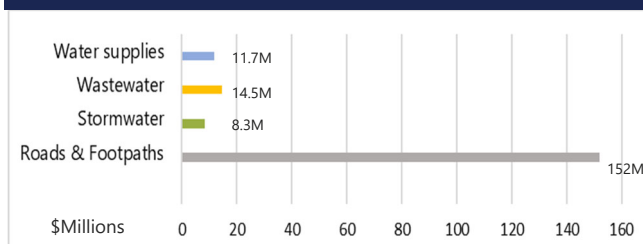
32kms of stormwater pipeline



Roads and Footpaths

Includes 343kms of sealed and unsealed roads, 61 bridges and 43kms of footpaths

Key Infrastructure worth

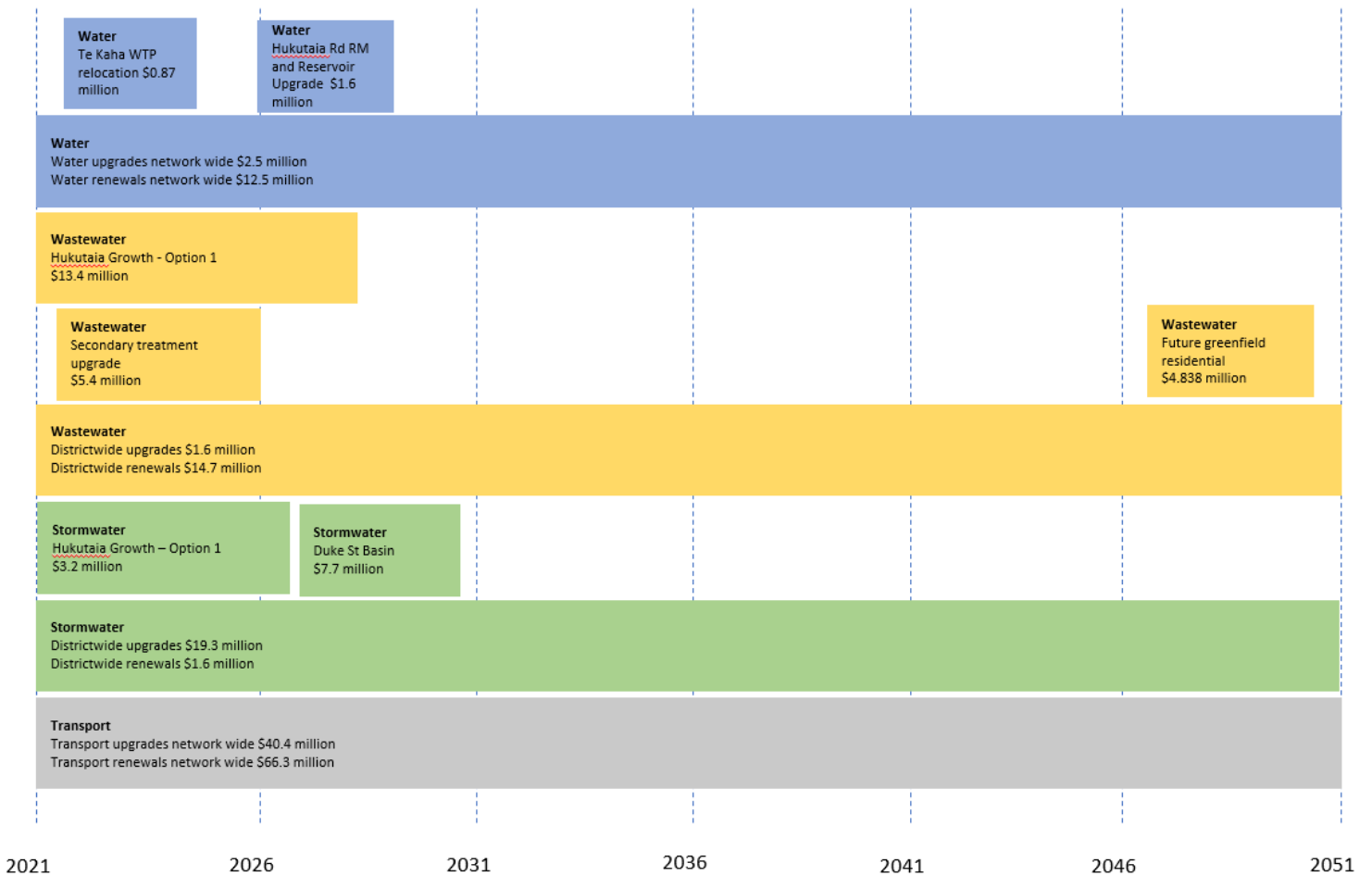


Asset condition data confidence

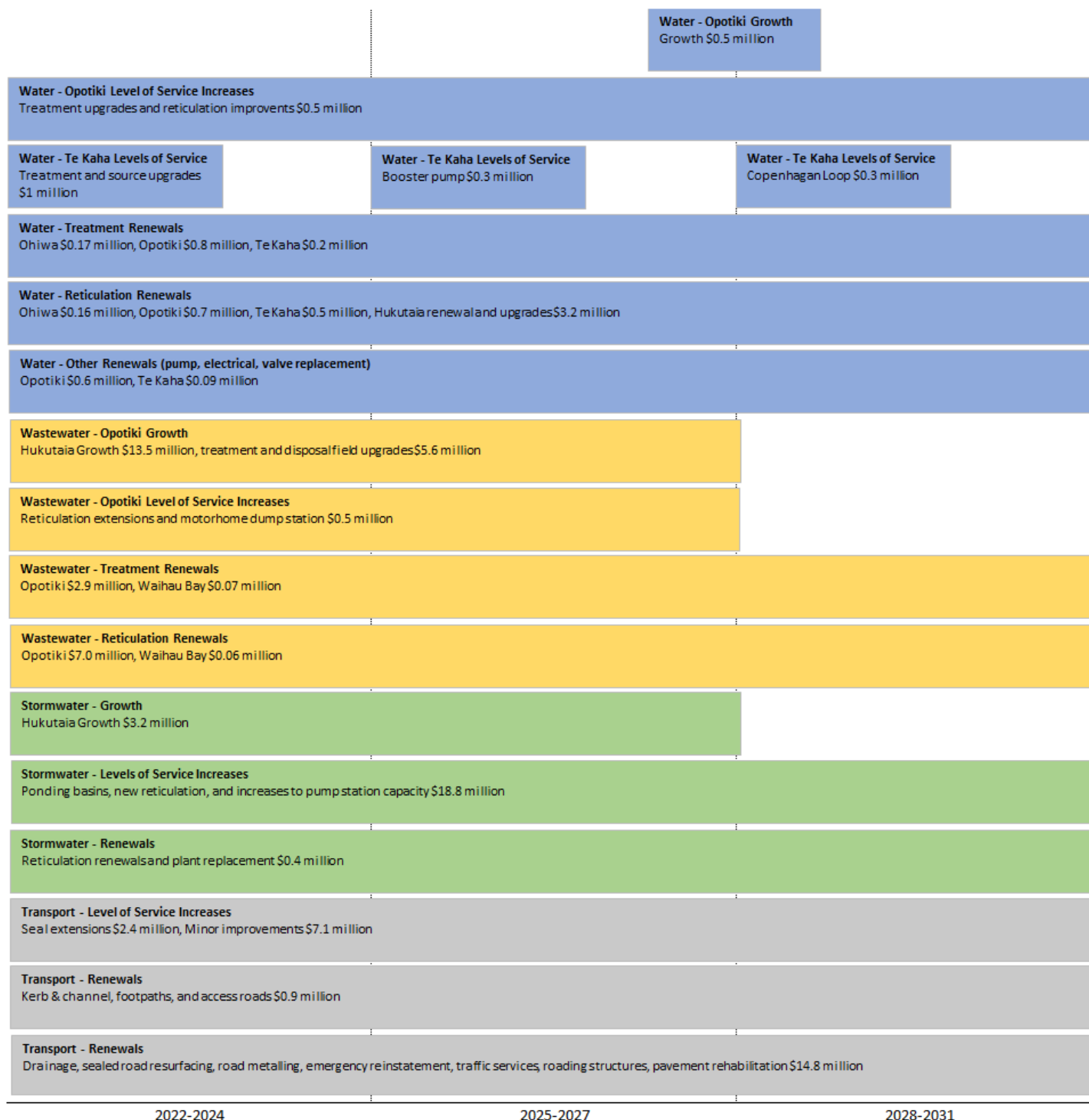
While we have a reasonable level of certainty on the conditions of most of our assets, we acknowledge that we don't have a full picture on the current state of our underground assets condition. We acknowledge the lower level of knowledge and Council is putting programmes in place to improve it in the future. Our forecast renewals have taken into account our formal and informal knowledge about age, condition and performance in forecasting our renewals programme.

Where we have lower levels of confidence we may find we need to spend more, or less, on renewing assets. This would result in adjustments to the timing of spend within the plan.

Here are some of the major projects proposed over the next 30 years



And a deeper dive into the next 10 years



Want to know more? We suggest reading our Infrastructure Strategy supporting document at odc.govt.nz/ltp



What it all means for our finances

Our Long Term Plan includes a Financial Strategy which describes how we plan to pay for our services and activities over the next ten years. It's really important as we need to be financially sustainable to continue to deliver services to our communities, but we also need to keep rates affordable and make sure costs are being shared fairly over generations.

Here's where we are now

We've had a long running strategy of strengthening our financial position so we have the capacity to respond to growth opportunities in the future.

Local government costs are increasing at a higher rate than household inflation and the cost of servicing our existing infrastructure keeps going up.

We're concerned about the level of rate increases needed to fund the services we deliver, especially as income levels in our district are lower than the national average. It is a challenge to balance these concerns with our customers expectations for improved and additional services.



Maintaining assets to ensure essential services

Here's where we'd like to end up

We want to see the district grow and prosper. To support and help enable that we want to focus investment on essential services that are needed so that social and economic growth opportunities can happen.

There are key growth opportunities available to the community within the next ten years. They are the Harbour Development Project and the extension of the Wastewater Reticulation network to Hukutaia and Woodlands.

While we are expecting lots of benefits from these projects, such as population and employment growth and an increase in rating units, it also means we need to be careful to maintain financial sustainability. We need to make the right decisions today so we do not create a burden for the residents and ratepayers of tomorrow.

We are aiming to balance the investment needed to achieve the outcomes our community want, while keeping funding affordable over time and maintaining a sound financial position.



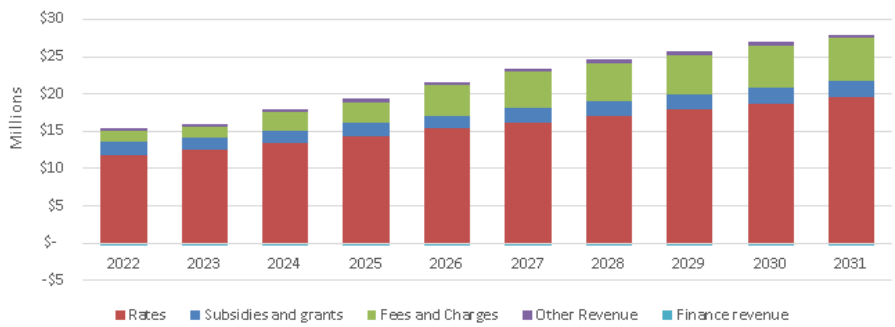
Building new assets to allow for social and economic growth

Income

Our main source of income is from rates (63%), with other income coming from things like fees and charges, government subsidies and grants. Unlike other councils that rely heavily on other revenue sources, Ōpōtiki has not had its revenue sources severely impacted by Covid.

This is where we expect our income to come from over the next 10 years. From 2026 onwards we are expecting to see growth in revenue from the use of the harbour.

Funding of Operating Expenditure



More about income from rates and setting a rates cap

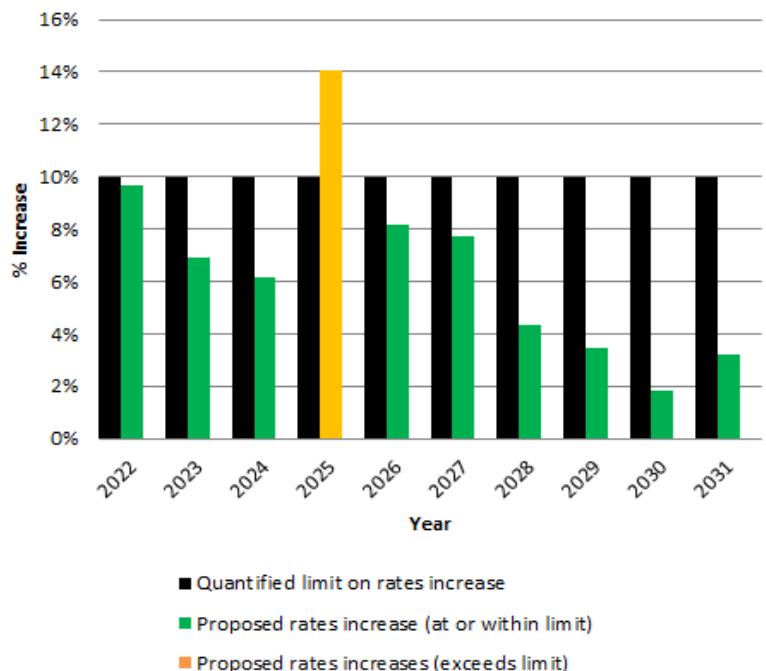
In our Financial Strategy we propose to limit general rates increases to the Local Government Cost Index (LGCI) plus 3%, and targeted rates increases at 10%.

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. You can read more about proposed rates on page 34 and 35.

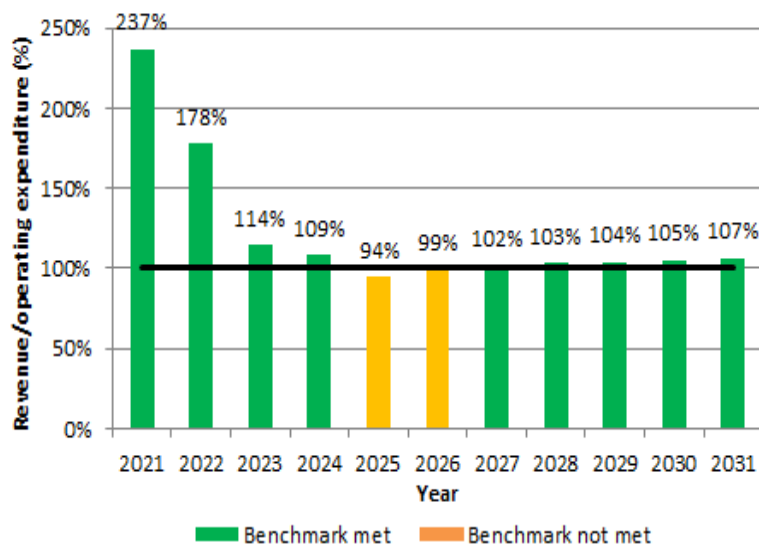
Whilst we remain within our policy limits for general rates over the term of the LTP, we do breach our self imposed limit for targeted rates in 2025.

This is a result of the increased targeted rates for the Hukutaia wastewater network. We are working on the rationale that from 2024 onwards houses will be able to start connecting to the network. We will see targeted rates jump the following year in 2025, then rise at a much lower rate from then on.

Targeted Rate Increases



Balanced Budget



This chart illustrates the balance budget prudence measure. In the early years we are expecting significant subsidy funding from government to deliver the 3 waters and Covid Recovery projects.

In 2025 and 2026 we are proposing that we do not balance the budget through not funding all of the depreciation.

This is to promote affordability at a time when we see significant cost increases as a result of the harbour development coming back to Council to operate and Hukutaia wastewater extension targeted rate increases.

The aim is to smooth the introduction of these costs on the community by resolving not to balance the budget in these years.

This is what we're planning to spend

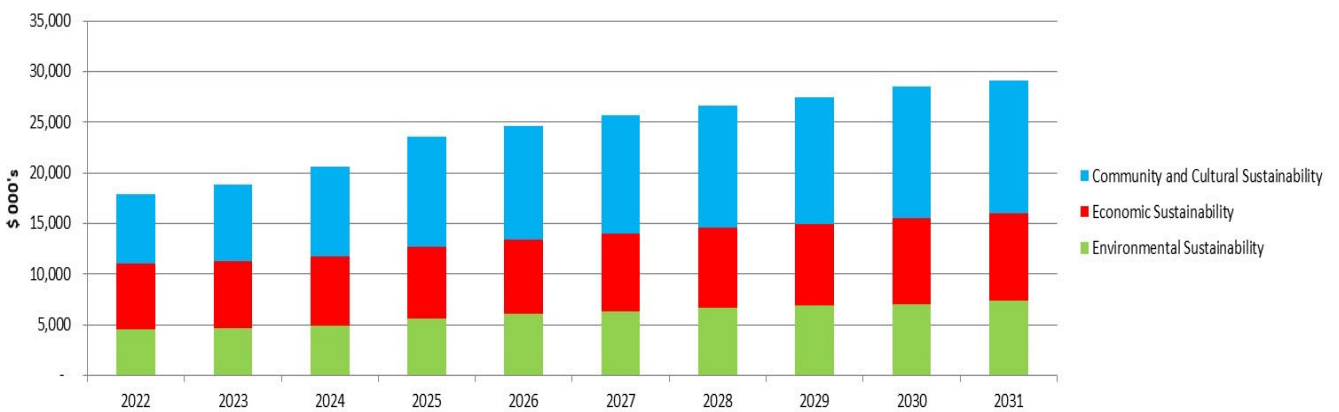
We have two types of expenditure: operating expenditure and capital expenditure. Operating expenditure is spent on normal business—it's used to run the day-to-day operations of Council. Capital expenditure is spent on buying, renewing, or upgrading assets like equipment and buildings.

We're expecting that operating expenditure will increase from \$17M to \$28M over the next 10 years.

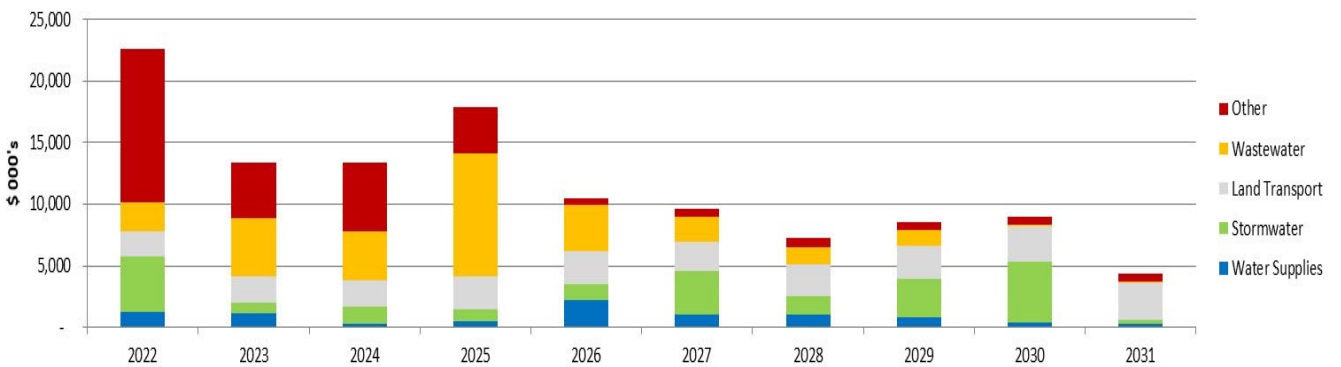
The key reasons for our spending are:

- 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.

Operating Expenditure by Group of Activity







Capital Expenditure by Category



Spending for social and economic growth

You can see from the key issues we've presented in this document, and the major infrastructure projects proposed, that significant spending is planned on long term assets. This chart shows what we are planning to spend on our four key infrastructure areas over the next 10 years on new assets to increase levels of service and provided for growth.

				
Assets	Water Supply	Wastewater	Stormwater	Roads & Footpaths
Proposed capital expenditure	\$2.7M	\$19.7M	\$22.1M	\$9.4M

This is what the impact on our debt will be

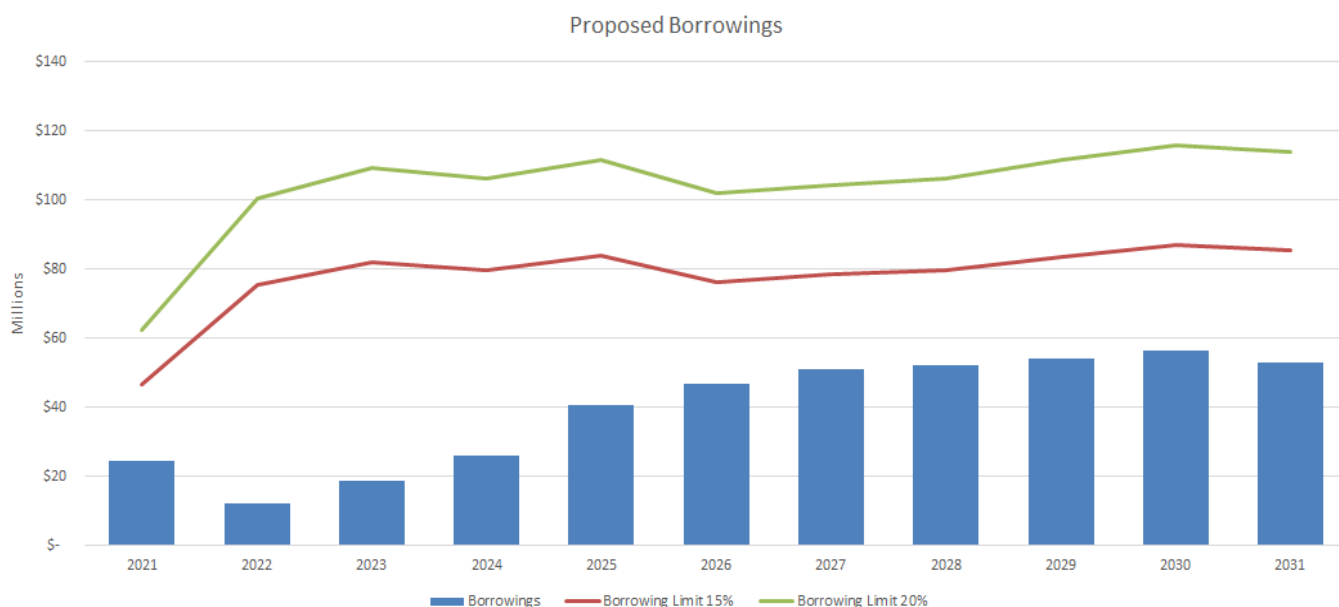
We have proposed a number of significant capital infrastructure projects in this LTP. We will increase borrowing to fund these projects. By loan funding these long term assets it means the cost is spread over generations. Current ratepayers don't have to bear the full financial burden and all those that use the assets pay a fair and equitable contribution towards the cost of it.

We expect debt levels to increase from the current \$8.5M to \$52M over the 10 years.

To make sure we are managing finances in a sustainable and affordable way we set debt limits. These come from our Treasury Risk Management Policy. You can read a copy of this by going to our website where all of the information relevant to this document is available.

This graph shows our proposed borrowings over the ten years and our borrowing limits. Through all years of the Long Term Plan we remain below the debt limits. The red line is the debt limit for a low growth Council, whereas the green line is the limit for a high growth Council.

We have historically experienced low growth, however we are expecting to move into a phase where we will experience significant growth. The graph below indicates that we have sufficient capacity through this LTP to provide through growth through debt funded infrastructure.



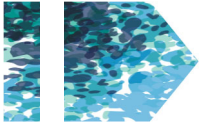
Is it all sustainable?

Affordability is a key pillar of our financial strategy in this LTP. Council considers the impact of all rating on its ratepayers, including Regional Council rates.

We need to strike a balance between enabling growth and encouraging development, which will ultimately spread the cost of rates across a greater number of properties, and making it affordable for those that live here now, which have some of the lowest household incomes in the country.



Want to know more? We suggest reading our Financial Strategy and Revenue & Financing Policy supporting documents at odc.govt.nz/ltp



Other important matters in our Long Term Plan

Water supply — stepped water charges

As a result of the many large projects and industry growth in Ōpōtiki, development is ramping up. That is putting Council's water supplies under pressure from a range of different users. Following a number of requests for industrial uses, along with further residential development, we've reviewed charges to help make sure access is consistent for all users. A stepped regime, with built in incentives to manage efficient water use, and capacity constraints, is proposed as part of this LTP. This change will be included in our 2021/22 Fees and Charges, a summary of the changes are below.

The base rate for water supply will remain the same. Higher rates will be applied to the extra water use above certain thresholds. These thresholds are 2m³, 3.5m³, and 4.5m³ per day. Currently the average residential water use would be under 0.5m³ per day, so it is expected that only up to 5% of customers would be affected by this change.

These changes are expected to promote water conservation among high volume users as well as giving them certainty and transparency.

Full details on the proposed new stepped water charges are in our 2021/22 Fees and Charges supporting document on our website at odc.govt.nz/ltp

Three Waters Reform Disclosure

The Government has announced a three waters reform programme with decisions on reform proposals not expected until around May 2021. These reforms would have significant impacts for Ōpōtiki District Council and the community but there is not yet any certainty about what these impacts might be.

The council has signed a Memorandum of Understanding (MoU) with the Government to work together to explore future service delivery options for three water services in Ōpōtiki. There is an option for the council to opt out of this process at a later stage once things are clearer. Under the MoU local and central government will work together on the possibility of delivering three waters services through a small number of large scale (mostly multi-regional) water service delivery entities. These entities would be publicly owned, protected from privatisation and have an improved ability to raise capital to meet investment requirements.

Water reform will not change the need for three water services to be delivered to Ōpōtiki. The information in this consultation document and the supporting information about these services and their associated investment requirements will remain relevant regardless of what happens with water reform.

Further information about the Government's reform strategy and timeline, including when it is proposed that there would be further engagement and consultation with communities, is available at: www.dia.govt.nz/ThreeWaters-Reform-Programme

Climate change

It is internationally accepted that the earth's climate is changing and all councils are required to plan for this. In the future, we will likely see more severe rainfall events; increased drought potential and sea-level rise, and flooding. These changes, in particular sea level rise, are likely to have the most significant impact in the Ōpōtiki Township and residential settlements on low lying areas close to coast.

While climate change won't have an immediate or obvious effect on the district, we need to plan for these changes now to make sure our community is resilient for future generations.

In this LTP, we're doing that by looking at infrastructure options that provide resilient options for the community, such as proposing wastewater infrastructure in Hukutaia to enable development away from the coastline, and moving forward with stormwater projects that will provide surface flooding relief to the township. We also make sure that our hazard planning and emergency management are incorporated into Council's strategic planning documents so they can work alongside the LTP.

Full details on climate change assumptions can be found in our draft Planning Assumptions supporting document.

Significance and Engagement Policy

We're currently reviewing our Significance and Engagement Policy as part of our three yearly review of our Long Term Plan 2021-2031 (LTP).

This policy is important as it ensures that decisions made within council best reflect the wants and needs of the community.

In line with Local Government Act legislation we are running consultation on our draft policy concurrently with this Long Term Plan. This gives the community the chance to make a submission on the draft policy.

The purpose of this policy is to provide a framework for council workers to determine how important, or significant, a decision is to the community. There are a range of factors that play a part when making these decisions including; who could be affected by the decision, who could be interested in the decision, what the impacted levels of service could be, and the costs borne by the decision.

The use of this policy frames how decisions are made by determining first the significance of the decision, and then the level of engagement required in order for the decision to be made.

The draft policy provides a more structured approach that is easier, clearer and more directive in order to assist council staff to better identify both the significance of a decision and the corresponding level of engagement. The updated policy includes new flow charts and more detail to assist with decision making.

Head to our website to view a full copy of the draft Policy at odc.govt.nz/ltpl

Send us your views using the submission form at the end of this document or use our online submission form.

Ōpōtiki Harbour Development

Since the 2012 LTP, Council had worked on the assumption that it would own and partly fund the capital cost of the harbour along with the government and Bay of Plenty Regional Council. In 2020 the government announced that it, along with the contribution from the Bay of Plenty Regional Council, would fully fund the capital cost of the harbour construction. Late last year agreements were signed between Ministry of Business Innovation and Employment, Council and the Bay of Plenty Regional Council, that the government would own and deliver the harbour, and Ōpōtiki District Council would be responsible for the operations post construction. This means that the harbour training wall assets will belong to the government but will be managed locally. The harbour construction is now underway, with a partnership governance group overseeing the build. It is due for completion in late 2023 and Council will take on the responsibility in July 2024. Over the coming three years agreements for its operation will be negotiated and the community consulted through the next LTP.

As a result of this we have had to amend the way that we fund the Economic Development activity over the first three years of the LTP. We will not be getting the subsidies and the levels of fees and charges in this activity until the harbour development is completed. You can view our Revenue and Financing Policy to see the change in funding on our website.

The implications of these decisions is that the construction risks (e.g. unforeseen cost increases, overdesign storms etc.) of the development now sit with government, not the local ratepayers. That means ultimate decision making during construction also lies with the government (in consultation with Ōpōtiki District Council and the Whakatōhea Māori Trustboard though). The government has now transferred the contract with HEB Construction to PGF Limited, a wholly owned asset holding company for investments made through the Provincial Growth Fund.

Covid impact on NZTA funding

Due to the impacts of the COVID-19 pandemic on revenue for the National Land Transport Fund, Waka Kotahi New Zealand Transport Agency has reduced spending across various areas. Prior to setting the 2021-24 National Land Transport Programme (NLTP) we received correspondence from NZTA advising that they will be reducing their available funding to Councils for the next three year term.

NZTA are looking at other opportunities for funding and financing as they are aware that nationally there is a significant need to increase funding and levels of service in roading. They will continue to work with the Ministry of Transport and Treasury to come up with supplementary funding options.

For Ōpōtiki this has led to a reduction in the overall requested funding for the 2021-2024 period. Council expects a reduced level of service across some lower risk transport assets in order to manage this reduced spending.

Council assumes that beyond 2024, the immediate effects of the pandemic on Ministry of Transport revenue will stabilise and funding will return to expected levels. Read more on NZTA subsidy rates in our Planning Assumptions supporting document at odc.govt.nz/ltpl

Capital expenditure

Council is planning on spending close to \$50 million over the first three years of the LTP. This will be by far the largest capital delivery plan we have ever put together and the question needs to be asked whether this is achievable or not.

We haven't always delivered in the past but in prior years we have been hamstrung in delivering capital projects by the lack of co-funding. For example over the last two LTP's we have had the harbour development project and Te Tāhuhu in as significant projects, which were reliant on external funding before they could be progressed. But those projects have now been funded and there are no other significant projects that could be at risk of not proceeding should we not get external funding.

To ensure that Council is able to deliver the capital programme, we have developed new project management systems, used experienced consultants to train staff and also employed extra staff.

A number of projects are already underway and contracted (\$6.5 million), and we have specific timeframe milestones to meet for these. As much as possible, the remaining projects will be bundled and tendered as soon as possible once the LTP is adopted in order to mitigate delivery risk.

There is however, a level of uncertainty with this.

Risks

Projects are delayed because Council does not complete the planning and get them advertised in time for the works to be done. The work described above that Council has done addresses this risk.

The consultants and contractors we need to deliver this work will not be available. We are working to reduce this risk by engaging early with suppliers and bundling work to make it more attractive.

The implication if either of these risks happen is that work will be moved out to a later date.

Financial implications

If projects are delayed, loans may not need to be drawn down as planned, which will reduce Council's overall debt and interest costs in the short term. We will lose Government funding for some of our projects if they are not completed by March 2022. We are prioritising those projects to minimise the chance of this happening.

Impact on levels of service

If projects are delayed, the community won't get the levels of service benefits we expect to deliver from them. For example, if an old asset isn't replaced, there is a chance it will fail and cause disruption to customers.

Masterplan for Harbour and Wharf areas

With the work on the harbour having recently commenced, this Long Term Plan seeks to allocate funding to undertake a master planning exercise of our river frontages and harbour area. This will ensure that we are able to maximise the benefits for both recreational and commercial users of the harbour. The masterplan will identify how we can improve linkages to the CBD, enhance the recreational amenity offered along the river and harbour area, create additional boat ramp with associated parking provision, and further stimulate economic activity locally. It is intended that the master planning exercise will be undertaken in 2022 (year 2).

At this stage Council is not altering the budget from what was committed in the 2018-2028 LTP. Further consultation with the community will happen in year two of this LTP.

Preparation of our renewals forecasts

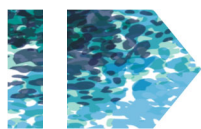
While Council was preparing the LTP budgets, we lost a key staff member from our Engineering and Services team. This former staff member had created the 2018 LTP renewals forecast and was responsible for developing the 2021 financial forecasts relating to infrastructure assets. However we found that much of the former staff member's knowledge, of how works should be packaged in the 2021 LTP, had not been documented thereby creating a challenge for estimating how much and the timing of replacing stormwater, wastewater and drinking water infrastructure over the long term.

As a work around for this, we relied on the work programme and renewals forecast that the Engineering and Services Group Manager had prepared for the 2018 LTP, and updated it for:

- projects that have since been completed,
- new issues staff identified since the 2018 programme was approved,
- condition and performance information for critical assets, and
- price changes in the cost of replacement assets.

We considered this approach to be reasonable because our overall approach to asset renewals hasn't changed in the last three years, and also because changes in asset information since 2018 relate primarily to newly created assets, which won't need replacing during the term of the 2021 LTP.

The current acting Engineering and Services Group Manager carried out a "sense checking exercise" confirming that the proposed programme is consistent with data currently held on AssetFinda.



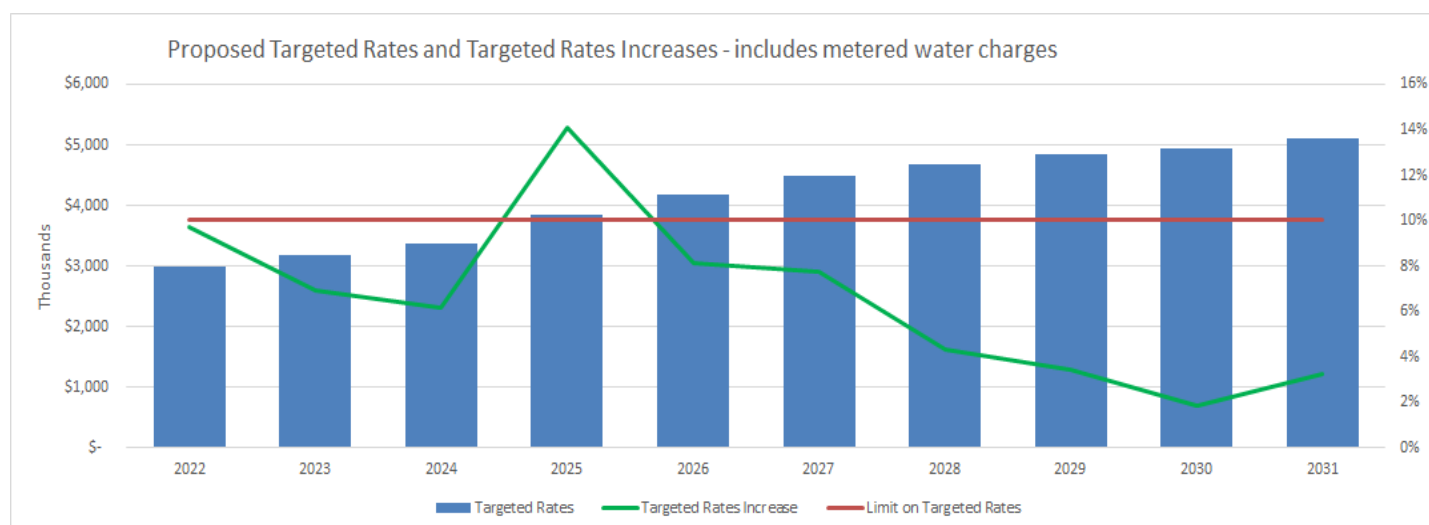
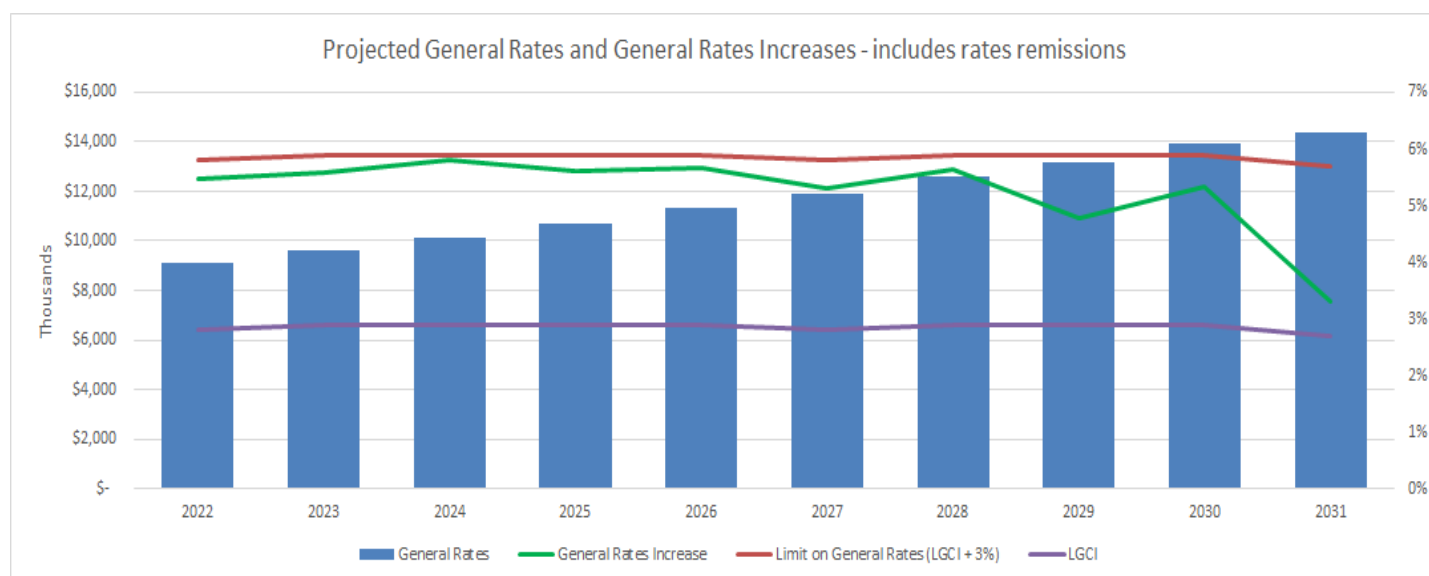
How your rates may change

Council rates will increase from \$12 million in 2022 to \$19.5 million in 2031. The following pages outline what the potential impact could be on your property over the term of the LTP.

The rating examples include the Council Preferred Options for all of the key issues and consultation items. So these will not be additional to the information provided for the purposes of understanding what your future costs will be like.

For General Rates we remain within the limits set in our Financial Strategy for all years of the LTP.

For Targeted Rates we breach our limit of 10% in 2025 as we see a culmination of targeted rates funded activities coming online, being the Hukutaia Infrastructure and the return of the Harbour Development Project to ODC to operate.



What your rates might look like

The following graphs show examples of proposed rates increases for year 1 of the Long Term Plan across a range of property values and types.

Your rates bill will vary depending on the type of property you have, where it is, what services are offered to it, and its capital value.

The figures exclude GST and any charges from Bay of Plenty Regional Council and are indications only. If we need to make changes to our proposed budgets as a result of this consultation it will change these examples.

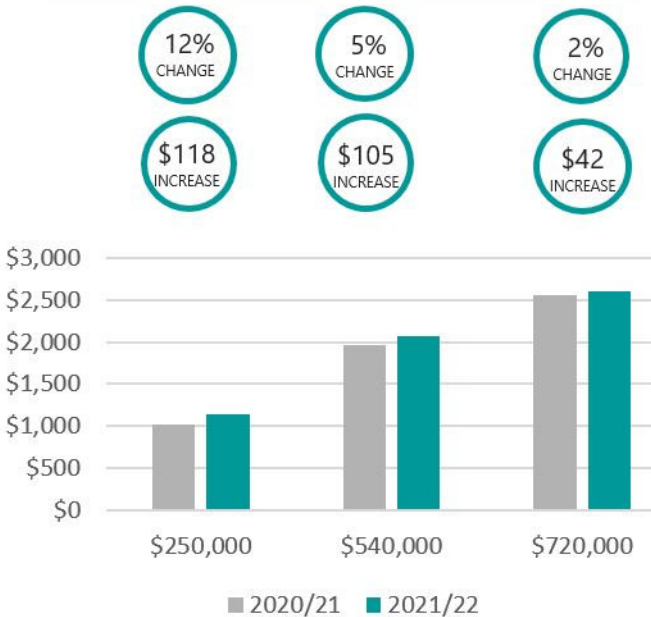
Ōpotiki house property



Hukutaia/Woodlands Property



Ohiwa Property



Rural Residential Property



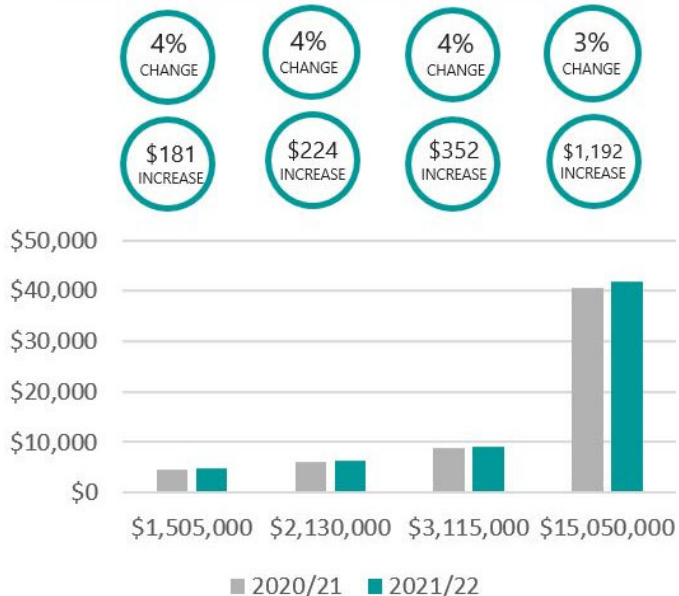
Rural Property



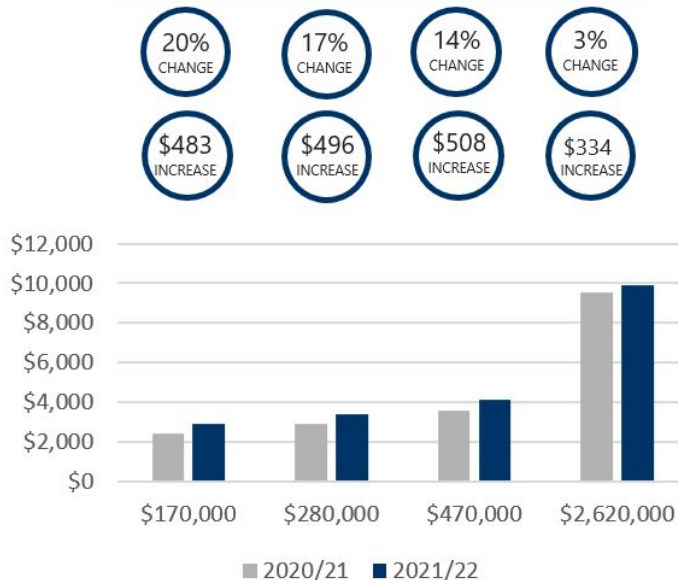
Te Kaha on water



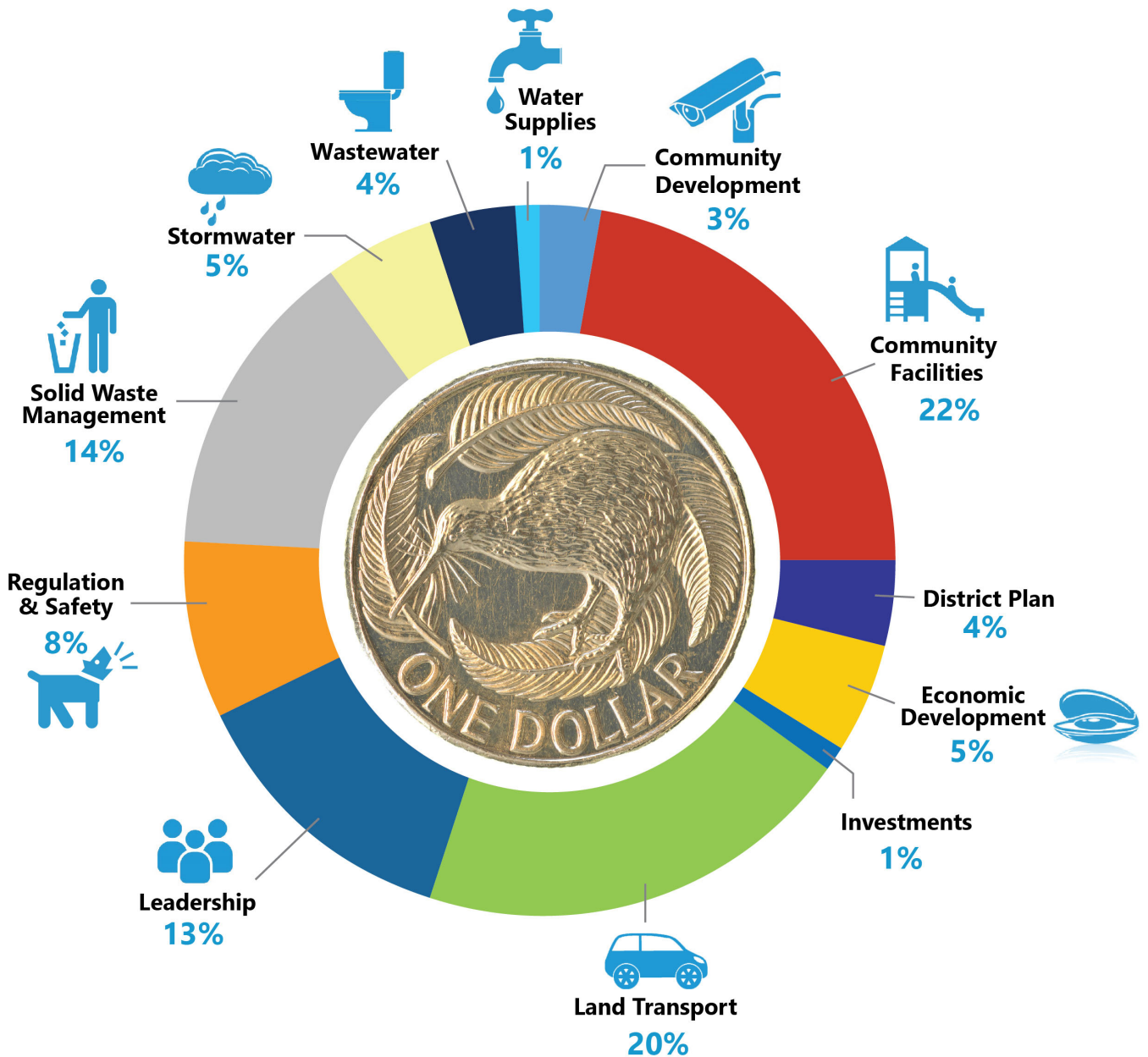
Kiwifruit Property



Commercial & Industrial



How your general rates dollar gets split over our activity groups



To the reader:

Independent auditor's report on Ōpōtiki District Council's consultation document for its proposed 2021-31 long-term plan

I am the Auditor-General's appointed auditor for Ōpōtiki District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 01 April 2021.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures

Uncertainty over the delivery of the capital programme

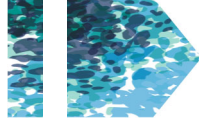
Page 32 outlines that the Council is proposing a large capital programme, which includes spending close to \$50 million in the first three years of the long-term plan. While the Council has taken steps to mitigate the risk to delivering its capital programme, there is a level of uncertainty around the timing of delivery of the capital programme due to the availability of consultants and contractors. If the capital programme is affected by this, it could result in the planned work being moved to a later date, a loss of Government funding for some projects, or a decline in levels of service, such as possible asset failures that disrupt customers.

Uncertainty over three waters reforms

Page 30 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.



The opinion of our Auditors

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

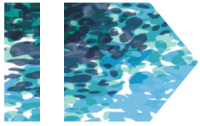
Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit and our report on the Council's 2019/20 annual report, we have carried out a limited assurance engagement related to the Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council or any of its subsidiaries.

Leon Pieterse
 Audit New Zealand
 On behalf of the Auditor-General, Tauranga, New Zealand



It's easy to tell us what you think



Online submissions

You can complete an online submission on our website at odc.govt.nz/ltpsubmission



Email

You can send an email to info@odc.govt.nz
Just put 'Submission to LTP' in the subject line.



Submission forms

You can cut out and post (or scan and email) the submission form on the next page.
Forms can also be downloaded from odc.govt.nz/ltp or pick one up from the Ōpōtiki District Library, or our office at 108 St John Street, Ōpōtiki.



Write a letter

Send a letter to **PO Box 44, Ōpōtiki 3162.**

Simply include a subject line at the start of your letter which says "Submission to Long Term Plan".
Be sure to include your name, address and a daytime phone number and let us know if you would like to come and speak to council about your submission.

**Submissions close 4pm,
Friday 7 May 2021**

Council expects to hold a hearings meeting for those who would like to speak to their submission on Thursday 3 June 2021.





Submission form

Submissions close 4pm, Friday 7 May 2021. We will let you know that we have received your submission. All submissions will be made available to the Mayor and councillors, who will take them into consideration when finalising the Long Term Plan.

Privacy Act note: Submissions form part of the public consultation process so they will be copied and attached to a publically available agenda and stay on Council minute records.

Name: _____

Organisation (if applicable): _____

Postal address: _____

Daytime PH: _____ Email: _____

PRESENTATION OF SUBMISSION

Please tick to let us know your choice. If neither is ticked we'll take it that you don't want to speak.



I wish to speak in support of my submission at a hearings meeting



I do NOT wish to speak in support of my submission at a hearings meeting.

Your feedback

Please refer to the page reference for more information on each issue and/or the supporting information on our website.

Issue 1 — Hukutaia Growth — page 12

Which option do you support? (please tick one)



Option 1 — Provide infrastructure to new development and existing properties together
(Councils preferred option)



Option 2 — Provide infrastructure initially for new development only

You can also provide your feedback here on the questions we asked to assist us with our Hukutaia growth planning work in year one:

Q: If you own a house in Hukutaia, do you want to connect to the wastewater network?

Q: If you are a Hukutaia greenfields owner do you want to develop this land? If so, can you tell us when and what commitment you are willing to give?

Q: If you are a wider district ratepayer are you willing to contribute?



Issue 2 — Bins at public toilets — page 17

Which option do you support? (please tick one)

- Option 1** — Install rubbish bins next to every public toilet at reserves and camping areas
(Councils preferred option)
- Option 2** — Keep it the same, do nothing

Issue 3 — Mobile services on the coast — page 19

Which option do you support? (please tick one)

- Option 1** — Bus — Traditional mobile library service
- Option 2** — Van — Modern mobile service
(Councils preferred option)

Issue 4 — Social Development — a direction of travel — page 22

Which option do you support? (please tick one)

- Option 1** — Continue in a piecemeal way
- Option 2** — Create a formal social development activity
(Councils preferred option)
- Option 3** — Stop any work

Other feedback

Please give us any other feedback you have on the content of this document or any other LTP issue. Let us know what decision you want Council to make. You can also provide any feedback you have on our other matters here e.g. Our Significance and Engagement Policy and our Fees and Charges.

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Send your submission to	POST TO	DELIVER TO	SCAN AND EMAIL TO
	PO Box 44	Council office	info@odc.govt.nz
	Ōpōtiki 3162	Or Ōpōtiki Library	

Thank you for taking the time to have your say