

OUR PLAN IN ACTION

Information on year three of the 2018-2028
Ōpōtiki District Long Term Plan



From the Mayor and CEO

As we go to print we are in the midst of an national state of emergency and a level 4 lock-down as a nation to try to control the spread of the deadly COVID-19 virus. As a result the council is busier than ever. We are responding as a civil defence agency with some staff redeployed from other roles in the organisation, providing essential services in a period of heightened risk to our staff and contractors, doing business as usual remotely, and preparing for the economic recovery. Once we are released from lock-down there will be a backlog of work for staff to return to. We expect that some planned projects will be delayed but we are doing as much as we can as we know that council will be very important in the recovery phase.

Council has considered how to respond to the likely economic downturn and given we are on the cusp of some large projects that are either government funded or funded from (intergenerational) loan funded at exceptionally low interest rates, we believe it is in the best interests of the community to press ahead with these projects, that will catalyse the local economy and provide jobs for local people. Our primary and export sectors are well placed to lead NZ's recovery. We also believe that New Zealand has been the best place in the world to be during this crisis, and that Ōpōtiki has been the best place in NZ. After lock-downs finish globally we believe our remoteness will be attractive to both migrants and returning locals.

The coming year will see the implementation of a number of catalytic projects in the eastern Bay of Plenty. As a result of the government's provincial growth fund, investment will soon start flowing into the sub-region. Construction will begin on the long-awaited Ōpōtiki harbour and our aquaculture industry will continue to grow. Other investments in horticulture across the district will also begin to take shape.

The effects of growth and people returning to their land and district are likely to drive the need (and the means) for investment. The coming year will see Council undertaking the planning and implementation of a range of projects to support growth. We have done a considerable amount of planning but now that the government investment is confirmed we have enough confidence to justify the expenditure to develop the details of our projects.

In the coming year, we will finalise the work on the sewer pipes rehabilitation and we will test how successful this has been. Consequent work on the treatment facilities will get underway and we will look at

detailed options for extending sewerage into Hukutaia. That extension will allow for a large area of development, away from the flood plain. Council has sought government funding for this work as a post Covid recovery project. If it is not funded then you can expect to see options for funding this in our Long term Plan consultation next year. The community is facing housing shortages and it is vital we invest to unlock development.

Solid waste (rubbish) management is an area Council would like to continue leading the way in reducing, reusing and recycling. This government has raised the bar on how NZ should deal with waste at the same time that recycling options have reduced. The consequence is that the cost of waste disposal has risen and is likely to rise further. Over the coming year, staff will review both the management and disposal of waste, and we may also have options for consultation next year.

Other projects that are in process are the cycleway proposed extension and Te Tāhuhu o Te Rangī (the research and technology library). We are still in a funding process over the cycleway extension and the first dirt should be turned on Te Tāhuhu very early in the new financial year. Council funding assistance for both of these projects as part of the Covid recovery.

The rose gardens have had their first phase of redevelopment, with the council recently agreeing to build some additional public toilets. These should get underway shortly. Future phases of development will depend on the ability to be supported by grant funding.

Lastly, we have a new group of governors around the Council table, some new, some returned, and we are working hard to form the cohesive team needed to take the district forward.



Mayor, Lyn Riesterer



CEO, Aileen Lawrie



COVID-19

Background and current situation

The virus that originated in China entered New Zealand in February 2020. At the time of writing most cases so far in New Zealand have come from overseas, with clusters of community spread in Auckland, Waikato, Hawkes Bay, Wellington, Christchurch, Queenstown, and Invercargill. The Government put New Zealand into lock down level 4 at midnight 24 March 2020, for an initial term of four weeks. Everyone, except for those that provide essential services, were to remain in their homes for the duration of the lockdown period, only able to leave their homes for essential travel to supermarkets and doctors. On the ground however the Ōpōtiki District had been thinking about and planning for lockdown, and businesses working remotely from home, well before the Government initiated lockdown. Council had already had staff testing the working from home capability of software and systems in the weeks leading up to lockdown. Council had already met with and supported Te Whānau a Apanui, Police, and Ministry of Health Officials in relation to their planned road closure on the East Cape, and had started making resources available to the public for COVID-19 support.

Our commitment to retaining staff and delivering essential services

Ōpōtiki District Council is committed to retaining staff through this process, and whilst there are councils and businesses looking to reduce staffing levels, for a small organisation like Ōpōtiki District Council, in a small community, staff layoffs are not the answer. The community had already suffered numerous mass

layoffs historically with the closure of some key manufacturing businesses based in Ōpōtiki. The recently announced Provincial Growth Fund coming in to the district needs a solid foundation to start from. The key to this will be a Council that is not under resourced for enabling these developments.

Our staff are working hard to ensure essential services continue in the Ōpōtiki District whilst we are going through COVID-19. So much of what Council does is essential – water, wastewater, rubbish, roads, consents, compliance, licensing, and all those essential services that make up more than three quarters of our day to day operations. Some staff are redeployed into civil defence roles and COVID-19 specific activities, and others are backfilling the roles they left.

Often, recruiting for specialist and technical roles for Ōpōtiki can be a challenge, so right now we are focussed on holding on to the great people that we have.

Our recovery planning has started

Although officially the recovery process has not yet begun as we are all still in a state of response, councillors and staff are already turning their minds towards the recovery, what that looks like, and how we can speed the process up so that we can all get our economy back on track.

Recently Ōpōtiki District Council joined with the two other Eastern Bay of Plenty Councils, Kawerau and Whakatāne, to pull together a list of “shovel ready” projects for responding to Crown Infrastructure Partners request for projects to fund. This was submitted to Government on 14 April, and across the Eastern Bay totalled over \$270 million in infrastructure works, and contributing to three and a half thousand jobs, based on a PwC multiplier that is applied to construction projects.

Major projects for 2020/21

Wastewater

Driven by the potential for growth from a harbour and by unacceptable level of service, Council over the last 7 years has invested heavily in the investigation, data collection, and then repair of the Ōpōtiki sewer reticulation. We are reaching the end of the rehabilitation work that has been achieved under budget and with good results. Moving forward we need to now protect our repaired sewer by being vigilant about any illegal or inadvertent stormwater connections. Our modelling shows it would only take 28 illegally plumbed downpipes to negate the effect of \$5M of repairs.

Now that the sewer is mostly repaired it is time to turn our minds to stormwater to reduce and manage levels of flooding from rainfall that is becoming heavier through the effects of climate change. Council now needs to invest in investigation of options for stormwater detention basins at strategic locations around the township to manage the peak of rain events, to ensure it doesn't flow into the sewer system and to ensure impacts on property is minimised.

The effect of the sewer reticulation cleaning that accompanied the rehabilitation work, has been to push sediment through the system into the treatment ponds requiring us to bring forward our de-sludging. Council has already decided to bring forward a

number of treatment upgrades to reduce the effects caused by the cleaning, and to ensure ongoing environmental performance. It also means there will be capacity in the system for growth and the planned reticulation of Hukutaia in coming years. Over the coming year we propose we will complete the planning for the Hukutaia reticulation and consult on this in our next Long term Plan.

During the COVID-19 response our contractors have continued to clear blocked wastewater pipes and pumps caused by wet wipes being flushed down toilets. This has put our contractors and community at risk and if we had a storm, and the pump was to go while under high load, there could be loss of service for a long time and severe overflows. Council continues to remind our residents and ratepayers not to flush wet/baby wipes down the toilet.



Harbour Development

In February 2020 government confirmed its investment in the long awaited Ōpōtiki Harbour. The \$99.4M project will be funded by \$79.4M from the government's Infrastructure fund and \$20M from the Bay of Plenty Regional Council Infrastructure fund, first pledged in 2013 and reconfirmed in 2020. In the coming months council will assist to set up the project delivery structure, the governance and ownership structure, and get the project underway. Significant components will be negotiating contracts with our preferred construction tenderer and contracts with rock and aggregate suppliers. By the end of the next financial year, Snell Road should be upgraded for heavy traffic, around half of the required rock will be delivered to site, and the contractor should be gearing up for the first works on the training walls.

There has been some interest in the Ōpōtiki wharf redevelopment, however we will not need a wharf until the harbour is completed so the wharf development is not proposed until 2023.

Stormwater

Council has been looking 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.

The Ōpōtiki Township Stormwater scheme does not work well when we have high rainfall and it will only get worse with climate change. There is a lack of capacity in critical assets - things like pumps and pipes. We plan to improve this by installing bigger pipes and creating stormwater storage areas (ponding basins), so water can drain away from homes and businesses quicker, and subsequently be pumped to the rivers by bigger pump stations. Storage areas will also serve a secondary purpose - treatment. As stormwater passes through storage areas, plants purposely cultivated for absorbing contaminants will filter the stormwater before it reaches the river. We have also be trailing net systems for catching litter more effectively than the grates currently installed and we will be installing these alongside pump stations and storage areas.

In 2019/20 we undertook the first stage of physical construction with the street and pipe upgrade along Goring St. This is just the first piece of work to be completed. This 2020/21 year we intend to upgrade the Tarawa Creek pump station and install a new 900mm trunk main along Richard St. These projects together will begin to resolve the flooding issue we have in the Tarawa Creek catchment which extends from Church St right back past Goring St to the college fields. In subsequent years we will continue to make improvement by isolating additional smaller pipes that need upgrading and by constructing the stormwater basins next to Tarawa Creek and next to Wellington St. We will also be lobbying the Bay of Plenty Regional Council toward installing a stop bank along the southern side of Duke St to prevent rural overland flow contributing to urban stormwater flooding.



Council Property

At the end of 2019, Council resolved to proceed with the Te Tāhuhu o Te Rangī – Technology and Research Centre. Consents are being finalised and a project manager has been appointed to manage the construction stage of the project. Construction works are expected to commence shortly allowing the building to be opened to the public within this financial year.

Refurbishment of the ex-Plunket building on Church Street will be undertaken this year, with budget allocated for reroofing and some internal works.

This coming year budget is also provided for the redevelopment of the animal control building. Consents are due to be submitted shortly and building works will commence within this financial year.

Council has instructed staff to reconsider the options for redevelopment of Lots 9 and 10 Church Street and it is expected this work will be informed by the Town Centre Revitalisation Project planning outcomes.

In March, Council announced central government funding of \$400,000 for Ōpōtiki's new digital hub. The space will allow existing businesses and new entrepreneurs, community groups and students of all ages to share services and a platform to thrive in the digital world.

The digital hub will initially open on a smaller scale in an existing council-owned retail unit on Church Street, just two doors down from the proposed Te Tāhuhu o Te Rangī development site and almost directly opposite the existing library. As soon as contractors are able to get back on site, we will move forward with the work and seek to deliver and have operational as soon as possible. The full scale digital hub will open in Te Tāhuhu o Te Rangī when the build is complete next year.

Parks and Reserves

Significant enhancement and extension of the existing Motu cycle trail is planned, subject to external funding. Proposals involve the extension of the trail to Waiotaha Beach and around Ōhiwa Harbour through to Kutarere. Work is also underway to secure an extension to the Pakihi track via the Whakaumu Old Military Track to Tirohanga. Once secured, trail construction work will commence, which when complete will provide cyclists, walkers and runners with a 35km loop from Ōpōtiki, that incorporates the Dunes Trail.

Construction works are currently underway on the Church Street Reserve (Rose Garden) renovations. Subject to receiving external funding significant additional investment is planned in the 2019/20 year period to upgrade the Rose Gardens to a destination reserve. Our plans include new public toilets, a substantial playground and additional facilities for community use.



Land Transport

Seal Extensions

Council will continue to seal unsealed roads where a 60% contribution is provided by those requesting the seal extension. A maximum of 2km will be considered for sealing on an annual basis. Council invites applications from those that wish to have their roads sealed and are willing to contribute 60% towards the cost.

Following receipt of roading subsidies from the New Zealand Transport Agency (NZTA), budget has been allocated for additional road formation, drainage, kerb and channel and footpaths in the Ōpōtiki urban area.

An additional street length (typically 3 blocks or 660 metres) will help address the lack of roading infrastructure in large parts of Ōpōtiki. We did Goring St (Bridge St to Richard St) last year and it is programmed that we will do two sections of Brabant St (Bridge St to King St), and one section of Goring St (King St to Elliott St) this year.

We are also continuing our programme of footpath and street light upgrades which we started in 2019. Filling the gaps between street lights which we started last year will continue this year and the year after. Footpaths will be improved with continued fixes of let downs (ramps) to make them friendlier for wheel chairs and walkers and we will continue to eliminate bumps and lips caused by cracks as well as widen key footpaths for mobility scooters and other vulnerable users through 2020/21 and beyond.

Solid Waste

Ōpōtiki's solid waste service moved to a zero waste ethos two decades ago now, being one of the first in the country to undertake such a commitment to reducing, reusing and recycling.

Year on year Ōpōtiki has driven its residual waste volumes down well below the national average through the services of the Resource Recovery Centres and commitment of the community to follow the 3 R's.

These days the drive to manage waste smarter is increasing. Where once it was a case of dropping it in a hole, reduction now revolves around education, recycling markets and an array of plant, from sorting belts and bailers, to waste to energy, and composting factories.

To continue to deliver, the solid waste service needs to innovate. There are multi-faceted issues facing solid waste service delivery in Ōpōtiki, nationally, and globally. Plastics once taken by Chinese markets are now going to landfill across the country. In efforts to curb this, central government will be multiplying landfill tariffs over the next 5 years. The intention is to use this revenue to fund national waste solutions. In the interim however waste authorities are faced with additional costs in place of returns. Drive to change producer practices and consumer habits is currently insufficient to continue reductions. The immediate emphasis is on authorities to educate and innovate.

Costs will inevitably escalate over coming years but there is opportunity to gain value through upgrading our service delivery - replacing cost with investment into operational improvements. In other words, let's spend our money doing the 3 R's better instead of spending it on sending waste to landfill.



Ōpōtiki has the lowest Rates in the North Island

We really do. However, when you compare council's rates information in this document to what you pay us in rates, you will notice that the rates bill you receive is higher than shown here. That is because there are additional rates on top of this that are levied by the Bay of Plenty Regional Council. Rather than have two sets of rates bills, and two organisations managing essentially the same information, Ōpōtiki District Council manages and collects rates for the Bay of Plenty Regional Council. This makes it simpler for you but sometimes people forget they are paying two sets of rates. If you are within the boundaries of the Waioeka-Otara flood scheme you may find that the additional rate is quite high relative to the Ōpōtiki District Council component. For further information on that rate please contact the Bay of Plenty Regional Council.

Tell us what you think

As we are not planning any major exceptions to what we said we would do in year three of the 2018-2028 Long Term Plan, we are not undertaking a time-consuming and expensive special consultative procedure.

But you can still let us know what you think is important:

Are there projects you would like us to consider in the next rounds of planning?

Are there things we could do better?

Are there things you would like us to do more or less of in the future?

Given the large amount of funding coming into the district via the Provincial Growth Fund, is there anything you think council should be thinking about in terms of long term planning or infrastructure?

Go to www.odc.govt.nz/annualplan to send us feedback online, or you can call or email us.

PH: (07) 3153030, Email: info@odc.govt.nz



Council's vision

Strong community Strong future



Next years' rates

Property Type	Capital Value	2019/20 Rates	2020/21 Rates	\$ Increase	% Increase	Valuation Increase	Number of Properties
Ōpōtiki Property	\$ 170,000	\$ 2,038	\$ 2,110	\$ 72	4%	42%	557
Ōpōtiki Property	\$ 280,000	\$ 2,361	\$ 2,468	\$ 107	5%	40%	557
Ōpōtiki Property	\$ 395,000	\$ 2,744	\$ 2,842	\$ 98	4%	34%	557
Hikutaia/Woodlands Property	\$ 305,000	\$ 1,816	\$ 1,961	\$ 145	8%	53%	406
Hikutaia/Woodlands Property	\$ 455,000	\$ 2,219	\$ 2,449	\$ 230	10%	52%	406
Hikutaia/Woodlands Property	\$ 770,000	\$ 3,066	\$ 3,473	\$ 407	13%	51%	406
Ōhiwa Property on water	\$ 480,000	\$ 2,653	\$ 2,802	\$ 149	6%	55%	17
Ōhiwa Property on water	\$ 600,000	\$ 3,016	\$ 3,192	\$ 176	6%	50%	17
Rural Residential Property	\$ 136,000	\$ 931	\$ 872	-\$ 59	-6%	36%	1,131
Rural Residential Property	\$ 240,000	\$ 1,334	\$ 1,210	-\$ 124	-9%	20%	1,131
Rural Residential Property	\$ 355,000	\$ 1,737	\$ 1,584	-\$ 154	-9%	18%	1,131
Rural Property	\$ 750,000	\$ 2,543	\$ 2,867	\$ 324	13%	50%	2,608
Rural Property	\$ 1,860,000	\$ 5,003	\$ 6,475	\$ 1,472	29%	68%	2,608
Rural Property	\$ 6,710,000	\$ 19,072	\$ 22,238	\$ 3,166	17%	46%	2,608
Te Kaha on water	\$ 110,000	\$ 1,275	\$ 1,117	-\$ 158	-12%	11%	340
Te Kaha on water	\$ 560,000	\$ 3,012	\$ 2,579	-\$ 433	-14%	6%	340
Kiwifruit Property	\$ 3,500,000	\$ 8,591	\$ 11,805	\$ 3,215	37%	75%	176
Kiwifruit Property	\$ 9,320,000	\$ 20,005	\$ 31,007	\$ 11,002	55%	95%	176
Commercial/Industrial Property	\$ 132,000	\$ 2,755	\$ 2,769	\$ 15	1%	32%	215
Commercial/Industrial Property	\$ 280,000	\$ 3,158	\$ 3,250	\$ 93	3%	40%	215
Commercial/Industrial Property	\$ 680,000	\$ 4,694	\$ 4,903	\$ 209	4%	36%	215
Commercial/Industrial Property	\$ 1,500,000	\$ 5,572	\$ 6,105	\$ 534	10%	43%	215

***Summary rates includes GST but excludes Regional Council Rates**

The table above outlines the proposed rates across a range of properties of differing value and category. It also takes into account the most recent rating revaluation that was undertaken in September last year. These new values will apply to the upcoming rating year.

Cost increases are driven by the investment in Solid Waste through the provision of bins and moving to a two day collection, and Wastewater reticulation rehabilitation works. Both are funded by targeted rates on those that receive a service. We have reduced the Uniform Annual General Charge (UAGC) to try to offset the increase to those properties that can't afford it. This is consistent with the Financial Strategy contained in the 2018-28 Long term Plan.

The far right column in the table above indicates the impact of the rating revaluation and the rateable value increase typical of that property type and value. The average capital value increase across all residential properties in the district was 34%, the average increase across commercial property was 32%, and rural properties were broken down into Dairy, Pastoral, and Horticultural, with increases of 16%, 18%, and 70% in that order. Ōpōtiki ranked 3rd in the North Island for year on year growth of 23% per annum, and the highest growth of 11% in the last quarter of 2019.

The Covid-19 pandemic is changing the world. While the actual impacts are unknowable, what we do know is that our essential services need to continue and that's what rates pay for. The Government has provided wage subsidies to enable essential household bills to be paid. Water and wastewater services, roading, stormwater, cemeteries, our planning services and most importantly our emergency services are all examples of essential services that we continue to provide.

We understand though that some people in our community do have financial difficulties and we are always open to working something out with them. Both Ōpōtiki District Council and Bay of Plenty Regional Council apply policy on rates remission and postponement. We already have remission policies for financial hardship in place. Full details and application forms are available on our website. Council also encourages those on low incomes who own their own homes to contact our rates officer for details on applying for a rebate through central government's Rate Rebate Scheme.

Forecast funding

	Annual Plan 2019/2020	Annual Plan 2020/2021	LTP 2020/2021
Sources of Operating Funding			
General rates, uniform annual general charge, rates penalties	8,429	8,722	8,813
Targeted rates	2,579	2,753	3,026
Subsidies and grants for operating purposes	1,736	1,842	1,787
Fees and charges	1,256	1,363	1,389
Interest and dividends from investments	102	10	104
Local authorities fuel tax, fines, infringement fees, and other receipts	207	313	230
Total Operating Funding (A)	14,309	15,003	15,349
Applications of Operating Funding			
Payments to staff and suppliers	12,521	12,720	12,255
Finance costs	489	932	945
Other operating funding applications	-	-	-
Total applications of operating funding (B)	13,010	13,652	13,200
Surplus (deficit) of operating funding (A-B)	1,299	1,351	2,149
Sources of capital funding			
Subsidies and grants for capital expenditure	17,513	17,910	18,767
Development and financial contributions	-	-	-
Increase (decrease) in debt	12,314	8,929	4,988
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	29,827	26,839	23,755
Applications of capital funding			
Capital expenditure			
- to meet additional demand	18,971	18,677	19,687
- to improve the level of service	4,933	6,202	4,434
- to replace existing assets	7,222	3,311	1,783
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	31,126	28,190	25,904
Surplus (deficit) of capital funding (C-D)	(1,299)	(1,351)	(2,149)
Funding Balance ((A-B)+(C-D))	-	-	-

\$28.2M CAPITAL EXPENDITURE	\$24.3M DEBT	\$16.6M OPERATIONAL EXPENDITURE	\$15.0M OPERATING FUNDING	4.25% PROPOSED TOTAL RATES INCREASE
\$2M higher than LTP due to projects carried forward to next year.	A decrease of \$8M from the \$32.3M forecast in LTP due to project delays.	Minor change from \$16.2M as forecast in LTP.	Minor change to \$15.3M forecast in LTP.	0.81% lower than the 5.06% increase forecast in LTP.

Forecast statement of financial position

	Annual Plan 2019/2020	Annual Plan 2020/2021	LTP 2020/2021
ASSETS			
Current Assets			
Cash and cash equivalents	3,938	3,915	5,186
Debtors and other receivables	3,726	3,862	4,521
Prepayments	132	139	65
Other financial assets	-	-	-
Total Current Assets	7,796	7,916	9,772
Non-Current Assets			
Plant, property and equipment	237,414	248,766	275,178
Intangible assets	137	146	170
Investment Property	2,551	2,606	2,361
Other financial assets			
Investment in CCOs and other similar entities	-	-	110
Investment in Associates	190	201	112
Total Non-Current Assets	240,292	251,719	277,931
TOTAL ASSETS	248,088	259,635	287,703
LIABILITIES			
Current Liabilities			
Creditors and other Payables	4,521	4,640	5,167
Employee entitlements	387	399	337
Borrowings	-	-	1,500
Total Current Liabilities	4,908	5,039	7,004
Non-Current Liabilities			
Provisions	156	164	163
Borrowings	23,944	24,373	32,279
Total Non-Current Liabilities	24,100	24,537	32,442
TOTAL LIABILITIES	29,008	29,576	39,446
EQUITY			
Retained Earnings	152,061	153,555	171,427
Asset Revaluation Reserves	66,075	75,774	76,699
Council Created Reserves	944	729	130
TOTAL EQUITY	219,080	230,058	248,256