



Ōpōtiki District Council

# 2021-2031 Long Term Plan

Te Huarahi Whakamua mo Te Rohe o Ōpōtiki



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Matariki Festival, Ōpōtiki, 2020

# Contents

Contact Us .....	2	Prospective Statement of Financial Position .....	123
Contents .....	3	Prospective Statement of Cash Flows .....	124
Message from the Mayor and CEO .....	5	Prospective Capital Expenditure Programme .....	125
Consultation document.....	6	Council Reserve Funds.....	126
<b>Part One – Council Priorities and Direction</b> .....	7	Council Internal Borrowing.....	128
Looking Back.....	8	Statement of Accounting Policies.....	129
Future Priorities and Direction .....	10	Funding impact statement.....	139
Financial Strategy.....	14	Rates .....	142
Planning Assumptions .....	26	Rating Examples.....	144
Disclosure Statement and Financial Prudence Benchmarks.....	47	Audit Opinion.....	151
<b>Part Two – Introduction and Community Outcomes</b> .....	53	<b>Part Five – Council Policies</b> .....	155
Introducing the Ōpōtiki District Long Term Plan.....	54	Significance and Engagement Policy.....	156
Overview of the Ōpōtiki district.....	55	Revenue and Financing Policy.....	162
Community Outcomes.....	57	Council Controlled Organisations (CCOs) .....	193
Our District strategy .....	61	<b>Appendices</b> .....	196
<b>Part Three – Council Activities</b> .....	65	Summary of Waste Management and Minimisation Plan .....	196
An introduction to our activities.....	66	Summary of Assessment of Water and Sewage Services .....	197
Community and Cultural Sustainability .....	68	Ōpōtiki District Council 2021-2051 Infrastructure Strategy.....	200
Leadership.....	69	The Role of Council.....	269
Community Facilities .....	72	Elected Members 2019-2022.....	270
Community Development.....	77	Coast Community Board Members.....	271
Economic Development.....	80	Ōpōtiki District Council Organisational Structure.....	272
Regulation and Safety.....	84		
Environmental Sustainability.....	88		
Solid Waste Management.....	89		
Stormwater .....	93		
District Plan .....	98		
Wastewater.....	101		
Economic Sustainability.....	105		
Water Supply .....	106		
Land Transport.....	111		
Investments .....	116		
<b>Part Four – Financial Information</b> .....	119		
Forecast Financial Statements .....	120		
Prospective Statement of Comprehensive Revenue and Expense .....	121		
Prospective Statement of Changes in Equity .....	122		



Te Roto urupa karakia 20 July 2020 - before start of work on Ōpōtiki harbour project.

## Message from the Mayor and CEO

We present our Long term Plan 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.

Council consider that providing for housing is now a priority to maximise the benefit of our new harbour, processing plant, Horticulture investments and CBD investments. Following consultation we have confirmed a project with reduced scale to look at options for growth in Hukutaia. This includes a package of works including reticulation to greenfields properties only, with a funding application to be submitted to the governments Housing Acceleration Fund. We will also review our development contributions policy in year 1 to ensure any developers pay for their fair share of the infrastructure costs.

Year one will also see the provision of rubbish bins to a small number of locations to trial a service. At the same time we will review our Waste Minimisation Strategy.

As our economic developments proceed, the time is right to consider how to maximise the benefits of them in our social infrastructure. A first step to develop a social development activity of council will be taken to promote alignment of social development activities in the district and to advocate for and support the fantastic services that we have delivering for our people. The promotion of housing and workforce development will be priorities for this activity.

Over the coming year we will see the completion of many of our CBD projects – Te Tāhuhu, Skatepark, and Ford Street Reserve in particular followed by the completion of the new commercial building on Church Street. Following the move of our library

to Te Tāhuhu o Te Rangi staff will commence work on the implementation of mobile service to the Coast.

Our proposed rates rise is driven by the operational impacts of the government funded facilities we have been lucky enough to build over the last 12 months, and an increase in depreciation cost as a result of a revaluation of the 3 Waters assets owned by the community. Other drivers are a catch up for our “hold” on rates last year where we held rates down to try to reduce the effect on the community in the wake of the Covid-19 lockdown.

It is a positive future ahead but there is much work to be done.



Mayor Lyn Riesterer

A handwritten signature in blue ink that reads "Lyn Riesterer".



CEO Aileen Lawrie

A handwritten signature in black ink that reads "Aileen Lawrie".

# Consultation document

Council is required under the Local Government Act to prepare a consultation document as a way to consult with our ratepayers. Over a period of four weeks, Council invited submissions from the public on the matters contained within the document and any other matter of importance.

The key purpose of the document is to provide an easier way to consult with ratepayers, and enables Councils to be more innovative in the way that they do this. The document is required to outline the key issues for Council over the next ten years and provide options for the public to submit on. For us the four key issues that were consulted on were:

- Hukutaia Growth – options for providing infrastructure to new development
- Bins at public toilets – the option to install 13 additional bins in our district
- Mobile services on the coast – options for providing new and innovative mobile outreach services
- Social development – options for creating a formal social development activity.

Council also presented other matters for the communities attention including how the harbour training wall assets will be owned by government but managed locally, a review of our Significance and Engagement Policy, our proposal to introduce a stepped regime for water rates, and the allocation of funding for a master planning exercise of our river frontages and harbour area to maximise the benefits for both recreational and commercial users of the harbour.

We received record submission numbers, with views expressed across all of our functions and activities.

On the Hukutaia growth activity submissions were wide ranging although the majority were concerned with affordability for the existing community. In particular existing septic tank owners were of the view that there was no evidence that septic tanks were creating a problem and that their investment in their systems was significant. We decided to progress with doing the detailed investigation for a scaled down option to only greenfield developers with a user/government pays funding assumption. We propose to lodge a business case with the Housing Acceleration fund as soon as possible.

Responses to the proposal to provide bins at public toilets were both for and against. Given the split, and the pressure to manage rates increases, council decided to reduce the funding allocated and will look at locations for bin placement in the new financial year.

Recently our community has had a number of rain events that have reminded us that climate change is upon us. In line with our previous LTP Council will maintain its climate change projects that appear in the later part of the 10 year period of the plan. There is much investigation, modelling and consents to gain, to do the required work.

A majority of submitters supported our intention to provide mobile services to the Coast. We have moved this out a year to manage rates increases but also to manage workloads and ensure successful not rushed delivery.

The proposed Social Development Activity attracted a number of insightful submissions. Council decided to proceed with the activity noting that it does not intend to be a service delivery agency, but rather a facilitator for alignment of services and an advocate for our agencies.

Significant events during the consultation period were:

- New Zealand Transport Agency (NZTA) decision to reduce its allocated funding to our district meaning we have had to tighten our maintenance budgets
- The results of the independent revaluation of our 3 Waters Assets were reviewed upwards, meaning there has been an increase in our rates to fund depreciation
- The implementation of the Local Government Amendment Act defining unused Māori land as unrateable.

These decisions have meant we have been able to decrease our overall rates rise from 6.48% to 6.33%.

# Part One – Council Priorities and Direction

Te Wahanga Tuarua

## Financial strategy and planning assumptions



During the build of Te Tāhuhu o Te Rangī

# Looking Back

## Introduction

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

## Now

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

- Identification and improvements to key infrastructure issues so that the community is in a good position to cater for future growth opportunities
- Making best use of shared services, partnerships and external funding opportunities in pursuit of the affordability principle whilst at the same time investing in assets that promote community well-being and prepare the community for future growth
- Working closely with key stakeholders and partners in the developing Aquaculture Industry to help them realise their vision, which is in alignment and complementary to Council’s own vision for the District, including work over a twenty year period scoping, investigating and gaining consent for twin training walls through to obtaining Central Government funding to carry out the construction in order to reduce the rating impact on our community
- Maintaining a sound financial position so Council is well placed to invest (in partnership with other stakeholders) in the development of the Ōpōtiki Harbour to ensure that the Ōpōtiki District reaps the benefits of a fully developed aquaculture industry
- Lifting the capability of staff and systems to be ready for growth and increased demand for council services.

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

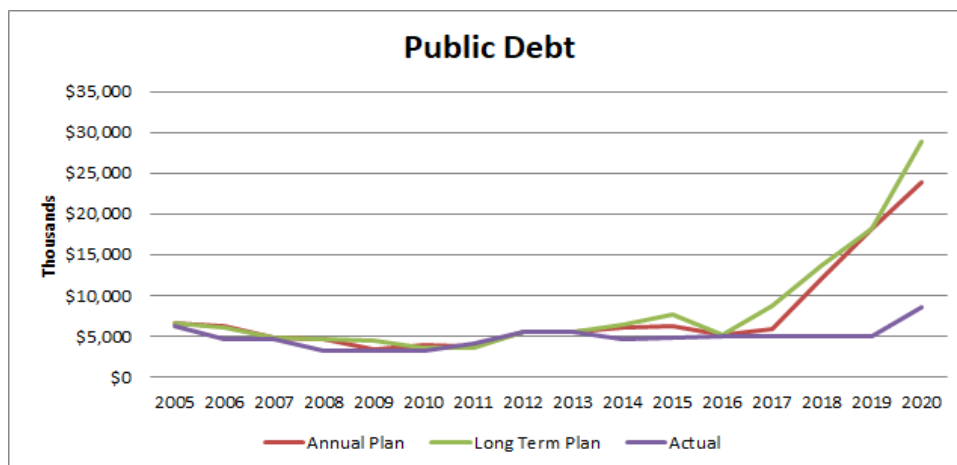
2018-28 Long Term Plan Project:	Description:	Progress to Date:
Library Upgrade \$3.3m	Redevelopment of the Library, dependent on external funding. Planned for 2015/16.	This project received Government funding to build the project as part of the Covid recovery package. The build of the new facility will be completed by June 2021.
Harbour Transformation Project \$52m	Development of a navigable harbour entrance to enable growth in the district and aquaculture. Planned for 2019/20.	The now \$100M project received the green light to be funded by Government/BOPRC in February 2020, along with part funding for the mussel processing plant and Marine Industrial Land development. Significant works have been undertaken to date and an expected completion date is late 2023.
Ōpōtiki Sewerage \$13.7m over term of the LTP	Renewal of reticulation to overcome groundwater infiltration and extend supply to other areas.	Investigation was undertaken over 2016 and 2017 and a more affordable replacement and relining project was devised, savings so far have been approximately \$5 million however additional analysis completed in 2020 suggests there is yet several components of work to be completed. 3 Waters covid recovery funding has also been obtained to support a package of sewerage upgrades.

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



community as an opportunity in 1994. It was included in the 2007-2008 draft annual plan, but never implemented due to cost. In 2010 significant government funding was obtained in partnership with DOC, Whakatōhea and the Gisborne District Council and the trail was constructed by 2012. The Eastern BOP Cycle Strategy was developed and proposed a Trail linking Ōpōtiki to Whakatāne.

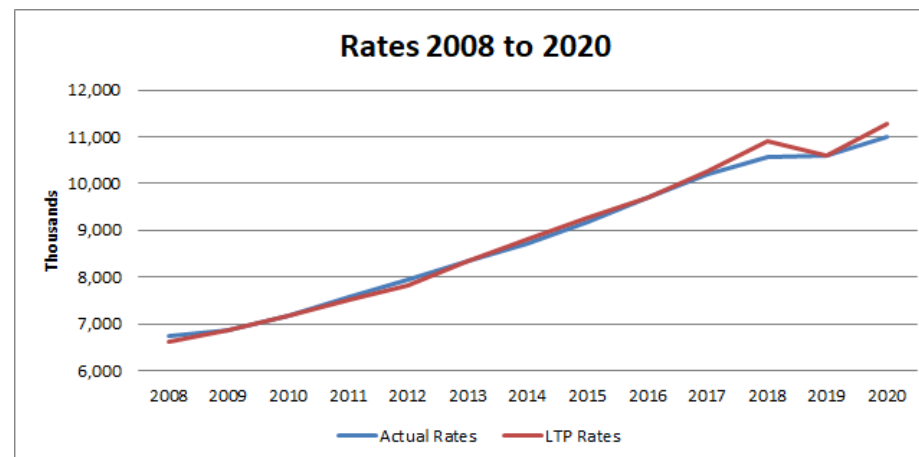
The graph below demonstrates how effective Council’s strategy has been in terms of reducing debt to strengthen its balance sheet with actual debt being well below Community Plan forecasts in the most part. Council has only departed from the debt reduction strategy in recent times to address critical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



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

Council has also maintained its rates revenue in line with Long Term Plan Forecasts. The graph below shows that historic rate increases have been closely aligned to Rate

Revenue Forecasts over the last three Long Term Plans. This demonstrates a disciplined approach by successive Council’s when considering affordability.



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

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

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

# Future Priorities and Direction

## The 2021-2031 Long Term Plan

The 2021-2031 Long Term Plan (LTP) shifts from the strategic theme of passive financial consolidation consistent over the last few LTPs to proactive project management. A significant portion of the Ōpōtiki wastewater reticulation rehabilitation has now been completed and we now turn our focus to upgrading the treatment and disposal infrastructure to cater for growth. The harbour development project is under way, funded by government and BOP Regional Council with council heavily supporting the implementation of the project.

## Harbour Transformation Project

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

This nationally significant project dates from 2001 when the potential for a job rich aquaculture industry was identified as a major opportunity in the productive eastern bay waters. The role of Whakatōhea as kaitiaki and developer of the water space has been a crucial component, as has the commercial lens brought to the opportunity by Whakatōhea Mussels Ōpōtiki Limited, and the council's determination to deliver the required infrastructure.

Currently there is 4750 ha of consented water space with 2 consents majority owned by Whakatōhea. A further 4050 ha is in process and a further 5000 ha "reserved" with an agreement in principle to settle between the Crown and Te Whānau a Apanui. Independent reports show up to 17,000 ha may be sustainably farmed in the long term.

An independent assessment of the Social and Community Benefits associated with the Aquaculture Industry and the Harbour Transformation Project points to quantifiable social benefits in the areas of increased employment and increased household income coupled with reduced welfare dependency within the Ōpōtiki District. Further, the report cites increased home ownership, reduced overcrowding, reduction in criminal offending, the revitalisation of Iwi, population growth, and an increased rating base as some of the non-quantifiable benefits that will flow from the combined projects.

Given the positive social and economic benefits for the Ōpōtiki District Community, the Eastern Bay of Plenty, the region and New Zealand as a whole, the Bay of Plenty Regional Council and Central Government are key stakeholders and funding partners.

To make the programme of activity as successful as possible it is important that as many locals as possible gain employment and opportunity from the investments. Alongside the planning for the Harbour build, Council has been planning and implementing projects to ensure essential infrastructure (such as sewerage) is in place and capable of meeting the needs of the community. Work has also been ongoing in workforce development and employer readiness. More recently Council has been considering the constraints to housing in the district and advocating for government investment and support.

## Wastewater

Over previous LTP periods Council has been considering the needs for upgrade of the Ōpōtiki town sewerage system following increased inflow and infiltration into the system and in preparation for growth. A major investigation project commenced in September 2014, to assess and monitor performance and to assess condition of the reticulation. Council then having considerable knowledge about the state of the assets determined that the best strategic approach was rehabilitation of the asset rather than full like for like or alternative methodology replacement.

In 2017 Council decided on a rehabilitation option and commenced a \$12 M project in the 2018-2021 LTP, completing the work at a cost of \$5M with savings obtained across a number of factors. Planning for an upgrade of the Ōpōtiki wastewater treatment facilities was carried out and works commenced with the assistance of the government post covid 3 waters recovery funding. Further planning work is required to consider providing for growth that is being experienced now. The infrastructure strategy sets out a programme of work that potential unlocks significant areas for development in the Hukutaia area. Council has also signalled the intention, and had encouragement, to seek funding from governments Infrastructure acceleration fund to assist with accelerating development. A detailed work programme is proposed over the coming 12 months to manage risks, and costs arising from development.

## Summary of Substantive Projects

In summary the LTP represents a relatively simple proposition of getting prepared for future growth opportunities. The most significant activities over the next ten year period are:

- the Growth projects happening in and around the district:
  - Harbour project, and the programme of catalysed opportunities,
  - The government, and private, investment in kiwifruit expansion (both growing and processing).
- Managing the effect of growth arising from those developments.

## Stormwater

It is well known that the township can experience flooding just from intense rainfall falling on the village. Over previous LTP periods Council has been carrying out investigation into the state of the stormwater system in the Ōpōtiki township, including computer modelling to confirm the construction works required to address issues. A number of mitigation projects are proposed in this LTP and further out.

The Ōpōtiki Stormwater scheme suffers from poor performance due to how it was originally built, which didn't anticipate the full development of the town. Our priority projects in the 2021-2031 LTP term will deliver a major upgrade to the "spine" of the stormwater network - the Tarawa creek and pumpstation - and better connection to this network spine from Richard Street. This will provide reduced flooding in a number of areas in town that drain to the creek.

The 2018-2028 LTP included the construction of storage ponds to reduce flooding when the network couldn't cope with stormwater volumes. That work has been deferred in this LTP due to the amount of capital work planned in wastewater. This delay will also provide a chance to confirm the anticipated benefit of the Tarawa Creek, and review the need for the ponds based on those observations.

Alongside these construction projects, we will use the stormwater model to understand how to address areas of the network that are causing acute problems for a small number of houses. Council is aware that, for some people, the lack of stormwater network drives behaviours like connecting downpipes to gulley traps or results in a small groups of houses that suffer flooding more frequently than their neighbours. The goal is to develop a prioritised plan for addressing these issues over time, now that the problems affecting the Tarawa Creek have been understood and are being addressed.

## Other Key Projects

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

	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028	Forecast 2028-2029	Forecast 2029/2030	Forecast 2030/2031
<b>Capital Expenditure by Activity</b>										
Community Development	-	-	-	-	-	-	-	-	-	-
Community Facilities	11,782	2,952	5,158	3,289	170	117	326	324	220	130
Economic Development	10	62	11	11	11	12	12	12	13	13
Land Transport	2,349	2,427	2,640	2,685	2,705	2,422	2,632	2,601	2,887	2,948
Regulation & Safety	-	-	-	-	-	-	-	-	-	-
Solid Waste Management	188	77	79	82	84	86	89	92	94	97
Stormwater	3,683	1,374	1,422	919	1,291	3,554	1,465	3,182	4,934	389
Support Services	516	1,532	307	316	325	449	344	397	364	374
Wastewater	2,200	2,207	1,923	6,635	1,395	2,236	1,333	1,377	136	10,303
Water Supplies	1,236	1,185	300	540	2,166	995	1,846	785	383	244
	21,865	11,791	11,840	14,475	8,148	9,871	7,248	8,576	9,011	14,498

## Cycle Way

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

## Property

### Te Tāhuhu o Te Rangī - Library Redevelopment

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

## 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). Further funding has been set aside for carrying out the works identified by the masterplan, and this work is planned to take place in year 3 of the LTP.

## Land Transport

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

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

## Water Supplies

The Water Supply for the Ōpōtiki central township underwent an almost total scheme replacement in the mid-1990s, as such the Township's infrastructure is considered to be in good condition and performing satisfactorily to meet current levels of service.

Capacity upgrades are planned on the network to provide for growth in Hukutaia. The timing and details of this work will be confirmed during year 1 of this LTP, with construction to follow as required by actual growth. This work will also address the old Hukutaia water reservoir and the Crooked Road rising main being at end of life and requiring replacement.

Following the Havelock North water supply contamination disaster, Council can no longer assume that the bores we use to supply Ōpōtiki are always free of bugs. We are planning to install UV systems to guarantee that the water is treated safely.

The Te Kaha water treatment plant struggles to cope when storms stir up the stream that feeds the plant. A project is planned to undertake a major upgrade the treatment plant and the raw water source. Ideally, this will involve a change to using a bore for water supply, with initial investigations showing good promise.

There have recently been changes in the requirements for private water supplies. This may mean that over the next few years Council may have to become more involved in supporting marae, farms, and coastal communities with small schemes to always deliver safe drinking water. Council will respond to this as the new water regulator, Taumata Arowai, begins to roll out these responsibilities to private scheme operators.



Prime Minister and Ministers visit Ōpōtiki - 30 April 2021

# Financial Strategy

Ōpōtiki District Council's Financial Strategy is an essential element in the 2021-2031 LTP. Council must be financially sustainable to continue delivering services to its communities in the future. This involves a balancing act of delivering services while keeping rates affordable, ensuring equity between current and future generations and fairly sharing the costs of delivering these services across users.

This financial strategy sets out the key financial aspects of the Council's overall direction and how it plans to manage its financial performance over the next ten years to get there. It provides a guide for how we will consider and approach funding and expenditure proposals. It will also inform all subsequent activity decisions made during this 2021-2031 ten year planning process.

The subsection 'Looking Back' has reviewed Council's past strategic direction and considered at a high level how that past translates into a way forward over the life of this LTP. It paints a picture of how Council has had a long run strategy of strengthening its financial position so it has the capacity to respond to growth opportunities in the future. It also explains that a key growth opportunity is available to the community within the next ten year period.

The subsection 'Future Priorities and Direction' explains how Council proposes to capitalise on its long run strategy of consolidation and preparedness to invest in growth supporting opportunities over the life of this LTP. This Financial Strategy seeks to explain how the Council intends to do that in a financial sense.

The key opportunities within the life of this LTP are the Harbour Transformation Project and the Ōpōtiki Wastewater Reticulation Network extension. By the end of this Long Term Plan Council would like to see the wastewater reticulation network extended to Hukutaia and Woodlands, and the Harbour Transformation Project completed with a vibrant and growing Aquaculture Industry present within the Ōpōtiki District. Combined, these two projects will see an increase in population, employment and the number of rateable assessments and all the other positive benefits that come with such growth. However it is important that these milestones are achieved in a manner that maintains financial sustainability over time. Council wants to ensure that the capacity it has created will provide long lasting benefits to the Ōpōtiki District into the future. This means investing wisely, monitoring financial performance closely and establishing meaningful parameters around debt and rate

funding to ensure that the right investment decisions are made today so they do not create a burden for the residents and ratepayers of tomorrow.

Ōpōtiki Districts population is expected to increase by 2,656 people (1.3% per annum), and 1,045 households by 2031. We don't expect any significant change in land use over the term of this LTP except for that which is aquaculture related. We are aware of a number of proposals for land based aquaculture to support the offshore aquaculture industry, but there is still work to be done to understand what the infrastructure needs are, in any, for this new industry.

We also expect to see continued growth in kiwifruit development, particularly up the coast through PGF funded developments. The capital and operational cost of providing for this growth is outlined in detail in Council's 30 Year Infrastructure Strategy.

Council is a large and complex business. Each of the Council activities is made up of a number of services that our communities receive. The cost of doing business is driven by a number of factors, including the level of service, the growth in population, and the assets required to deliver the services to the community.

To ensure financial sustainability and affordability it is important that Council continues to have a very good understanding of its expenditure. It needs to be clear as to what it is spending money on and why.

There are two types of expenditure; operating expenditure and capital expenditure. Operating expenditure is spent in normal business operation, and capital expenditure is money spent buying, renewing, or upgrading assets such as plant, equipment and buildings.

Council's spending is generally for one or more of the following purposes:

- Maintaining existing service levels – cost to deliver services including maintenance and operations
- Increasing service levels – additional cost to improve services
- Adding capacity for growth – extending a service for new households or other growth.

Like any other business Council buys goods and services so it can deliver services to the community. The cost of those goods and services, like any other, increase over time due to inflation. Inflation incurred on Council costs is different from household

inflation because the spending is on different goods and services, such as asphalt for roads. This is reflected in the local government cost index that has been used to calculate budgets in the 10 year forecasts.

Local government costs are currently increasing at a higher rate than household inflation, and are predicted to continue to do so. Further, the historic trend has been one of increasing devolution of responsibilities from central to local government. The cost of servicing existing infrastructure is increasingly expensive. These factors mean that costs are continuing to increase, and Council is very aware of the burden that will place on ratepayers.

Council is concerned about the level of rate increases required to fund the services that it delivers and that income levels within the Ōpōtiki District are lower than the New Zealand average, and that some ratepayers are reaching their limit in terms of ability to pay. Balancing these concerns with customer expectations for improved services, and the need to invest in growth opportunities for the District, continues to be a challenge.

In response to the challenges faced, Council is looking to balance the investment required to achieve a prosperous, vibrant and green district, while keeping funding affordable over time and maintaining a sound financial position.

The following self-imposed ceilings on Public Debt (borrowings) and Rate Income are introduced with a view to provide the community with some certainty for the future.

## Affordability

Council has always considered affordability as a key issue for our community but has lacked reliable quantified information to assess the affordability of rates on the community.

Bay of Plenty Regional Council and Ōpōtiki District Council both procured affordability reports in 2019 and 2020 respectively. These reports were prepared by BERL and looked specifically at what possible households in the region and district might have affordability issues. The reports outlined that the main area for concern for Ōpōtiki was those on pensions with no other sources of income. The report also suggested that the rates rebate scheme does not sufficiently address affordability issues. In some cases the rates levied by ODC are not high enough to trigger a large enough rates rebate to make a tangible difference to those that need it.

Anecdotal evidence suggests that rates over 5% of household income could result in potential affordability issues. The most recent data that we have to test this or measure against is the 2018 Census data, which is grouped up to a statistical area level, comprising of a group of properties numbering between 100-200. This survey was undertaken pre-Covid, so the landscape and household incomes may have changed since. Unfortunately without access to household income at a household level the 2018 Census is the best source of information that we have.

We will use this information for the following affordability purposes;

- To ensure current rates and proposed rates increases are affordable
- To identify how many additional rating units we need over the term of the LTP to ensure that the proposed capital projects and subsequent borrowing is affordable.

The first is reasonably easy to do as we can assess current and proposed rates against household incomes at a statistical area level, which will at a high level provide us with a rates to household income percentage. The aim will be to keep these percentages below 5%, and investigate further any incidences where the rates are close to or above that level. For the purposes of the studies undertaken above we included BOPRC rates, including the river scheme rates. In preparing this Long Term Plan we will not have access to proposed rates for the Regional Council, so we will need to make some assumptions about these in certain instances.

Understanding affordability in the outer years of the LTP is more difficult to ascertain as it requires estimates of growth and household incomes. We will certainly be able to undertake rates scenarios at a household level, however these will be based on the current number of properties in the district.

Running this analysis later in the LTP will undoubtedly indicate affordability issues for some households, and possibly some rating areas. The likely reasons for this will be increased expenditure or capital works required in a particular targeted rate activity to allow for growth, or increase levels of service.

The outcomes of undertaking this work is that it provides Council and the community with three things;

- An understanding of how many additional properties are needed across the district, or in certain instances, within a targeted rate area, to make rates affordable. This is the more slices of the rating pie scenario, where total rates required is the pie, and the more slices there is the less each household pays.

- An indication of possibly where we should be aiming to move median incomes in our district. This is something that Council will have little control over, but as a community we can influence.
- Finally it gives both Council and the community an understanding of what is affordable, and what realistically isn't. If we don't predict any movement or increases in additional properties or household incomes then we need to remove costs to maintain rating levels. This could result in reducing levels of service to the community, or not undertaking significant capital works projects.

We are aiming for this LTP to include all three outcomes listed above. We are expecting growth in the number of properties across the district due to the significant job creating projects that are underway, we also expect that these jobs will lift median incomes across the district, and Council can manage expenditure and projects to ensure affordability as best as it is able.

To set the scene around affordability one must consider what factors would affect affordability, this is someone's ability to pay. Ultimately there are two key factors that we will be reviewing to assess this;

- Incomes, and
- Rates

Incomes – as eluded to earlier we have access to the 2018 Census data at a Statistical Area level for assessing incomes. We have both average and median household incomes at these levels now. For the earlier piece of work we did regarding affordability we only had average incomes, which are somewhat higher than median incomes, which is the middle value. Average incomes can be swayed significantly by outliers which does not make them a good measure to go by.

Rates – we have this at a property level as we are the agency that sets these.

So whilst it is not as granular as we would like, which ultimately would we would have both sets of information at a household level so we could assess true affordability, it is still a reasonable assumption to start from.

The property types that we are specifically targeting to measure affordability are single unit residential properties, i.e. not commercial properties, farms, kiwifruit orchards, or even multiple unit residential properties, which are likely to be rentals.

We are assessing affordability on these properties because the household income data from Census that is relevant to these properties is before any household

expenditure is taken out. Whereas the other property types are for most parts business operations, and have household incomes that are net of household expenditure, i.e. after costs have been taken out. Including these properties in the assessment would paint a much better picture than would likely be the reality.

We have nearly 3,000 properties spread across the district that fit into the category of single unit residential, i.e. their primary purpose is to house a family, and they do not have multiple service connections that could skew the data and results of the assessment.

The results of the assessment of affordability for year 1 of the LTP are tabled below:

Ward	# Properties	Average Rates	Median Household Income	Rates to Median Income %
Coast	671	\$1,318	\$41,640	3.17%
Ōpōtiki	1,537	\$2,096	\$45,103	4.65%
Waioeka-Waiotahi	672	\$1,915	\$61,915	3.09%
<b>Total</b>	<b>2,952</b>	<b>\$1,848</b>	<b>\$49,922</b>	<b>3.70%</b>

There are approximately 550 properties within the 3,000 that could potentially have affordability issues in year 1 of the LTP. That is that rates on those properties could be over 5% of their household incomes. This ranges from 5.03% up to 8.27% based on the rates at a property level and the median household income for that Statistical Area Level.

This means that possibly 18% of single unit residential properties could have rates affordability issues.

Investigation identified that all of the 550 properties are located within the Ōpōtiki township between the two rivers, which means the percentage is about 36% of properties could have affordability issues, which is a significant number.

We need to undertake further investigation into these properties to ascertain true affordability. In Ōpōtiki the 2018 Census had 45% of residential properties as not being owned, i.e. that they are rental properties. The rates for these properties would therefore be a cost to the landlord and not the tenant. The problem is we do not have data on landlord income levels, so are assessing rates affordability against those who pay rent.



Ōpōtiki township ratepayers have the highest level of fixed charges of all ratepayers, they are also levied with some of the highest Regional Council targeted rates as well. Only 37% of the rates levied on the 1,537 single unit residential ratepayers in Ōpōtiki are general rates, meaning that 63% of the rates they pay are fixed charges. The UAGC is a fixed charge and is currently set at 21% of total rates. Further information relating to the UAGC and the impact on affordability is provided later in this Financial Strategy.

What does this picture look like for year 10 of the LTP?

If we don't lift median incomes, and the district doesn't grow over the next ten years the assessment of affordability looks like this:

Ward	# Properties	Average Rates	Median Household Income	Rates to Median Income %
Coast	671	\$2,072	\$41,640	4.98%
Ōpōtiki	1,537	\$3,497	\$45,103	7.75%
Waioeka-Waiotahi	672	\$3,064	\$61,915	4.95%
<b>Total</b>	<b>2,952</b>	<b>\$3,022</b>	<b>\$49,922</b>	<b>6.05%</b>

Again it is those located in the Ōpōtiki Ward that are the hardest hit with an average rates to median income of 7.75%, meaning there will be properties with levels much higher than that. There are only two Statistical Areas (51 properties) within the Ōpōtiki Ward that have a rates to median income of less than 5%. Both of these are across the river in Hukutaia.

In order to alleviate affordability of rates on those living in town there are two things that need to happen, neither of which we can control as Council, but as a community we can influence. These are;

- Lift median incomes, or
- Increase the number of properties in town

The median income per household of those living in town according to the 2018 Census is \$45,000. In order for the proposed rates in year 10 to be affordable the median income per household would need to increase to \$70,000. This would mean we would need to see an increase of close to \$2,500 per year per household to achieve this level.

The alternative is to increase the number of properties that the rates are shared across. If the median income per household remained at \$45,000 the number of properties would need to increase by 850 for rates as a percentage of median incomes to remain at or below 5%. This would equate to an increase of 85 properties per year.

In reality it will likely be a combination of both that is needed to keep rates affordable, for example if we lifted both incomes and increased the number of properties by 2.5% per annum rates would remain below 5%.

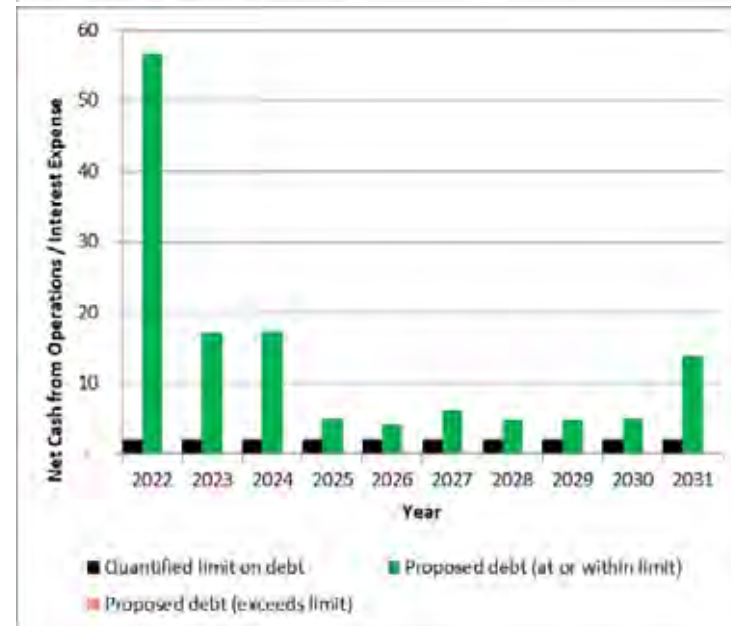
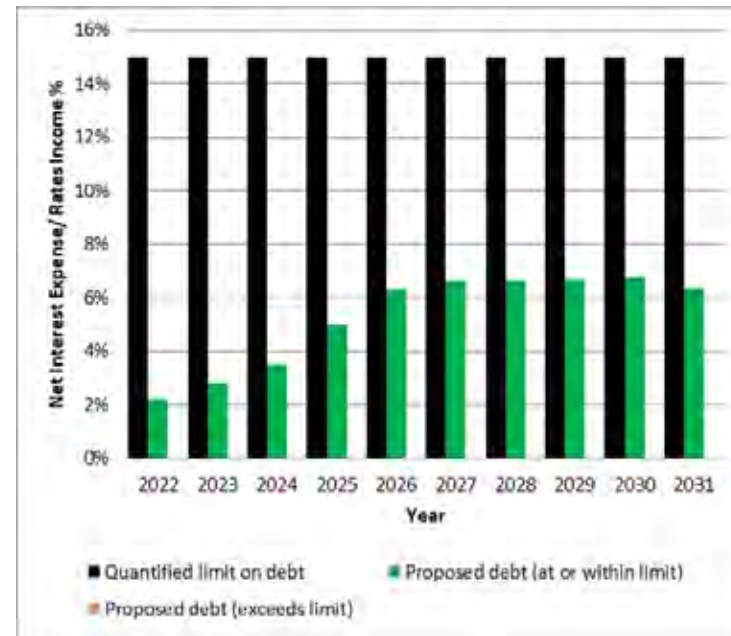
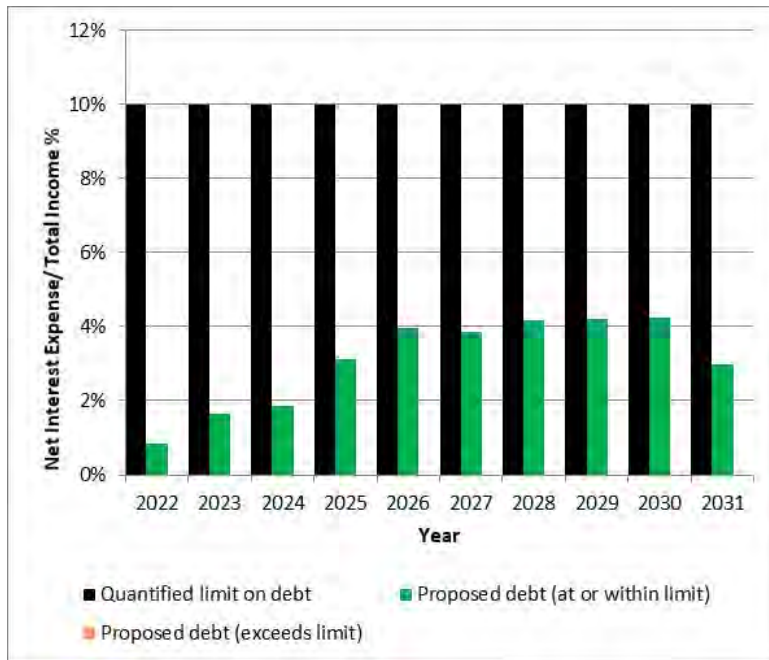
**Borrowings**

Council intends to increase borrowing over the life of this LTP, mainly to fund infrastructure projects that will generate and allow for and manage the effects of growth. Council has been reducing debt over time in order to have the capacity to invest in growth opportunities when they present themselves. The planning assumptions section of this LTP point to a range of growth opportunities that will present themselves over the next decade and that the community must be ready for. Borrowing is a useful mechanism to finance the construction of long-term assets. By financing long-term assets through debt Council seeks to provide a balance between funding from current and future ratepayers, matching the cost to those who receive the benefits, thereby establishing inter-generational equity.

Council recognises the need to manage its finances in a sustainable and affordable manner and therefore has established some borrowing parameters to ensure that investment priorities are carefully considered and are within the financial reach of the Ōpōtiki District Community. These limits are derived from the Council's existing Treasury Risk Management Policy:

**Borrowing Limits:**

- Net interest expense/total revenue < 10%
- Net interest expense/rates revenue < 15%
- Net cash flows from operating/interest expense > 2



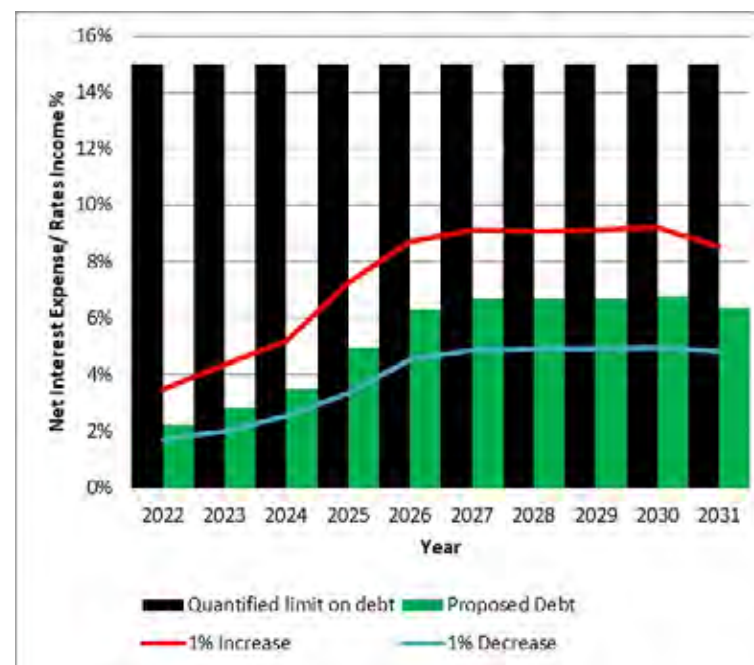
The graphs above outline how Council expects to perform against all of the borrowing limits specified. Right through the LTP Council falls within the limits set in the financial strategy.

We think that it is prudent to illustrate to the community that Council is proposing to move from the low growth scenario that we have been constrained by for a number of years to one of high growth. At this stage though Council thinks that it is also prudent to retain the low growth limits for this Long Term Plan due to the current socio-economic constraints of the community. Council will review and revise these limits again when compiling the 2024-34 Long Term Plan. At that time the growth associated with the increased economic activity, housing development, and growing aquaculture industry will be better understood.

Council will use debt to finance long term projects and capital expenditure. The large scale projects and other smaller projects mean that gross debt levels will increase from the current \$8.5 million to \$38 million out to the end of the 10 year plan.

The next graph outlines the expected borrowings over the term of the LTP. Debt is proposed to increase through to 2027 where it stabilises at around the \$34 million level. The big driver for the increase in debt is the need to invest in three waters infrastructure.

As part of putting together the financial strategy for this Long Term Plan we deemed it prudent to undertake some sensitivity analysis on interest rate movements. Should the interest rates applicable to Council debt move 1 – 2% over the term of this LTP Council will still remain within the limits set as it would increase revenue to offset the increase in interest expenditure. Alternatively if affordability was of particular concern in relation to a project Council may choose to not undertake, delay, or seek external funding for the project.



To borrow money (either from banks or the LGFA), the Council has to offer lenders some security (just as homeowners do with their mortgages). Like most councils, we secure our debt against our rates income, rather than against physical assets like land or buildings. This means that lenders can make us increase rates to repay debt under certain circumstances. Using this form of security helps to keep the interest rates on our debt low. The Council’s full policy on security for borrowing is known as the Treasury Risk Management Policy and Procedures. This is available on the Council’s website.

LGFA has a number of limits associated with borrowing. These are;

- Non-guaranteeing Councils can only borrow up to a maximum of \$20 million before they are required to become guarantors
- Guaranteeing and shareholder Councils can borrow up to a maximum of 175% net debt to revenue before they have to obtain a credit rating.
- A maximum limit for all borrowers of 250% net debt to revenue.

In 2025 Council is proposing to borrow over \$20 million and will need to become a guaranteeing Council. Interest rates received by guaranteeing councils are more favourable.

Throughout all years of the LTP Council remains below the current 175% limit.



### Investments

Our treasury risk management policy sets out the detail of the type of investments we currently hold, and our objectives and risk management strategies related to holding these investments. Our approach to investments is set out in this policy.

We are shareholders in the Bay of Plenty Local Authority Shared Services Limited and Toi Economic Development Agency. We also hold a small interest in the New Zealand Local Government Insurance Company Limited, and a 30% interest in Evolution Networks Limited, a local wireless internet provider.

Other than to achieve strategic objectives, it is not our intention to undertake new equity investments. We will periodically review investments with a view to exiting at a time when market conditions are favourable and overall strategic objectives are not compromised.

Any dividend income is included as part of general revenue.

Any purchase or disposition of equity investments not identified in this plan is by Council resolution.

At the time of disposal, we will determine the most appropriate use of sale proceeds.

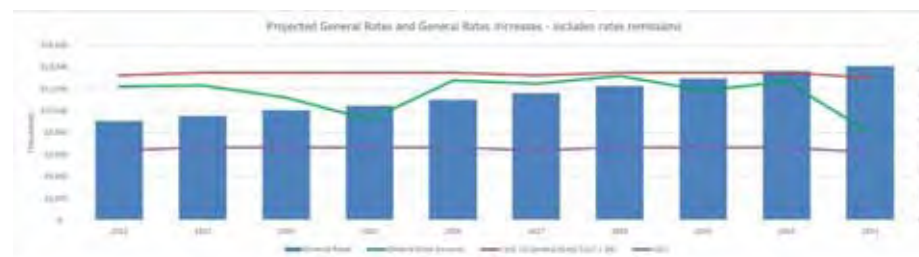
### Rate Income

Currently over 60% of Council's income is derived from rates as it does not have alternative revenue streams such as investments.

### General Rates Cap

Council proposes to limit annual general rate increases to the Local Government Cost Index (LGCI) plus approximately 3%. Individual rate increases for ratepayers may be higher or lower than that average, but the overall increase in general rates revenue will be kept within a total annual increase of this limit. The self-imposed cap provides certainty to the community around future rates increases. This also enables Council to have the flexibility that should a particular group of ratepayers want additional services, Council can cater for this need through a targeted rate to that group. By capping the level of general rate increases this leaves targeted rates separate to enable funding of services for those that want additional services. Council thinks that this flexibility is important given the growth prospects currently in the community. One of the outcomes of the strategy day we had a number of years ago with businesses in the district that is still relevant now, is that Council needs to be there to enable business, not disable it. So the last thing we need is to have a self-imposed rates cap hampering our ability to enable growth in others.

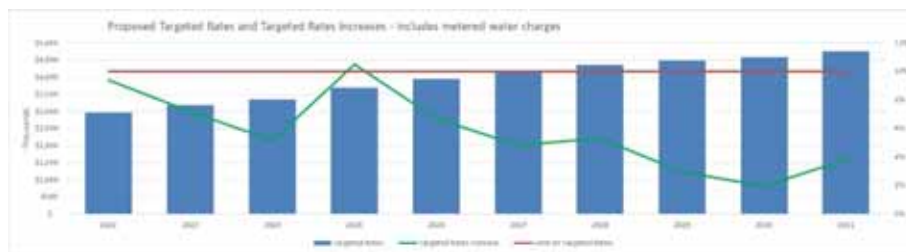
The following graph show forecast general rates revenue over the life of the LTP against the self-imposed cap on general rate increases.



### Targeted Rates Cap

Targeted rates currently make up around 15% of Council's total income. Council sees utilising targeted rates as the most effective way to fund additional services or increases in service levels to those that are willing to pay for them as mentioned earlier.

We have set a cap limiting increases in targeted rates to 10%.



The limit on targeted rates is set high so that we can respond to requests for growth and increases in levels of service. Our planned increases after addressing the inaccuracies in existing funding, and taking into account the proposed services mentioned above, are very low as illustrated in the graph above.

There are two aspects of the caps that we have set in this financial strategy. Our limit on general rates increases places importance on affordability; general rates are by far the largest component of rates, and includes the uniform annual general charge (UAGC). Having a limit set higher than LGCI means that Council is being financially prudent by ensuring it is not financially deteriorating by having revenue increases at lower rates than inflation, whilst still retaining a focus on affordability to the ratepayer, and Council is very aware of this.

### Uniform Annual General Charge

The uniform annual general charge (UAGC) is included in general rates and is a fixed general rate amount per property no matter what the value of the property is. The rest of the general rate is set based upon the capital value of the property.

Historically Council has set this rate at a level that is close to 30% of total rates, this is the maximum level that a UAGC can be.

One of the fundamental objectives of this strategy is affordability, and taking this into consideration we don't think that continually setting the UAGC at the maximum level is affordable for our community, and especially those on fixed incomes and in low value properties. Over the last few years we have gradually reduced the UAGC as a percentage of total rate revenue to around 20%, this year the UAGC is around 21%.

Fixed rates such as UAGC are seen as regressive rates that take more of lower income earners incomes than higher income earners.

We have also taken into account the considerable targeted rate that is applied to Ōpōtiki residents in town by the Regional Council. It is the highest targeted rate for a river scheme in the country and falls on one of the most deprived communities in the country. This rate has had significant increases in the order of 15% year on year recently and the forecast from Regional Council are that they will continue to increase. It is important that not only the cost of our business is taken into account on our community, but also that of others. We will continue to make submissions to the Regional Council to encourage them to consider affordability.

When Council consulted with the community on the Revenue and Financing Policy earlier we had a few submissions from people living in high value residential properties, and owners of kiwifruit orchards, asking Council to raise the UAGC to its maximum of 30%.

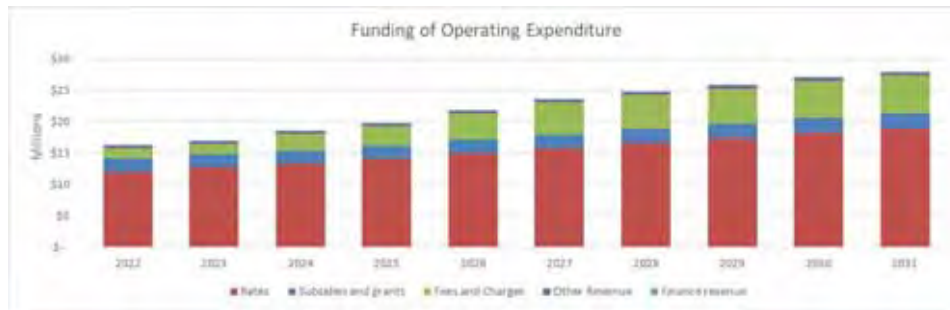
As stated previously increases in the UAGC impact those in low value properties, what we have historically not been able to confirm is the assumption that people living in low value properties have lower incomes than those living in higher valued properties.

Analysis of the 2018 Census data shows that if the UAGC is lifted to the maximum of 30% that those living within decile 10 areas are negatively affected. Rates as a percentage of median household income increases from 4.21% to 4.39% across the whole district. Where those living in decile 4 areas, which are the lowest decile areas within the Ōpōtiki district benefit by having their rates as a percentage of household incomes decrease from 3.70% to 3.61%.

This confirms our assumption, when you compare the median incomes of those in decile 10 areas with those in lower decile areas there is a significant difference. The median household income for decile 10 is \$42,180, where as the median household income for decile 4 is \$71,600.

### Council Expenditure

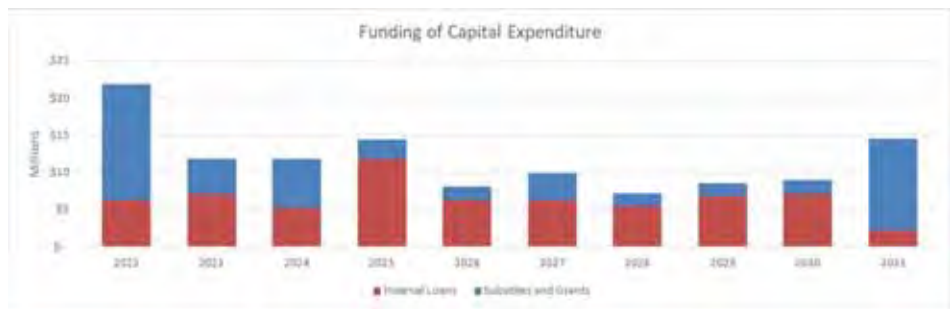
Council is forecasting that operating expenditure will increase from \$17.7m to \$28.2m between July 2021 and June 2031. There is a mixture of funding for expenditure but operating costs, which includes overheads, is mainly funded from rates. The next two graphs indicate the two main streams of expenditure and how they are funded over the ten year period.



Operating expenditure pays for the day to day cost associated with delivering Council services. Just as the costs of running a household increase from year to year with inflation, so too do the costs of delivering Council services. This is because input costs such as the cost of labour, fuel, electricity and other construction costs increase and therefore the cost of delivering Council services increases.

Inflation incurred on Council costs is different from household inflation because the spending is on different goods and services, such as asphalt for roads. This is reflected in the local government cost index (LGCI) that has been used to inflate budgets in the 10 year forecasts. The projected rates and rates increase graph shown earlier shows total operating costs inclusive of inflation as measured by the LGCI at an average of 2.86% per year.

The graph above shows rates will continue to be the main source of revenue for the Council over the life of the LTP however Council is looking to offset future cost increases through increased user fees and charges over time in line with its principles of aligning costs to those who benefit (Revenue and Financing Policy) and affordability.



Capital expenditure pays for buying or building new assets, renewing an existing asset or improving an existing asset to deliver a better service. Capital expenditure in the early years of the LTP mainly focuses on the provision of appropriate infrastructure to enable growth in the Hukutaia area, in total this will cost approximately \$22 million to provide infrastructure for both greenfields and existing households, this will enable the potential for another 1,000 houses in Ōpōtiki.

The large increase in Capital Expenditure in years one to four in the graph above represent the completion of the PGF, CIP, and 3 Waters capital projects that are funded by Central Government, and the significant infrastructure required to enable growth in Hukutaia is planned to occur in year 10 and be funded through government subsidies.

### Funding of Depreciation

Council doesn't have a policy as such around funding of depreciation and how that relates to capital expenditure, in particular capital expenditure to renew existing assets. However in order for Council to focus on the long term sustainability of the asset base and how it is maintained and renewed, the funding of depreciation is an integral part of creating intergenerational equity and ensuring that depreciation expenditure is put to good use. Theoretically depreciation is a non-cash estimate of the value of an asset that has been used up or utilised that financial year. Funding this depreciation is key to ensuring Council is being financially prudent and managing the assets it owns to the best of its ability.

In certain instances the effect of fully funding depreciation may result in current ratepayers bearing a funding burden that is not entirely fair and equitable. Circumstances where Council will take the approach not to fully fund depreciation will be:

- NZ Transport Agency (NZTA) funding – NZTA will fund their share of renewal costs in the year that the renewal occurs. It is therefore not necessary for Council to fund NZTA's share of this cost which is currently 75%.
- Some low use buildings – these may be buildings that are unlikely to be replaced should they be destroyed in a disaster, therefore depreciation should not be funded. However, Council will continue to maintain these buildings as required in the interim
- Internal borrowing – internal loans are used to fund all capital expenditure, and internal loan repayments are funded from depreciation. Internal loan repayments required may in some instances be less than depreciation meaning it may not be necessary to fund 100% of it.

- If it is deemed financially prudent not to fully fund depreciation to avoid unnecessary surpluses or financial burden on particular ratepayers being created.

Making informed decisions about the levels of depreciation that Council chooses to fund enables Council to effectively smooth the impact on rates whilst also being prudent about how asset replacement can and should be funded. Council considers rates smoothing is financially prudent and is an effective mechanism to ensure that rates movements are at a level where they are contained within the acceptable limits set in this Financial Strategy.

### Statement Concerning Balancing the Budget

The Council will not produce a balanced budget in all of the 10 years of the LTP. However, having considered the overall impact of its financial management policies and decisions we believe it remains financially prudent.

In setting the budget Council has had regard for the following matters:

- Maintaining levels of service
- Maintaining service capacity and integrity of assets
- Intergenerational equity
- Compliance with the Council's revenue and financing policies.
- Affordability of rates on the community
- The financial impact of growth



The Council has set the expenditure and revenue at levels it considers appropriate to meet the funding needs of the District over the next 10 years.

We propose that we do not balance the budget for two years over the term of the LTP, this is for 2025 and 2026. The reason for this is that in both of those years we have significant increases in targeted rate funded activities that we need to smooth the implementation and financial impact of. Rather than allocating these costs onto the general rate and funding them, we have chosen to not balance the budget for those two years to reduce the impact. There will still be significant increases in the targeted rates as a result, but we have reduced the increases to a level that we think is affordable.

### Conclusion

Ōpōtiki District Council is looking to balance the provision of services to achieve a prosperous, vibrant and green district, while keeping funding affordable over time and maintaining a sound financial position. This LTP continues with the strategic theme of prudent financial management, affordability and enabling growth opportunities. This is to be achieved by focusing investment on essential services and infrastructure required to support social and economic growth opportunities. General rate increases will be kept to the maximum increase of the local government cost index plus an allowance for growth, with total rates revenue increasing from \$12.0m in 2021 to \$18.9m in 2031.

Debt will increase over the 10 years from \$8.5m in 2021 to a maximum of \$38.5m in 2030 to fund capital projects. We aim to repay external debt as quickly as possible, by 2031 this is reduced back to \$35m.

Overall, Council considers that its financial strategy is prudent and sustainable and importantly responds to the community's expectations and vision for the future of the Ōpōtiki District.

### Relationship to the 30 Year Infrastructure Strategy

This is the third long term plan since the legal requirement to include a 30 year infrastructure strategy in the document was introduced.

Amendments to the Act in 2014 introduced the requirement for local authorities to prepare an infrastructure strategy as part of their LTP.

The purpose of the infrastructure strategy is to identify:

- significant infrastructure issues for the local authority over the period covered by the strategy; and
- the principal options for managing those issues and the implications of those options.

Local authorities hold significant infrastructure assets. Infrastructure operations and works make up most of local authorities' spending. An infrastructure strategy providing, at a minimum, a 30-year view, and offers the opportunity for local authorities to present a strategic picture of their infrastructure portfolio.

In this 30 Year Infrastructure Strategy we have looked in detail at the information that the asset databases are telling us, compared this to what we are planning to do in terms of asset renewals over the term of this LTP, and considered the levels of funding that we are providing to these assets.

With affordability in mind we have evaluated the level of depreciation that we are funding based on two things;

1. The Long Run Average Replacement Cost of the assets that we currently own and are maintaining. This is based upon the 30 year term of the Infrastructure Strategy. And,
2. The level of internal loan repayments required to service not only the renewal of existing assets, but the installation of new assets to respond to growth or demand for increases to levels of service.

There are activities and asset categories where we have chosen not to fully fund the depreciation. In these instances both of the above scenarios have identified that if we did fully fund depreciation we would be funding significantly more depreciation than we would need to over the next 30 years, and would in all likelihood build significant cash reserves for asset replacement.

In this LTP we continue with the funding principles for capital renewal expenditure set out in the 2018 LTP. Prior to 2015 these were funded by rates, which meant that there was inconsistency in rates increases from year to year based on the lifecycles of asset replacement. Or, we made decisions not to renew assets in certain years because if would create a significant jump in rates in that year, this way of funding could have potentially lead to poor asset management principles, and large variability in rates income.

From 2015 to 2018 we funded renewal expenditure from depreciation reserves instead of rates. Rates was used to fund depreciation on the assets, which were then transferred to the depreciation reserve for asset renewals. This had the effect of

smoothing rates increases from year to year, and worked well in concept if done from the time of the asset addition, but had flaws when trying to implement late in asset lifecycles. In most cases these will either build significant cash reserves to fund the replacement of long lived assets over a great number of years, or end up in overdraft because we didn't start building them early enough to fund any significant asset renewals, and we would potentially spend the next foreseeable future trying to fund the reserve out of overdraft. This may not be financially prudent in some cases, and should not be the driver behind how much depreciation we are choosing to fund.

In the 2018 LTP we funded all capital expenditure, including renewal expenditure by internal loan. We still used rates to fund depreciation. However, the depreciation was used to fund the repayment of those loans, not the full renewal of the asset. This had two consequences.

1. It smoothed rates increases as levels of loan repayments will only ever shift slightly from year to year. And,
2. It allowed Council to make judgement calls around the levels of depreciation that need to be funded based on robust information provided from both asset management systems through the Infrastructure Strategy, and the levels of loan repayments required.

Council feels that this method of funding asset replacement will be much more financially prudent over the long term as it creates no incentive to over fund depreciation through overdrawn depreciation reserves. Depreciation is funded to precisely the level that it needs to be funded to maintain the whole asset base, including newly built assets and not just the existing ones.

Council also amended the term of internal loans for financial prudence. Previously Council's terms for internal loans were set at 20 years. This was reasonably consistent across the sector. What we do now is to tie the term of the loan to the life of the asset. This brings alive the concept of intergenerational equity, and ensures that the generation of today do not pay the entire cost of the infrastructure that will provide benefit to two, three, or perhaps even four generations, when you look at some of our long life assets.

This does increase the interest cost associated with the asset over its total life, but with low interest rates applicable to Councils with the Local Government Funding Agency, and the fact that it is internal interest, not external interest, this is of little consequence, and in fact it provides savings to the community by not requiring Council to over fund for asset replacement.



From July 2018, loans on a 100 year asset will be repaid over a 100 year term, and conversely a loan on short lived assets of 5 years will be paid for over 5 years, not 20 years, where potentially one generation could be paying for four asset replacements under the old methodology.

The current Hukutaia growth project is assumed to be grant funded. There is a high level of uncertainty in relation to this assumed funding. If external funding is not available to support the development, then other funding mechanisms will be reviewed as part of the next long term plan.

# Planning Assumptions

## Introduction

Schedule 10 (clause 17) of the Local Government Act 2002 contains provisions relating to 'significant forecasting assumptions'. The Act requires that Council identify the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial forecasts.

This section sets out the significant forecasting assumptions that have been used in the preparation of the 2021-2031 Long Term Plan (LTP) together with their perceived levels of risk to the integrity of the 2021-2031 LTP and particularly the financial forecasts contained therein.

The significant forecasting assumptions are summarised in the table below and are discussed in more detail on the pages that follow.

## Summary of Assumptions

No:	Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
1.	Covid-19	Medium	Low
2.	Recovery	Low	High
3.	Three Waters Reform	High	Medium
4.	Effects of Growth	Medium	Low
5.	Housing	Low	Medium
6.	Future Price Changes – Rate of Inflation	Low	Medium
7.	Future Treasury Changes	Low	Low
8.	New Zealand Land Transport Agency Subsidy Rates	High	Medium
9.	Revaluation of Infrastructural Assets	Low	Low
10.	Useful Lives of Infrastructural Assets and Depreciation Rates	Low	Low
11.	Form of governance	Low	Low
12.	Central government policy Direction	Medium	low

No:	Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
13.	Climate Change and Emissions Trading Scheme	Medium	Low
14.	Population Structure and Growth /Building & Residential development	Medium	Medium
15.	Rating Unit Growth	Medium	Medium
16.	Development of commercial aquaculture industry and a navigable harbour entrance at Ōpōtiki	Medium	High
17.	Treaty of Waitangi Settlement	Low	Medium
18.	Funding of Ōpōtiki Harbour development	Medium	High
19.	Biosecurity Incursions	Low	Low
20.	Availability of Staff/Contractors	Low	Low
21.	Ōpōtiki Wastewater Replacement	Low	Low
22.	Sources of Funds for Future Asset Replacement	Low	Low
23.	Resource Consents	Low	Low
24.	Natural Hazards/Disaster	Medium	Low
25.	Insurance	Low	Low
26.	LGFA Borrower Notes	Low	Low
27.	CIP Projects	Low	Low
28.	Doability	High	Low
29.	Affordability	Low	Low
30.	Hukutaia Growth External Funding	High	Medium
31.	National Policy Statement on Urban Development	Low	Low

## Assumption Detail

### 1. Covid-19

On 31 December 2019, China identified an outbreak of severe respiratory illness related to individuals attending a wholesale seafood market, which was ultimately found to be caused by a previously unrecognised Coronavirus (2019-nCoV or Covid-19). Coronaviruses are a large family of viruses which include the common cold, but also more significant illnesses such as severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome (MERS).

Covid-19 spread rapidly through the Hubei Province of China, and by the end of January 2020 there were over 9,000 cases (and 213 deaths) in China, and Covid-19 was reported in at least 21 countries. By the end of February, there were approximately 85,000 cases spread throughout the world, and by 31 March 2020, over 740,000 cases and 35,000 deaths were reported.

The World Health Organisation (WHO) declared the Covid-19 situation a Public Health Emergency of International Concern on January 30, and on February 11, declared it a Pandemic.

In New Zealand, the Ministry of Health established a National Health Coordination Centre on January 28, declaring Covid-19 a 'notifiable disease'. Representing the start of a series of travel restrictions, from February 3, foreign citizens who flew to New Zealand from China were denied entry. Despite progressive international travel restrictions, New Zealand identified its first Covid-19 case on February 28. On March 14, with the number of identified cases slowly growing to six, the Prime Minister Jacinda Ardern announced that from 01:00 on March 16, all travellers to New Zealand must 'self-isolate' for 14 days on arrival. At the same time, public gatherings of more than 500 people were prohibited, with a significant impact on sport at all levels in New Zealand. By March 19, New Zealand's borders were (with a few exceptions), closed to all except New Zealand Citizens and residents.

Saturday March 21 Prime Minister Ardern announced the Covid-19 Alert Levels, that specified the public health and social measures that were going to be taken to combat the spread and impact of the virus.

Level 1 - Prepare

Level 2 - Reduce

Level 3 - Restrict

### Level 4 - Eliminate

New Zealand was immediately placed at level 2, but by Monday March 23, with confirmed cases at approximately 100, New Zealand was moved to a level 3 alert, with level 4 following at 23:59 on Wednesday 25 March 2020. Level 4 risk assessment was that there was sustained and widespread transmission, with widespread outbreaks, and resulted in all people being instructed to stay home, except for essential services. Travel was severely limited, and there was a major reprioritisation of health services to support Covid-19.

The pandemic peaked in early April 2020 in New Zealand, with 89 new cases recorded per day, and 929 active cases. The country remained at level 4 until 27 April 2020 where it was reduced down to level 3, partially lifting some of the lockdown restrictions. The alert level was reduced further to Level 2 on 13 May 2020, which lifted the rest of the lockdown restrictions whilst maintaining physical distancing and limiting the size of gatherings. On 8 June 2020 New Zealand moved to level 1, removing all restrictions except border controls.

New Zealand remained Covid free from that point (102 days) until 11 August 2020 when 4 cases from an unknown source were reported in Auckland. At noon the following day the Auckland region moved to alert level 3, while the rest of the country move to level 2. This remained for two weeks before Auckland joined the rest of the country at level 2, where we are currently at.

Three subsequent community transmission cases was identified in Auckland in February 2021 which resulted in an immediate shift to level 3 for Auckland, and a shift to level 2 for the rest of the country for 3 days. Following the 3 days the country resumed the previous alert levels.

The virus is still prevalent overseas and we expect that it will be around for at least the next two years, perhaps even longer depending on how quickly vaccines can be developed and effectively distributed, and some time afterwards before populations are inoculated against it.

New strains have emerged which will require continual monitoring and investment into vaccine technology to provide adequate coverage for the new strains. We expect a scenario where vaccinations are done annually in a similar fashion to influenza vaccinations.

We expect that restrictions on entry to New Zealand, border controls, and quarantine measures will remain in place for quite some time, and will have an impact on the early years of this LTP, especially for those areas with high tourism and hospitality spend.

We expect that there will be a lot of returning nationals over the next few years, putting additional pressure on border and quarantine systems as they enter the country, and housing supply once they settle. Retuning NZ nationals may seek to settle in areas remote from the main centres, such as Ōpōtiki. We are aware of the potential to exacerbate pre-existing overcrowding issues in our communities.

Further breakouts around the world could impact our businesses that are heavily reliant on export markets and there may be some supply chain interruptions/adaptations over the term of the LTP as well.

We expect that primary industry sectors will likely remain strong through outbreaks of Covid.

We consider the uncertainty of this to be medium as we do expect it to be present over the next few years. What is unknown is the extent to which it will affect our communities, and whether there will be any localised outbreaks or requirements for our district to go into lockdown in the future.

Council continued to deliver services through the first lockdown, albeit with some delayed projects. Further lockdowns would put a significant strain on a great number of our local businesses. Government support was available for businesses for the first lockdown, but there is uncertainty how long that support would be available should there be further outbreaks. We assume that the government would continue to support businesses.

The Ōpōtiki District sustains a wide spread population, with the most condensed area being the Ōpōtiki township, with approximately half of the district's population residing there. The risk of community transmission in Ōpōtiki is much lower than more densely populated towns and cities. Should an outbreak occur we expect that we could contain it quite safely.

In terms of the impact on the integrity of the LTP we expect that any outbreak and subsequent lock down would be short lived, and at worst would defer some of Councils projects. Our community is an extremely resilient community, and one that

is built largely around the primary sector which managed to continue through the last lock down and record the largest harvest on record.

Our overall assessment of the impact of Covid 19 on the integrity of the LTP is that this is low.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Covid-19 and the associated restrictions and impacts will be experienced internationally and locally over the next few years.	Medium	Low

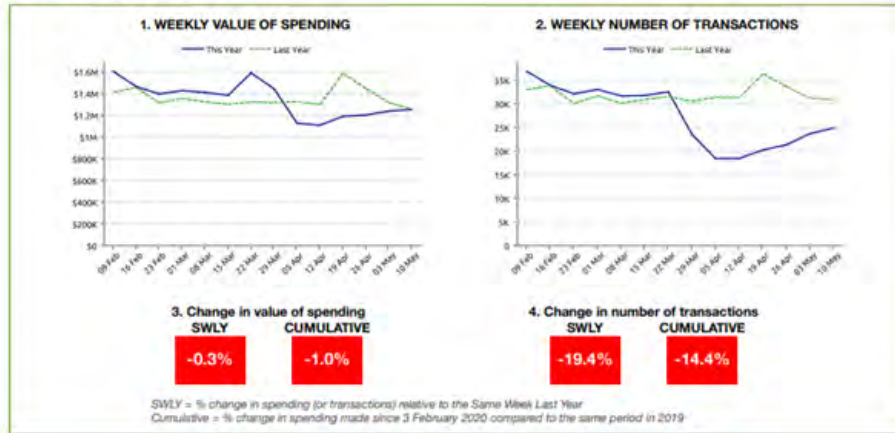
## 2. Recovery/PGF

The recovery from Covid-19 will take some time, more so for communities significantly impacted by drop in tourism and hospitality, and for those Councils that have significant reliance on other revenue streams.

Following the country coming out of lockdown the community embarked on a “spend local” campaign encouraging people within the community to shop locally and spend their money with local businesses to support them. For most businesses that were able to remain open during lockdown and continue to provide services to the community they were the only options for most.

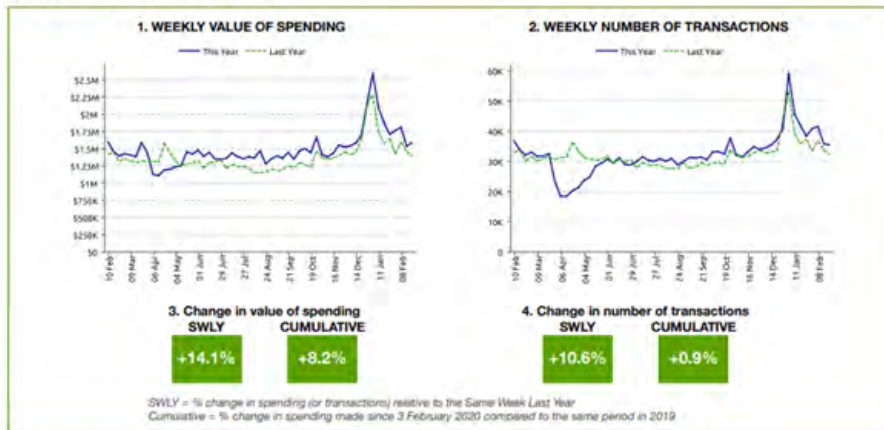
Consumer spend took a significant drop during the lockdown, as seen by the following graph provided by Marketview, but quickly recovered to similar levels to pre-covid.

**WEEKLY CARD TRANSACTION MEASURE**  
**Opotiki District**  
**Week ending 10 May 2020**



The spend recovery was swift, and when compared to the prior year was ahead for most weeks, outlined by the subsequent graph from February 2021.

**WEEKLY CARD TRANSACTION MEASURE**  
**Opotiki District**  
**Week ending 21 February 2021**



Funding injections from government for 'Shovel Ready' capital projects, Provincial Growth Fund, and the increases to benefits enabled this, combined with anecdotal

evidence that our resident population increased by about 500 due to whānau returning home from the bigger cities, and overseas.

The government investment policies on recovery presented opportunity for the Ōpōtiki district. During the development of this LTP the Ōpōtiki District Council was successful in obtaining approximately \$20 million of funding for capital projects and workforce development to help the community retain jobs following lockdown and promote job readiness for the subsequent job growth as a result of the PGF projects.

We assume that further funding will be available in the early years of the LTP and believe the approach is likely to be more structured and aligned with renewable energy and moving the economy to a more sustainable environmental and economic position. Government funding is also likely to be directed towards creating and maintaining jobs, in particular in maori businesses.

We are aware that both of the large political parties are supportive of the Provincial Growth Fund concept, so we expect that it will continue in some form following the election. Both major parties, and a number of minor parties have a track record of supporting the Aquaculture industry, and Ōpōtiki is acknowledged of being important in the achievement of the \$3B industry goal. This will provide further opportunities for the district to benefit from government funding to support the recovery from Covid-19. This is why we think the level of uncertainty is low.

The impact on the integrity of the LTP is high however. Because of low median incomes our community cannot afford the capital projects on its own, we need government support to enable the recovery and subsequent growth that will come from the harbour development and industry. The appetite for the government to fund the Ōpōtiki community is pursuit of its aspirations will play a significant part in this LTP.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
Government funding for the recovery from Covid-19 will form a significant role in the early years of this LTP.	Low	High

### 3. Three Waters Reform

Central Government is proposing reforming the three waters, Water Supplies, Wastewater, and Stormwater by moving the ownership of three waters assets from Local Authorities to aggregated entities, the form of which is yet unknown but will be at least multi regional.

The impact on our community in relation to this is likely to be very significant, and it is uncertain yet what impact this will have on the organisation. Initially we will be provided some funding for projects to enter into a good faith agreement with Government to provide information, through a data capturing phase. From that point onwards it is uncertain what funding is likely to be available and for what.

The level of uncertainty around this assumption is high as there are many issues to be worked through. The advice we have been provided so far is that for this LTP we treat the management and ownership of the three waters as business as usual, and that any potential change of ownership, will happen in the following LTP.

The impact of this assumption on the integrity of the LTP is medium, because the removal of the three waters from council presents an existential risk, and a range of yet to be identified risks to the community, however we do not believe this will happen before Year 4 of the LTP.

The first tranche of funding for this equates to \$3.2 million and needs to be spent on projects before 31 March 2022. It is uncertain yet what the second and third tranches of funding will look like, and what conditions they will come with. The funding provided will enable Council to deliver increased levels of service to the community as well as renewing significant numbers of assets.

Whilst the first tranche is certain, the remainder of the three waters reform is uncertain, so the level of uncertainty is high.

Given the level of funding potentially available and the value of our assets, any funding received over the term of the LTP is likely to be material to the community. The impact on the integrity of the LTP is medium because it is likely that the projects will already be included in the LTP, but the funding will be through grants rather than internal loans.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
The three waters reform will be confirmed over the term of this LTP, but ownership of the assets will remain with Council for the first three years of the LTP.	High	Medium

### 4. Effects of Growth

The district is poised to experience significant growth enabled by the Ōpōtiki Harbour (currently under construction) and driven by our growing aquaculture industry, kiwifruit industry and Treaty of Waitangi Settlements. As a community we have been preparing for this growth for a number of years, but without the certainty of the funding. During 2019 and 2020 the PGF confirmed significant funding in the Ōpōtiki District and as a consequence there are many projects advancing in tandem, with many jobs becoming available.

More recently the impact of Covid 19 has driven a population increase through whānau returning from overseas due to Covid. Nationally we are expecting there will be large numbers of people moving from cities to rural/provincial New Zealand as the idea of going through another lockdown in a city apartment is not a pleasant prospect for many.

The demand for growth, and the subsequent effects of growth, will provide many challenges for our communities. Understanding the growth and the timing of it will be vital in ensuring that Council is investing in the right things at the right time.

We have prepared some growth assumptions as part of preparing the LTP, these assumptions cater for population and rateable assessment growth. We have used these assumptions to inform our infrastructure strategy, which determines our investment in key community infrastructure over the next 30 years. If these assumptions are incorrect then it is likely that there could either be an under or over investment in infrastructure.

There is uncertainty around what the effects of growth are on our community, primarily because a lot of the investment going in to Ōpōtiki over the next three years will be aquaculture related, and a new industry. So it carries some uncertainty around

what support industries will emerge. Also reasonably unknown is what are the infrastructure and treatment needs for the outputs of these industries.

Our assumption is that we have compiled as much relevant information as possible to gain an understanding of the growth, what it will be, where it will be, and what the infrastructure and organisational needs will be, so that it minimises the risk that we have aspects of it missing from the LTP. We expect the level of uncertainty around this to be medium, and the impact low.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That this LTP has sufficiently catered for the effects of growth on the district and community.	Medium	Low

## 5. Housing

There are significant housing needs across the district. Recent data compiled by the University of Otago (2020 report\*) shows Ōpōtiki to be the worst district in NZ for total severely housing deprived rate. Data shows the rate in Ōpōtiki to be high across all categories but particularly the “sharing accommodation” category.

There is currently a shortage of developers in the district so there has been limited housing development to date and there are landowners holding on to property instead of developing on the expectation that they can get better prices later on. Housing development potentially also competes with the high returns from kiwifruit production.

There is a lot of protected land in the district as well, which limits the ability to build. Development up the coast will be constrained by suitable sites, environmentally sensitive locations and wastewater disposal, so we will see ribbon development along the coast.

Elderly housing needs – retirement housing. Changing demographics. Our affordability report outlined that we have over 500 super annuitants living in the district. Living at home for some of these ratepayers may create affordability issues.

The costs of developing and building can be very high relative to the potential return and processes can be challenging.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That the housing needs of the community will be met through Council provided infrastructure and private investment	Low	Medium

\*Footnote: This: University of Otago, Wellington (2020) Severe Housing Deprivation in Aotearoa New Zealand 2018, report prepared by Dept for Public Health for He Kainga Ora / housing and Health Research Programme

## 6. Future Price Changes – Rate of Inflation

The Society of Local Government Managers (SOLGM) commissioned a study to develop price level change adjustors for local authorities to use when forecasting future year expenses through to 2031. The following table lists the forecast annual percentage change for each of the adjustors.

Year Ending	Road (Land Transport)	Property (Property & Facilities)	Water (Water, Sewerage & Stormwater)	Construction (Earthmoving & Site work)	Staff (Salary & Wage Rates Local Government Sector)	Other (LGCI Total)
2022	3.3	3.1	4.5	4.1	2.4	3.3
2023	3.2	2.8	3.2	4.1	2.2	2.9
2024	3.2	2.8	3.2	4.0	2.4	2.9
2025	3.2	2.8	3.3	4.0	2.4	2.9
2026	3.1	2.8	3.4	4.0	2.4	2.9
2027	3.1	2.6	2.6	3.9	2.2	2.8
2028	3.1	2.8	3.3	3.9	2.3	2.9
2029	3.1	2.8	3.3	3.8	2.2	2.9
2030	3.1	2.8	3.3	3.8	2.3	2.9
2031	3.0	2.6	2.6	3.8	2.4	2.7

These inflation assumptions have been applied to both operational and capital expenditure items as the indices include a combined forecast of operating and capital costs. However because of the mixture in the composition of these indices, they may understate (or overstate) the change in process of both operational and capital expenditure.

It should be noted that these inflation forecasts do not allow for spikes that can occur during retendering or contract renewal processes. Such spikes can occur for a variety of reasons, such as changes to service levels or as a consequence of changes in contract interpretation, and are difficult to forecast.

Future price changes different than those forecast above will impact on either service levels or future rate requirements depending on the variance. Such variances can be managed through future reviews of the LTP or via the Annual Plan Process so are considered to be low risk in the context of the 2021-31 LTP.

An important point to note is the distinction between the LGCI (Local Government Cost Index) and the CPI (Consumer Price Index). The main distinction is in the composition of the basket of goods and services that each measures. The basket of goods and services in the CPI represents the overall expenditure pattern of New Zealand households. These include items such as food, clothing and footwear, housing, energy and health. Such items are not directly relevant to, and do not reflect the expenditure of local authorities; hence the construction of the LGCI.

The LGCI is intended to reflect the selection and relative importance of the goods and services which represent broadly the expenditure pattern of local authorities in New Zealand. This basket thus includes more directly relevant items including capital expenditure on pipelines, and earthmoving and site works, and operating expenditure such as local government sector salary and wage rates.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
Future price changes will be within the range forecast by LTP	Low	Medium

## 7. Future Treasury Changes

The key factors for when forecasting future treasury costs include interest received on investments, Interest rates associated with external and internal borrowings and the Council's on-going ability to access external borrowings.

### Interest received on Investments

Interest rates for investments have been calculated as shown in the table below, based on estimated wholesale rates over the term of the plan. Historically interest rates have been higher. However with the current economic downturn post Covid-19 rates have

fallen, and are not expected to recover for 3 years. Council has limited investments therefore exposure is minimal.

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate	1.36	1.29	1.29	1.35	1.44	1.57	1.69	1.82	1.96	2.04	2.12
	%	%	%	%	%	%	%	%	%	%	%

### Interest on External Borrowings

Debt servicing costs on existing borrowing is the actual cost for each loan. Whilst Council is currently enjoying historically low interest rates it is not anticipated this will continue in the medium to long term. The table of assumed interest rates are based on expected wholesale rates over the term of the plan plus a margin of 110 basis points due to it being a small local authority. Council has therefore adopted assumed borrowing rates across the 10-year period as shown below.

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate	3.42	3.27	3.15	3.18	3.33	3.37	3.39	3.40	3.41	3.42	3.42
	%	%	%	%	%	%	%	%	%	%	%

Internal loans interest rates will be the same as the external loan interest rates. The reason for this is that all loan funded expenditure within an activity will be funded by internal loan. The council will have a treasury function which borrows externally to fund internal loans should it not have enough available cash on hand. This will enable more efficient treasury management of investments and loans, and allow Council to keep external debt lower than would otherwise be achieved without the treasury function. Council has estimated interest rates on current levels. If Loans cannot be sourced at the estimated interest rates projected, the costs will differ from those estimated in the Council financial statements. Higher interest rates would have an impact on either service levels or rate requirement however Council considers this assumption to be of low risk as whilst the actual interest rates are likely to vary over the life of the plan there will be times when they are below the assumed rate as well as above.

### Access to External Borrowings

This plan is based on the continuity of funding from an approved banking institution. Council believes that the likelihood of the withdrawal of LGFA funding is low, due to the good credit rating and relatively low risk Council has as a public entity. In addition, Council has the ability to set rates at a level sufficient to cover its costs. As long as Council continues to be financially prudent and can demonstrate financial sustainability over time there is minimal risk attached to this assumption.



<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Future treasury changes will be within the range forecast by LTP	Low	Low

## 8. New Zealand Transport Agency (NZTA) Subsidy Rates

The NZTA subsidy for the maintenance, renewal and improvement of the Local Rooding Network is Council's single largest source of income after rates revenue.

Recent funding changes from NZTA have been made available to Ōpōtiki District Council as this LTP was being finalised, with details updated in the LTP 2021-2031 for the first three years. There is however an increased level of uncertainty for Years 4 and beyond, which is reflected in the level of uncertainty captured below.

A table of forecast funding rates is included below:

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rate	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%

Further changes in subsidy rate and variation in criteria for inclusion in subsidised works programme does represent a level of uncertainty for the LTP. NZTA funding priorities may change over the life of the LTP as aspects of the review process are still ongoing, and variations in subsidy are possible given the priority allocated to Auckland transport issues.

Whilst it is possible that the criteria and level of funding available could vary over the life of the plan the likelihood of such occurring is considered to be low. However given Council's reliance on the NZTA subsidy as a source of operating revenue the impact on the LTP is considered to be medium.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
NZTA Subsidy Rates will continue at planned for levels	High	Medium

## 9. Revaluation of Infrastructural Assets

Infrastructure Assets are to be re-valued every three years in line with Council's Accounting Policies and the outcome may alter the carrying value of Council Assets and the associated depreciation expense. The last valuations undertaken were: Transport – 30 June 2020, Land and buildings – 1 July 2020, Three waters – 1 July 2020. It has been assumed that any future change in valuation will be in line with assumed rates of inflation. As a result Council considers that Asset Revaluations represent a low level of uncertainty for the LTP forecasts.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Changes in valuation will be in line with inflation.	Low	Low

## 10. Useful Lives of Infrastructural Assets and Depreciation Rates

The useful lives assumed in the Asset Management Plans (AMP's) and therefore the LTP are those provided by the National Asset Management Steering (NAMS) Group and used by experienced valuers. Variations between actual and assumed useful lives will impact on the funding of depreciation and the asset renewal programme, however over time the impact is likely to be self-balancing with minimal impact on the forecasts contained in the LTP.

Council has an asset management planning and upgrade programme in place. Council's critical assets are its treatment plants, main trunk lines, and its major pumpstations. We assume the condition of critical assets is consistent with age and expected life, but undertake appropriate condition assessment and replacement where required, when risk of failure is elevated. Overall asset capacity and condition is monitored, with replacement works being planned in accordance with standard asset management and professional practices.

Depreciation estimates are prepared on the basis of the recent asset revaluation exercise and renewal and development expenditure over the life of the LTP. Council uses the straight line method for calculating depreciation on all property, plant and equipment at rates that tie directly to the useful lives of the assets. Certain factors can distort these calculations such as asset revaluations, knowledge of assets (e.g. age, condition etc.) and the level of investment in the renewal and development programme. Such factors are considered to be low risk as they are reviewed on a regular basis and generally in alignment with the triennial review of the LTP itself.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Asset lives and allowances for depreciation are adequate for the life of the LTP	Low	Low

## 11. Form of Governance

While it is assumed that Central Government will provide a relatively stable legislative platform for the existence of Local Government in its present form over the life of the LTP, there are some signals that reform may be coming. The Three Waters reform process that has recently been announced signals a firm direction of travel while remaining “optional” for councils. For this LTP however there is little option other than to assume status quo and plan for the three waters in the best interests of our community. Planning for growth and renewing assets must continue and it is assumed than any entity that either government requires, or council agrees to transfer assets to will continue to operate them based on this LTP. Recent reports and recommendations into RMA reform also signal a firm direction of travel but are not sufficiently advanced to change underlying assumptions. At the same time LGNZ and various parts of government are advocating a locally led agenda.

For a district like the Ōpōtiki District there are reasons why the current form of governance is essential:

- The very strong sense of community brought about by the rich Māori and colonial history, and the geographical isolation
- The harbour development would have been unlikely under a larger Council with governance based elsewhere
- Any agglomeration will result in increased costs that overall the local community cannot sustain.

There is risk however if the Three Waters and RMA reform proceeds that Ōpōtiki District Council would no longer be a sustainable unit of local government. The loss of local leadership would have large consequences.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
No considerable change to the form of governance through the life of the LTP	Medium	Low

## 12. Central Government Policy Direction

Historically successive governments have imposed additional responsibilities on Local Government without associated funding recovery mechanisms. The administration of new and changing legislation, regulations, policy statements, standards, and accreditations over time has been a key factor for increased costs for Local Government in New Zealand. If this trend were to continue then costs would continue to increase as would most likely rate revenue. The past three years has resulted in many, and cumulative, legislative changes that have required changed processes, staff resources to implement and insufficient cost recovery mechanisms. Looking ahead there are cost drivers in waste as levies increase and options for recycling decrease. In the three waters there are consent re-applications needing to be made with unknown standards likely to be imposed. The increased audit standards for our Building Control Act function has had a significant impact on our organisation and the businesses that deal with Council.

Two Treaty Settlements are in process that may also bring increased cost to administer co-governance arrangements.

It is therefore assumed that incremental and cumulative change will continue and costs will rise over time.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Changes to Central Government will have a minimal impact on the role and form of Local Government	Medium	Low

### 13. Climate Change

It is internationally accepted that the earth’s climate is changing, and that further changes will result from increasing amounts of greenhouse gases in the atmosphere. In September 2019, Ōpōtiki District Council added its voice to almost one thousand jurisdictions around the world, and declared a climate change emergency. At 11 February 2020, 16 of the country’s 67 regional and district councils had declared a climate emergency<sup>1</sup>:

NEW ZEALAND		16			
Auckland City Council	1	AUK	1,628,900	11 Jun 2019	
Bay of Plenty Regional Council	1	BOP	305,700	27 Jun 2019	
Canterbury Regional Council	1	CAN	624,000	16 May 2019	
Christchurch City Council	1	CAN	381,500	23 May 2019	
Dunedin City Council	1	OTA	130,700	25 Jun 2019	
Greater Wellington Regional Council	1	WGN	521,500	21 Aug 2019	
Hawke's Bay Regional Council	1	HKB	165,900	26 Jun 2019	
Hutt City Council	1	WGN	105,900	27 Jun 2019	
Kāpiti Coast District Council	1	WGN	53,200	23 May 2019	2025
Nelson City Council	1	NSN	51,900	16 May 2019	
Opotiki District Council	1	BOP	9,100	5 Sep 2019	
Porirua City Council	1	WGN	56,700	26 Jun 2019	
Queenstown Lakes District Council	1	OTA	39,100	27 Jun 2019	
Wellington City Council	1	WGN	216,300	20 Jun 2019	
Whanganui District Council	1	MWT	44,500	11 Feb 2020	
Whangārei District Council	1	NTL	91,400	25 Jul 2019	
No. of New Zealand governments & population to		16	3,603,600	out of total:	4,786,963 75.28%

The Ministry for the Environment Climate Change Projections for New Zealand<sup>2</sup> were updated in 2018, with the latest HIRDS edition to the report. The main findings of the report for New Zealand state that by 2040, temperatures are projected to increase by between 0.7°C (RCP2.6) and 1.0°C (RCP8.5) nationally; the warming is generally highest in summer and autumn, and lowest in winter and spring; precipitation projections are highly variable by region and time, and between models; the frequency of dry days increases for much of the North Island; moderately extreme daily precipitation increases over most of the country, and very extreme precipitation also increases throughout the country.

<sup>1</sup> <https://climateemergencydeclaration.org/climate-emergency-declarations-cover-15-million-citizens/>

<sup>2</sup> Ministry for the Environment 2018. *Climate Change Projections for New Zealand: Atmosphere Projections Based on Simulations from the IPCC Fifth Assessments, 2<sup>nd</sup> Edition*. Wellington: Ministry for the Environment.

With regard to the Bay of Plenty Region, the regional council commissioned NIWA to analyse climate changes for the Bay of Plenty Region. They produced the report ‘Climate change projections and impacts for the Bay of Plenty Region October 2019’<sup>3</sup>.

The projected climate variables for the Bay of Plenty Region were:

- the projected Bay of Plenty temperature changes increase with time, and future annual average warming spans a wide range, 0.5-1.0oC by 2040, and 1.0-3.5oC by 2090;
- the area closest to the East Cape warms the least, with annual warming of 1.5-2.0oC compared with 2.5-3.5oC for most of the region under RCP8.5 by 2090;
- the average number of hot days and extreme hot days is expected to increase with time and scenario, with the largest increase in the central part of the region and the least increase in the eastern hill country;
- the number of frost days is expected to decrease throughout the region, with the largest decreases expected in inland areas
- the number of heavy rain days (i.e., days where the total precipitation exceeds 25mm) is projected to see little change for most of the Bay of Plenty region by 2040. By 2090, reductions in heavy rain days are projected for the Raukumara Ranges in particular, with small reductions across most of the region
- extreme, rare rainfall events are projected to become more severe
- drought potential is projected to increase across the Bay of Plenty
- annual mean wind speed is projected to slightly decrease in the Bay of Plenty, but there is a mixed direction of change for different seasons.

The report has applied New Zealand (MfE) projections to the Bay of Plenty context in relation to sea-level rise, with the key impacts being:

- gradual inundation of low-lying marsh and adjoining dry land on spring high tides
- escalation in the frequency of nuisance and damaging coastal flooding events

<sup>3</sup> National Institute of Water & Atmospheric Research Ltd 2019. *Climate change projections and impacts for the Bay of Plenty Region October 2019* (Report No. 2019218AK). Bay of Plenty Regional Council Toi Moana.

- exacerbated erosion of sand/gravel shorelines and unconsolidated cliffs (unless sediment supply increases)
- increased incursion of saltwater in lowland rivers and nearby groundwater aquifers, raising water tables in tidally-influenced groundwater systems.

The projections that the latest reports have made aren't dissimilar to the climate change data that international and national bodies have produced since the previous LTP. Council considers how the latest climate change data and projections may affect the integrity of the LTP; the services council has to carry out, and Ōpōtiki district in the future.

- regulatory and environmental planning roles  
council has a responsibility under the Resource Management Act to consider the effects of climate change on projects and proposals, and for the management of natural hazards. The Regional Policy Statement further reinforces this requirement. Council's regulatory role is well-defined, and the District Plan provides the guidance and rules to those developing/building – which includes council – in the district, and takes account of the effects of climate change on developments (for example, mitigation measures such as higher floor levels are required to account for changes in increased storm frequency, coastal erosion and mean sea-level rise)
- design of infrastructure and assets  
council is required to have an infrastructure strategy as part of its LTP, and effects of climate change are considered as part of the design and construction of council's infrastructure. Given that the projections for the bay of plenty region are not dissimilar to what the previous LTP planned for, and that the projections are well documented and planned for, council considers that climate change scenarios indicate there is sufficient time to plan its infrastructure adequately as long as it is done now, and is based on the latest scientific data
- hazard planning and emergency management  
the regional council's report notes that there isn't a change in the number of heavy rainfall days expected by 2040, but that extreme, rare rainfall events are projected to become more severe for the region. The increase in drought potential will also increase the severity of rare rainfall events. With regard to hazard planning, this is built into the rules and guidance of the District Plan, and taking account of these effects for every development forms part of council's regulatory role. In relation to emergency management, council may

find that it faces increased costs of more severe weather and rainfall events, but this is provided for by planning for an increased severity of weather events now (for example, requiring higher floor levels for buildings, and designing stormwater infrastructure to account for more severe rainfall events in the future).

Assumption	Level of uncertainty	Impact on integrity of LTP
Climate change will have affect the Ōpōtiki district over the medium (50 years) to long (100 years) term	Medium	Low

## 14. Population Structure and Growth / Building & Residential Development

The Ōpōtiki district's population has been growing rapidly. Since 2013, the Ōpōtiki district population has increased by an average of about 160 people each year (1.9% per annum)<sup>4</sup>. In June 2019, Ōpōtiki district had an estimated population of 9,720.

According to the Council's ratings database, the district had about 3,300 occupied residential dwellings and 500 vacant residential dwellings on record. This is slightly fewer than the 4,250 dwellings (occupied, unoccupied and under construction) identified through the 2018 census.

A review of the 2018-2028 LTP forecast for Ōpōtiki district shows that it is in line with the 2018 census (9,280 people). However, the LTP population forecast for 2019 is about 200 less than the Statistics New Zealand sub-national population estimates suggesting that the LTP estimates might be on the low side going forward. A review of the assumptions suggests that the growth in population has come from inward migration as some of the key projects included in the LTP forecast had not occurred, in particular the harbour redevelopment.

The 2021-2031 forecast is for the Ōpōtiki district population to increase to 11,614 residents in June 2031, up from 9,720 in 2019, an average of 1.5% each year. This

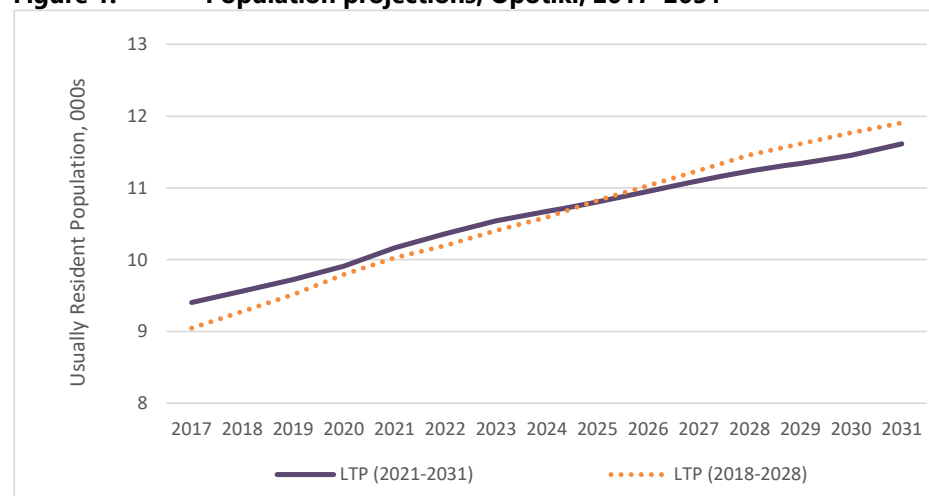
<sup>4</sup> (Statistics New Zealand, 2019)

would result in an additional 570 households over the ten years to 2031, or 57 new households each year.

The capacity of local builders to support this planned increase of housing in the district has still to be verified. Currently across the BOP region there is strong demand in the residential construction sector. Also the make-up / types of dwellings required and specific locations of these dwellings across the Ōpōtiki district is unknown. A piece of work to more fully understand this is planned for 2021/22.

In March 2021 the NZ government announced a range of measures to address the housing crisis in NZ, including papakianga housing funding, the extent of how this funding will be applied to the Ōpōtiki district has still to be confirmed.

**Figure 1: Population projections, Ōpōtiki, 2017–2031**



Source: MartinJenkins

While starting from a higher population, growth is slightly lower than previously forecast (2018-2028). We have revised down the impact from new jobs, to reflect a higher proportion of those jobs filled by local residents. We also do not see inward migration continuing at the rate that it has over the past 10 years.

### COVID-19 impact on forecast

Although it has been almost ten months since the initial COVID-19 lockdown, there is still uncertainty around what impact it will have on the Ōpōtiki district population. While unemployment is expected to increase, the magnitude and the timeframes are not apparent. Questions remain such as what further actions will government take to support jobs? Are there likely to be future lockdowns and how long will it last for? Our current view is that Ōpōtiki will not be as affected as the rest of New Zealand due to the industry structure in the region. However, what unemployed people will do and whether they will remain in the district is uncertain – although we would expect less mobility. Aside from jobs, COVID-19 will impact on migration – both international inward migration and inter-regional migration. We expect Ōpōtiki to benefit from migration patterns, as it has done over the last 5-10 years. We will continue to monitor the impacts of COVID into the new year and make any revisions to the forecasts when and if more clarity emerges.

The Ōpōtiki Population Forecast model builds on the Statistics New Zealand subnational population forecasts. It allows us to include population and rateable assessment changes resulting from major projects that generate sustainable employment and housing developments. Key projects and industries included in this forecast include the Twin Harbour Projects (including mussel farms and processing), horticulture (including the kiwifruit and mānuka sectors), upcoming settlements, and investments into the CBD and district to improve the quality of amenities and services.

### Assumptions and limitations

Our population projections and rateable assessments are based on a number of projects creating sustainable jobs in Ōpōtiki coming to fruition. A portion of these jobs will be filled by people moving to the district, with some of these bringing their families with them. We have been relatively conservative in our estimation of total jobs created by these projects by assuming a relatively high level of job absorption by existing residents and people travelling in from other districts. We have provided the forecast model to Ōpōtiki District Council so they can run alternative scenarios as they see fit. The key assumptions used in the model are shown in the following table. The LTP projection for 2021–2031 applies a consistent methodology to that used in the previous LTP. We use the Statistics New Zealand high projections as the baseline<sup>5</sup> to which we add population growth resulting from major developments.

<sup>5</sup> revised to reflect the 2019 subnational population estimates.

We re-calculated the high projections by incorporating the subnational population estimates through to 2019 (9,720 residents), which more accurately reflects the current population. We then adopt the high population projections growth rates going forward. Under this revised high projection, the Ōpōtiki resident population declines to 9,696 by 2028 and then to 9,619 by 2031.

We then estimated the additional population that would result from major industry and infrastructure investments underway in the Ōpōtiki district over the next 20 years.

Based on our modelling, the aspirational scenario sees population grow by 1.3% each year between 2021 and 2031 to 11,614 people, a net increase of 1,450. Households in Ōpōtiki increase by 1.3% each year to 5,091, a net increase of 571. Rateable assessments in Ōpōtiki increase by 0.7% each year to 6,685, a net increase of 461.

The aspirational scenario adds population change expected to occur as a result of known developments including the harbour redevelopment and associated aquaculture processing, and primary sector growth in the Horticulture industries (mainly kiwifruit and manuka). We also assume some population growth from upcoming iwi settlements, although the specific projects are unknown and the benefits of this are only likely to occur in the latter stages of the forecasts and depend on what iwi do with their settlements.

Table 1 presents a summary of the key assumptions underpinning the analysis.

**Table 1: Summary of key assumptions**

Ōpōtiki Population Projections - Assumptions	
Statistics New Zealand high (2019-2031)	-0.09%
Impact of COVID-19	??
New Jobs (2020-2031)	
Aquaculture jobs	385
Horticulture jobs	673
Settlement jobs	72
CBD/QOL jobs	102
Share of additional employment filled from outside of Ōpōtiki	50%
Indirect and induced multiplier	1.5
Average employees (full time) per household	1.18
Average household size	2.54
proportion of new households that build new houses	50%
ratio of commercial to residential	0.49

Source: MartinJenkins

The aspirational population projection is based on projected employment growth in Ōpōtiki. However, for this analysis we have taken a very conservative approach. For example, we have only considered growth as a result of the Twin Harbour projects (wharf, and mussel farming and processing), the kiwifruit and mānuka industry. There is potential to achieve growth in other sectors of the local economy, such as tourism; or other regional development activity that is occurring in the district such as Whakatōhea Māori Development Board activity to encourage opportunities for their iwi within their rohe.

Adding further projects from other sectors or activities would result in higher employment levels leading to higher population projections.

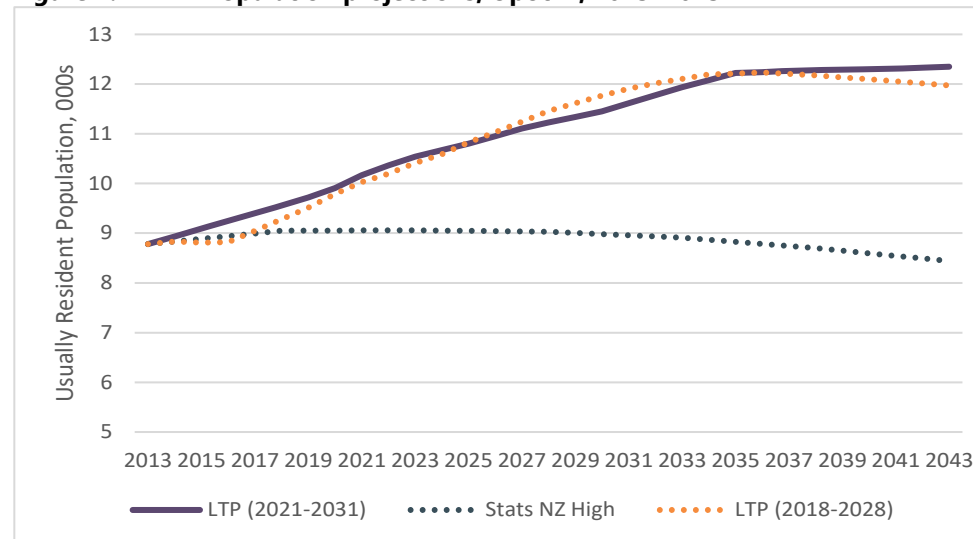
Second, we have also applied conservative assumptions, such as in the indirect and induced multiplier. A multiplier of 1.5 is at the low end of the range of industry multipliers for Ōpōtiki.

### Population projections

By 2031, the aspirational scenario sees the population increase to 11,600.

This is slightly lower than the earlier aspirational scenario in the previous LTP<sup>6</sup>, where the population increases to 11,900. Under the Statistics New Zealand high scenario, the population falls to 8,960. Population projections under the three scenarios are shown in Figure 2.

**Figure 2: Population projections, Ōpōtiki, 2013–2043**



Source: MartinJenkins

Under the latest forecast, Ōpōtiki’s population increases by 1.5% each year between 2019 and 2031, a net increase of 1,890 people.

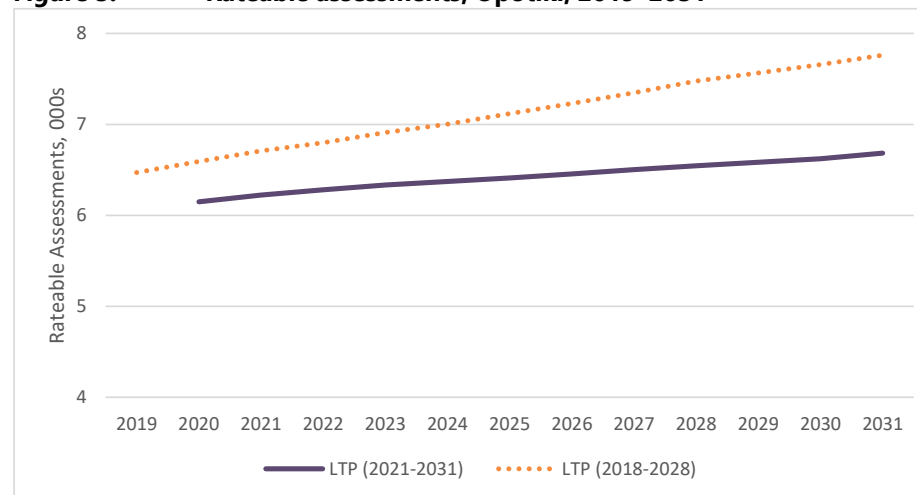
Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That changes in population structure and growth have been adequately provided for in the Long Term Plan	Medium	Medium

<sup>6</sup> (2018-2028)

## 15. Rating Unit Growth

Rateable assessments in 2020 have been updated based on the council’s ratings database. Rateable assessment projections are aligned to population growth projections by changing the number of residential rateable assessments based on the change in population as well as accounting for the available housing stock. The ratio of residential assessments to commercial assessments remains constant. Public rateable assessments grow at historical rates.

**Figure 3: Rateable assessments, Ōpōtiki, 2019–2031**

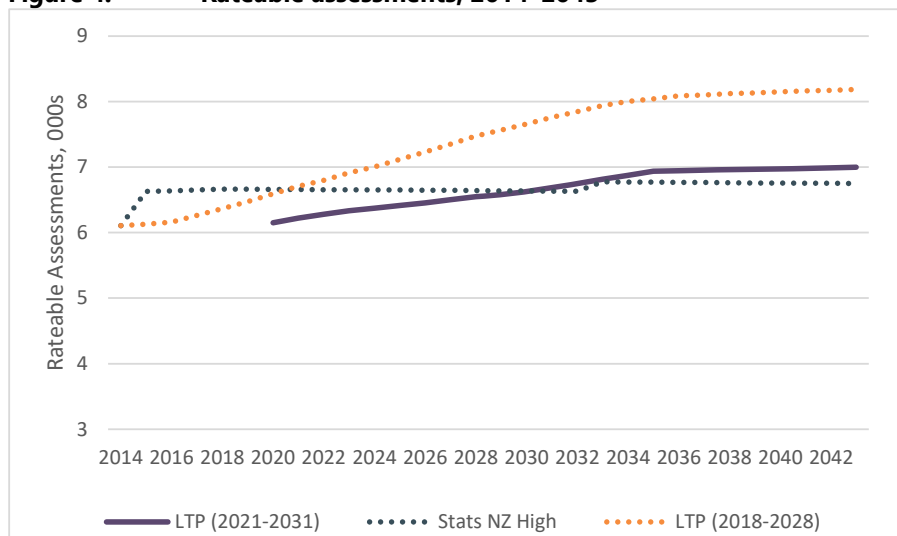


Source: MartinJenkins

With residential rateable assessments correlated to the number of households, the projected growth in rateable assessments falls compared to the previous forecast (2018-2028). Rateable assessments increase to about 6,685 in 2031. This compares to about 7,760 under the previous forecast.

Residential rateable assessments are forecast to increase to 4,160 in 2031. This compares to the previous forecast, where residential rateable assessments reached 5,210 in 2031.

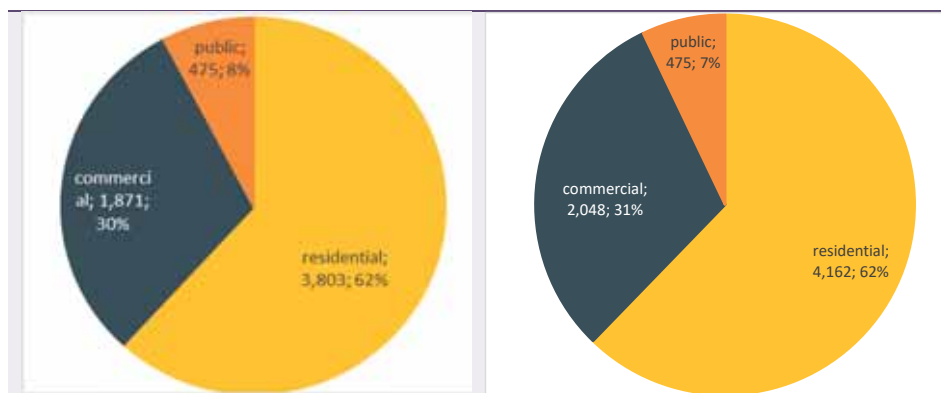
**Figure 4: Rateable assessments, 2014–2043**



Source: MartinJenkins

The current projection method uses additional households to estimate the growth in rateable assessments. To do this, rateable assessments are split into residential, commercial, and public/non-rateable properties. The share of assessments in each area is shown in Figure 5.

**Figure 5: Rateable assessments, Ōpōtiki, 2020 and 2031**



Source: (Ōpōtiki District Council, 2020), MartinJenkins

There were 6,150 rateable assessments in Ōpōtiki in 2020. Looking at a breakdown of the rateable assessments by type, residential dwellings account for three-fifths (62%) of rateable assessments. Commercial assessments account for 30% total assessments and public assessments just under one-tenth.

An assumption is made for the proportion of new households that move into existing (vacant residential) housing, and those that create a new rateable assessment. The forecast sees the ratio of commercial to residential staying constant out to 2031, whereas public rateable assessments do not change.

**Rateable assessments by type**

Rateable assessments are split into residential, commercial, and public.

**Figure 6: Aspirational scenario rateable assessments by type, Ōpōtiki, 2020–2043**



Source: MartinJenkins

There are currently just over 500 vacant residential properties in Ōpōtiki. A portion of residents will take up existing vacant properties, until all vacant properties (that are habitable) are used (there will always need to be a proportion of properties vacant).



With the growth in households forecast, this will be achieved relatively quickly.<sup>7</sup>New properties will be built to meet growth in demand. This includes developments that are already in the planning stage (the Drifts and the Saleyards), as well as new developments that have been identified, such as papakāinga housing. As well, the council has identified the potential for over 1,000 infill (subdivision) developments in the district.

We have assumed that commercial properties will increase to maintain the same proportion of residential properties, while public properties will grow faster under the aspirational scenario than they will under the low scenario.

Based on these assumptions, we expect the number of residential properties to increase to 4,160, commercial properties to 2,048, and public properties to 475. This is an annual growth rate for residential and commercial properties of 0.83% each year and no growth for the number of public properties.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That growth in the rating base is adequately provided for in the Long Term Plan	Medium	Medium

## 16. Development of commercial aquaculture industry and navigable harbour entrance at Ōpōtiki

The Ōpōtiki Harbour Transformation Project is now fully funded and under construction. What started as a proposal to build a marine farm and a harbour entrance has grown significantly. The 3800 ha Eastern Seafarms waterspace (54% owned by Whakatōhea) is now well developed and producing 2000 tonnes (2020 expectation) of mussels for export and local market. It is being farmed by Whakatōhea Mussels Ōpōtiki Limited whose mussel processing plant will commence operations in July 2021. A further 950 ha of waterspace has recently been consented and a further 4050 ha is in process. These consents will be fully owned by Whakatōhea via Pakihi Trading Company Limited. Whakatōhea are in the process of completing a spatial plan for their waterspace that includes a further 5000 ha (subject to resource consent).

<sup>7</sup> Under the aspirational scenario, 40% of new households take up vacant residential properties with the remaining building new. This reduces to 25% by 2028, when the stock of vacant residential properties falls to around 130. The likely scenario is that locals/investors will build new houses and rent to new residents.

To the east Te Whanau a Apanui have 5000 ha “reserved” in their draft agreement in Principle to Settle.

Ōpōtiki District Council has led the development of the proposal to recreate a usable harbour entrance that provides a level of access suitable for servicing the growing aquaculture industry in the Eastern Bay of Plenty. In July 2009, all necessary resource consents were granted for the improvement works, including regional and district council consents and restricted coastal activity approvals from the Minister of Conservation.

In February 2020 the government announced the funding of the harbour and in March 2020 announced funding to accelerate the aquaculture development as a key part of the governments ambitions to take the NZ Aquaculture industry to a \$3B industry. Additional support has been committed to the Marine Aquaculture Industrial Zone designed to support the vessels using the Ōpōtiki Harbour.

The combined effect of the harbour and aquaculture ventures is in the order of \$165M of development in Ōpōtiki in the next 3 year period.

<b>Aquaculture Industry</b>		<b>Ōpōtiki Harbour Development</b>	
Factory build commenced	March 2020		
First harvest processed in Ōpōtiki	July 2021	Construction started	Mid 2020
		Construction finish	Mid 2023

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That the aquaculture industry and related Ōpōtiki Harbour Transformation Project will continue to develop as planned.	Low	High

## 17. Treaty of Waitangi Settlement

A significant Treaty of Waitangi Settlement with the Whakatōhea Iwi is expected within the planning horizon of the 2021-31 Long Term Plan. Certainly the downstream benefits to the Ōpōtiki District Community are likely to materialise beyond that point in time. However the reality that settlement will occur within the planning period is an important consideration when considering the future of the Ōpōtiki District. Both of these issues will have significant impacts for the Ōpōtiki District Community and its population. In August 2017 Whakatōhea signed an Agreement in Principle with the Crown. The quantum of settlement agreed is \$100M, with additional redress in the form of land, cultural, education and health initiatives as well as a “reservation” of a further 5000 ha of marine farming space. Consent applications have been lodged and are being processed for this space.

Whilst specifics are not yet available it is clear that the Whakatōhea Māori Trust Board intend to invest Treaty Settlements in areas that create opportunities for its people and that those opportunities will primarily be based with the Ōpōtiki District. Investments are likely to be made in the areas of health, education, and employment creating industries such as Horticulture, Forestry, Agriculture and Aquaculture. Such investments will have a material impact on the future growth of the Ōpōtiki District.

A further Settlement has been agreed in Principle with Te Whanau a Apanui. It has a number of innovative features in relation to water and also a 5000 ha seaspace reservation. The quantum is understood to be \$40M.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That there will be a Treaty of Waitangi Settlement with Whakatōhea Iwi and Te Whanau a Apanui within the life of the 2021-31 Long Term Plan	Low	Medium

## 18. Funding of the Ōpōtiki Harbour Redevelopment

The development of the harbour to enable the aquaculture industry, and the community development that flows on from it comes at significant cost. The government has recognised that the required investment is well outside the affordability reach of the Ōpōtiki District community on its own. The economic and social impact assessments also demonstrate that the harbour project and the developing aquaculture industry have a range of national, regional and local benefits.

As a result, the Crown has decided to fund the entire development, with a supporting contribution from the Bay of Plenty Regional Council. Ōpōtiki District Council is responsible for Ancillary works such as the entrance road and any community amenities.

In 2013, BOPRC committed \$18M in grant funding through their Regional Infrastructure Fund, plus \$2M in its Long Term Plan 2015-2025. In 2019/20 the BOPRC carried out another due diligence process on the harbour and decided to maintain their funding alongside the government funding.

The funding in full frees up earlier and long standing Council commitment of \$5.4M that was to be funded by way of loan. The government also propose to own the harbour structures to help lessen the risk on the Ōpōtiki ratepayers. There is an expectation that Council take responsibility for collecting revenue and operating the harbour post construction (2024). In the earlier years post construction there will be a funding gap as the commercial activities scale up. The saved capex contribution is proposed to cover that gap.

Capex	Contribution:
Bay of Plenty Regional Council (grant)	\$20M (no inflation allowance)
Central Government	79.4M
Total	\$99.4M

Opex	Contribution:
Ōpōtiki District Council (loan)	\$5.4M

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
The Ōpōtiki Harbour Transformation Project is fully externally funded.	Low	High

### Additional Assumptions:

The LTP assumes Crown ownership of the harbour training walls but once completed it will be operated by Ōpōtiki District Council under terms to be agreed with the government before July 2024

It is assumed that a revenue flow from the existing mussel farm, and other land based beneficiaries will fund the ongoing operation of the harbour.

## 19. Biosecurity Incursion Risks

There are a number of biosecurity risks that have the potential to significantly impact the district.

A couple of LTP's ago we had a separate assumption on *Pseudomonas Syringae* pv. *Actinidiae* (PSA) which had recently impacted on the district quite significantly.

Prior to the last LTP, an outbreak of Myrtle Rust hit our shores with the potential to devastate Pohutukawa and Manuka. There were a number of positive cases in Northland, and a few in the Bay of Plenty.

In the aquaculture industry, there is potential for a biosecurity risk to affect the production of mussels. In recent times there have been instances of other organisms growing on the mussels grown in other areas. Harvesting of mussels was also halted for two weeks in late 2017 as there was a shellfish biotoxin alert issued by MPI for the Bay of Plenty, this is happening with more regularity. All commercial shellfish growing areas have strict sampling programmes in place to monitor biotoxins and ensure shellfish sold by retailers and wholesalers are safe to eat.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That there is a potential for biosecurity hazards to significantly affect the district	Low	Low

## 20. Availability of staff/contractors

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.

Whilst our capital works plan seems aspirational we are confident that the delivery plan is achievable, and we have mitigated as much risk as possible of delay. A number of projects (\$6.5 million) are already underway and we have specific timeframe milestones to meet for these.

Recent economic conditions in New Zealand mean that there are skills shortages in some industries. In Ōpōtiki, there is evidence that many civil construction contractors

are busy, are recruiting and struggling to attract appropriately skilled staff. Council also struggles to attract staff to some skill areas. As a result of the harbour project, Council is a partner, and has underwritten the development of a Pathways to Work programme. This programme has become a broader programme underpinning the economic development programmes of the Eastern Bay of Plenty and is beginning to have results in ensuring pathways into training and jobs. It is anticipated this will be a strong focus area in the next three years of this LTP. Council included a requirement in the tender process for the harbour for the contractor to engage with the Pathways to Work programme to ensure maximum uptake of the newly created jobs, and has included similar requirements in more recent PGF and Crown Infrastructure Partners funded recovery contracts.

Additionally, Covid 19 has seen skilled ex-pat Kiwis returning to New Zealand, and Council has had success in recruiting from this talent pool.

It is assumed that economic development from the harbour will mean we are able to attract more skilled applicants for the vacancies, and that the Pathways to Work programme, and the joined up programmes of the partners will have positive effects on the availability of work ready local workers.

It is assumed that we will be able to retain and find skilled staff and contractors to undertake work that is required, to the agreed standards, deadlines and cost.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That staff and contractors will be available as needed and budgeted	High	Medium

## 21. Ōpōtiki Wastewater Renewal Project

Council undertook significant investigation works in the first three years of the 2015-25 LTP on the issues present within the network, this involved a find and fix project on a smaller catchment of the town that proved very successful.

The results of the investigation pointed to a much more affordable relining and replacement project to be carried out across the balance of the town which has already begun. The remainder of this project will be completed in the first few years of the 2021-31 LTP. There is a minor risk of delay due to pressure on contractor availability over the next three years.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That the wastewater replacement project will entail a revised replacement and relining project for the Ōpōtiki wastewater network as budgeted	Low	Low

## 22. Source of funds for the future replacement of assets

The sources of funds for the future replacement of assets are outlined in the Revenue and Financing Policy and also referenced in the Financial Strategy in terms of affordability.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That the sources of funds for the future replacement of assets will be available to Council	Low	Low

## 23. Resource Consents

It is assumed that all projects outlined in the Long Term Plan that are required to gain resource consent should do so in a timely manner, within the cost estimates provided.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That resource consents where required for projects will be available	Low	Low

## 24. Natural Hazards/Disasters

Our district is at risk of a range of natural hazards such as earthquakes, flooding, drought, debris flow, slips, tornado, fire, and volcanic activity. We have not allowed for any such event in our LTP. However, we have appropriate insurance policies, and agreements with Central Government to cover the majority of the costs from these types of events. It is also assumed that we will be able to continue operating to deliver essential services to the community in the event of a disaster.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That a natural disaster does not happen over the course of this LTP, should one happen however, it is assumed that Council can obtain funding for recovery and still continue to deliver essential services to the community	Medium	Low

## 25. Insurance

It is assumed that we will be able to obtain insurance cover and that the cost for insurance will be similar to that for the previous year plus inflation.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That insurance cover is available at rates equivalent to the prior year plus inflation	Low	Low

## 26. LGFA Borrower Notes

It is assumed that the LGFA will not default on any of its financial commitments requiring Council to convert its borrower notes into equity over the period of the LTP. As a non-guaranteeing Council we are required to purchase borrower notes as security when we borrow from the LGFA. These notes are converted to equity on default, the likelihood of this happening is very remote as there are many other failsafe measures further up the chain that will get called upon before the borrower notes.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
That the LGFA borrower notes will not be called upon over the term of the LTP.	Low	Low

## 27. CIP Projects

Crown Infrastructure Partner (CIP) funding agreement was approved in October 2020. This funding agreement between DIA (Department of Internal Affairs) and ODC has seventeen projects identified, with all projects to be delivered by 30 March 2022.

The DIA funding totals to \$3,203K, with ODC co-funding of \$2,166k, overall programme funding is \$5,370k. These projects had to be delivered 'in addition' to current BAU activities, as defined within the contract with DIA. Some of these projects have been brought forward and some were newly identified projects. As a result of this co-funding through DIA this has resulted in future projects that no longer require to be ratepayer funded.

A detailed programme plan has been prepared to ensure deliverability, this includes detailed scoping, schedule, risks and appropriate governance to track & manage. Quarterly reports are provided through to CIP, who are managing this funding on behalf of DIA.

All of this funding has been incorporated into the financial planning for the LTP2021-2031.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
DIA funding for 3 Waters will be delivered in 2021/22	Low	Medium

## 28. Doability

The planned works outlined in the early years of this LTP 2021-2031 represent a significant step change in the capital expenditure for council. This is due to the injection of stimulus funds from central government, debt funded wastewater growth infrastructure, and debt funded levels of service projects for stormwater.

The three waters stimulus grant is required to be completed by March 2022. To support this deliver a contract programme manager was brought in to support the team to (i) baseline scopes for all 17 projects, (ii) create a schedule for deliver, including critical path, (iii) identify resource requirements to deliver this programme, and (iv) identify potential delivery risks. All this work was completed in May 2021 and to date delivery has been tracking against progress, with weekly team meetings to update and review schedule, monthly exception reporting to the GM Engineering. In

addition there is an active risk management process underway to ensure the mitigation actions are being tracked by the team, and this is reviewed monthly.

It is proposed to roll out this process to all the capital works programme for year 1 of the LTP through Jun / Jul 2021, thus ensuring better visibility of progress and understand early on any constraint.

Two key risks have been identified (as at May/June 2021) are (i) Availability of contractors/consultants/materials, (ii) Resource consent delays. Clear mitigation actions are in place to address these risks, and new risks will be identified and prioritised as we progress through delivery, however the level of uncertainty is still classed as high.

The impact on the LTP is classed as medium, as any delay in delivery will impact levels of service for the community.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Capital projects can be delivered within the timeframes identified in the LTP2021-2031	High	Medium

## 29. Affordability

Affordability is a key issue for our local community, affordability reports were commissioned by both Bay of Plenty Regional Council and Ōpōtiki District Council in 2019 and 2020 respectively. The main area of concern highlighted was for households on pensions or no other sources of incomes. The report highlighted the rate rebate scheme does not sufficiently address affordability. Anecdotal evidence suggests rates over 5% of household income could result in affordability issues.

This information was used to feed into rating discussions and decision making during the formation and finalisation of the LTP 2021-2031.

<b>Assumption:</b>	<b>Level of Uncertainty:</b>	<b>Impact on Integrity of LTP:</b>
Rates (as agreed) within the LTP 2021-2031 have taken into account affordability issues identified	Low	Low

### 30. Hukutaia Growth External Funding

Local Government New Zealand have been engaging with councils across New Zealand, to prepare information on a housing infrastructure Acceleration Fund.

Ōpōtiki District Council prepared a compelling memorandum highlighting the challenges it faces with funding large scale housing developments.

As details of the Housing Infrastructure Acceleration Fund are finalised, Ōpōtiki District Council committed to prepare a detailed business case for applying for this funding in year one of the LTP 2021-2031. This is prudent to ensure council gets the best chance of accessing this proposed funding, reducing impact on ratepayer’s and enabling this development.

If external funding is not available to support the development of Hukutaia, other funding mechanisms will be reviewed as part of the LTP 2024-2034, therefore the impact to the LTP is classed as medium.

#### Our plan if grant funding is not obtained

If we are not successful in securing external funding Council would look to incorporate a mix of loan funding and Development Contributions (DC) revenue where appropriate. The details of this would be worked out in year 1 of the LTP, alongside the other planning and investigation work. The required changes to the DC policy would then be able to be made alongside the annual plan process. These changes would be done prior to any of the capital expenditure planned to be funded by these DCs.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
Central Government, through the Housing infrastructure acceleration fund will provide financial support for Hukutaia housing development	High	Medium

### 31. National Policy Statement on Urban Development

The National Policy Statement on Urban Development (NPS-UD) requires territorial and regional authorities ensure their districts and regions are enabled for urban development.

Under the NPS-UD, every local authority must ensure that it has sufficient development capacity in its district to meet expected demand for housing and business land over the short term, medium term and long term.

In the short term (one to three years), Ōpōtiki has sufficient development capacity for housing and business land. The number of residential lots available for development exceeds growth projections; is zoned ‘Residential’ or ‘Coastal Residential’ in the District Plan and is infrastructure-ready.

In the medium term (three to 10 years) and long term (between 10 and 30 years), the 2021-2031 LTP is planning to investigate infrastructure strategies to enable housing development in Hukutaia.

The table below provides an indication of development capacity following a recent desk top study (presented to Council on Tuesday 6 October 2020).

Area	Development capacity – residential lots
Ōpōtiki township	1300
Hukutaia/Woodlands	1250
Waiotaha Drifts	120-160

Note: Ōpōtiki District Council is a Tier 3 local authority and has lesser requirements under the NPS-UD than Tier 1 or 2 local authorities. It is important to note that the NPS-UD was created under the Resource Management Act 1991. It has the force of a regulation. While there are no specific consequences for non-compliance, every council is required to consider and show how they are working toward achieving compliance and enabling urban development in their area.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
Council will implement the NPS-UD through its District Plan as required, and when practicable	Low	Low

# Disclosure Statement and Financial Prudence Benchmarks

## Long Term Plan disclosure statement for period commencing 1 July 2021

The purpose of this statement is to disclose the council's planned financial prudence in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations) Refer to the regulations for more information, including definitions of some of the terms used in this statement.

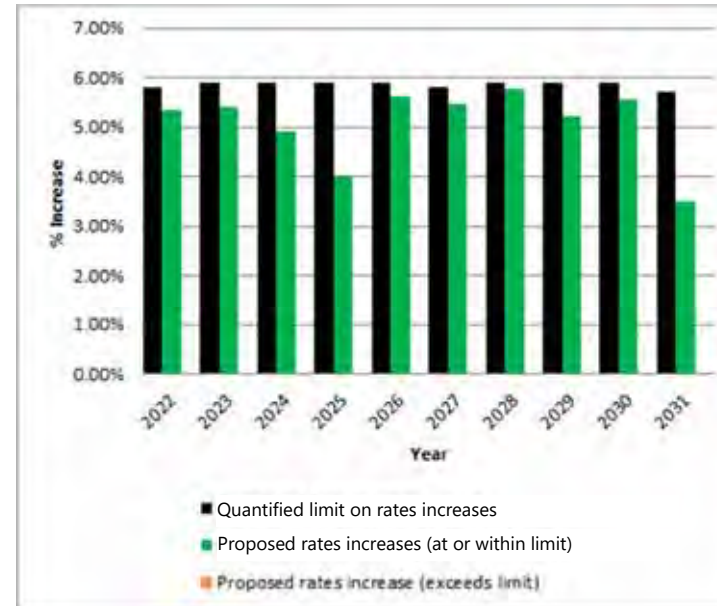
## Rates Affordability Benchmark

The council meets the rates affordability benchmark if;

- Its planned rates income for the year equals or is less than each quantified limit on rates; and
- Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

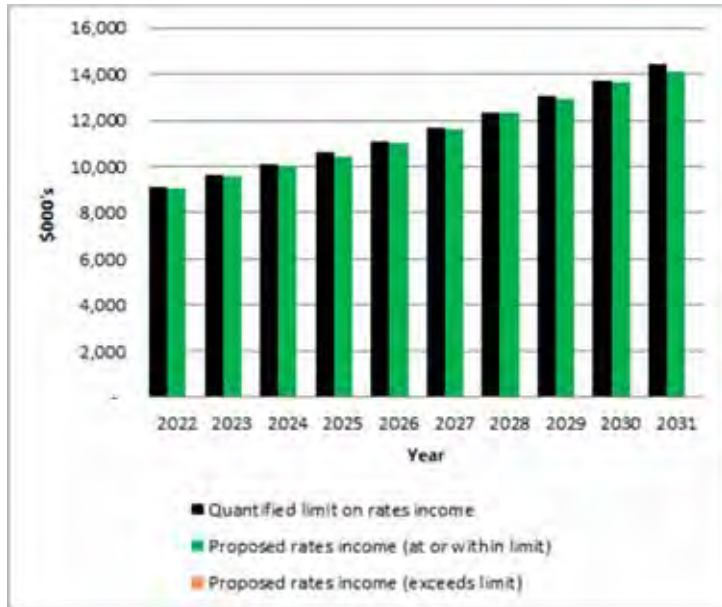
## Rates (increases) Affordability – General Rates

The following graph compares the council's planned general rate increases with a quantified limit on general rate increases contained in the financial strategy included in this long-term plan. The quantified limit is the Local Government Cost Index (LGCI) plus 3%.



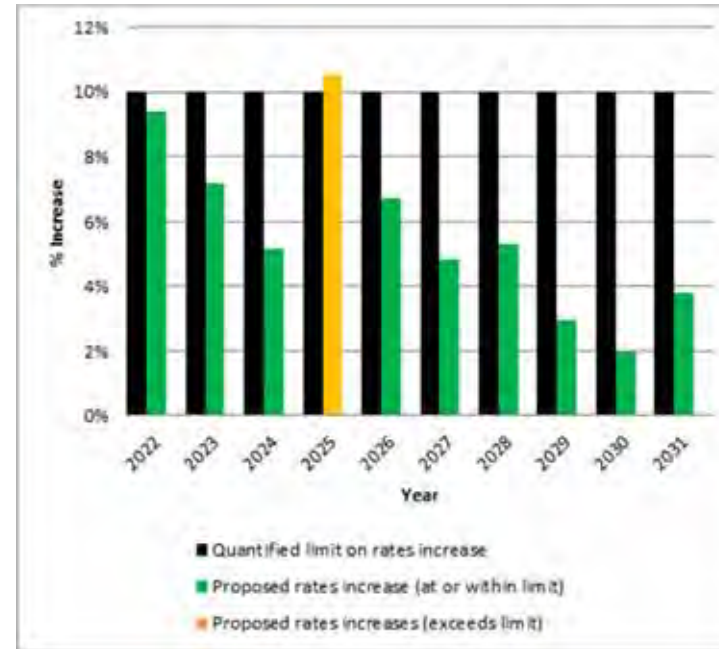
### Rates (Income) Affordability – General Rates

The following graph compares the council's planned general rates with a quantified limit on general rates contained in the financial strategy included in this long-term plan. The quantified limit is prior year general rates plus (LGCI plus 3%).



### Rates (increases) Affordability– Targeted Rates

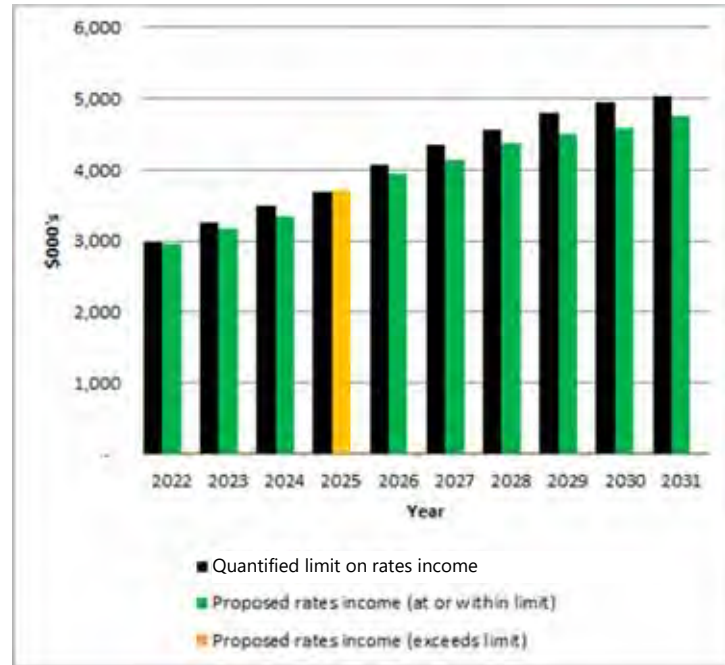
The following graph compares the council's planned targeted rate increases with a quantified limit on targeted rate increases contained in the financial strategy included in this long-term plan. The quantified limit is 10%.





### Rates (Income) Affordability – Targeted Rates

The following graph compares the council's planned targeted rates with a quantified limit on targeted rates contained in the financial strategy included in this long-term plan. The quantified limit is prior year targeted rates plus 10%.



### Balanced Budget Benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



### Essential Services Benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

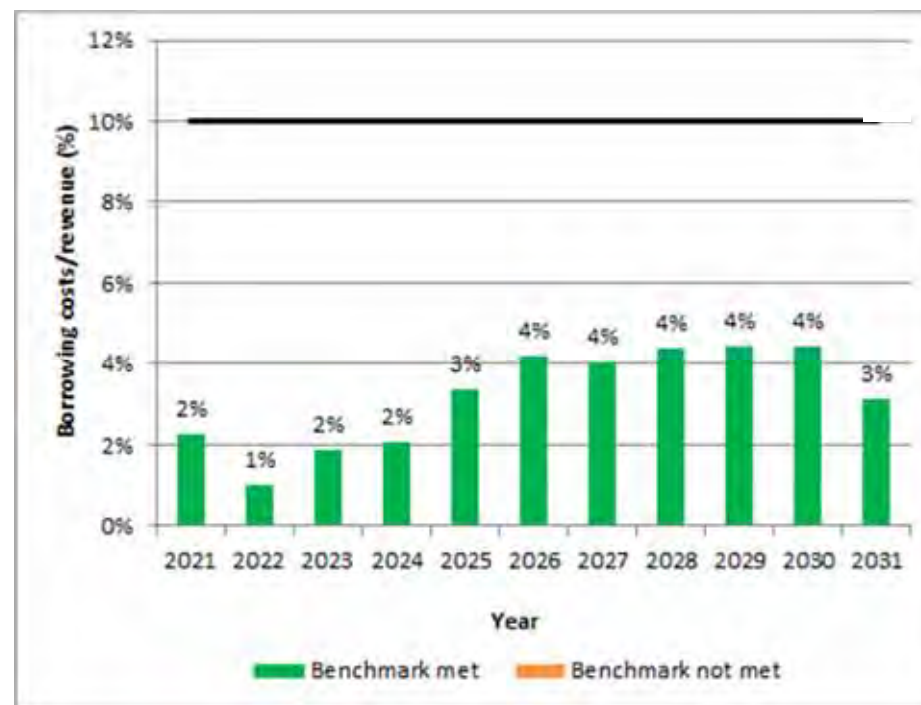
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



### Debt Servicing Benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

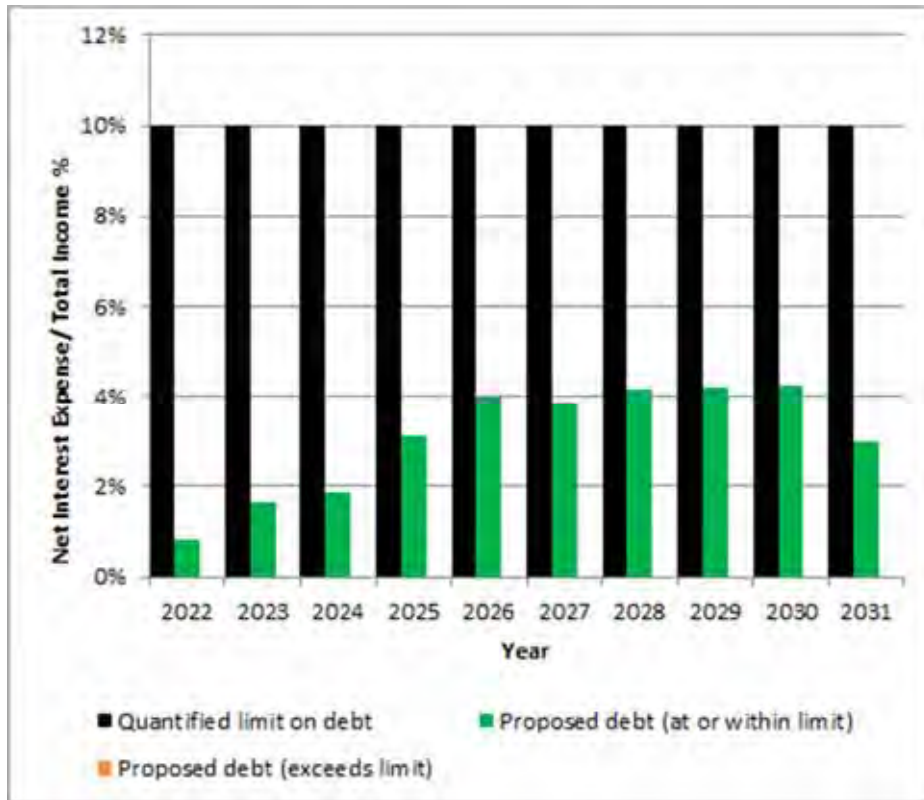


**Debt Affordability Benchmark**

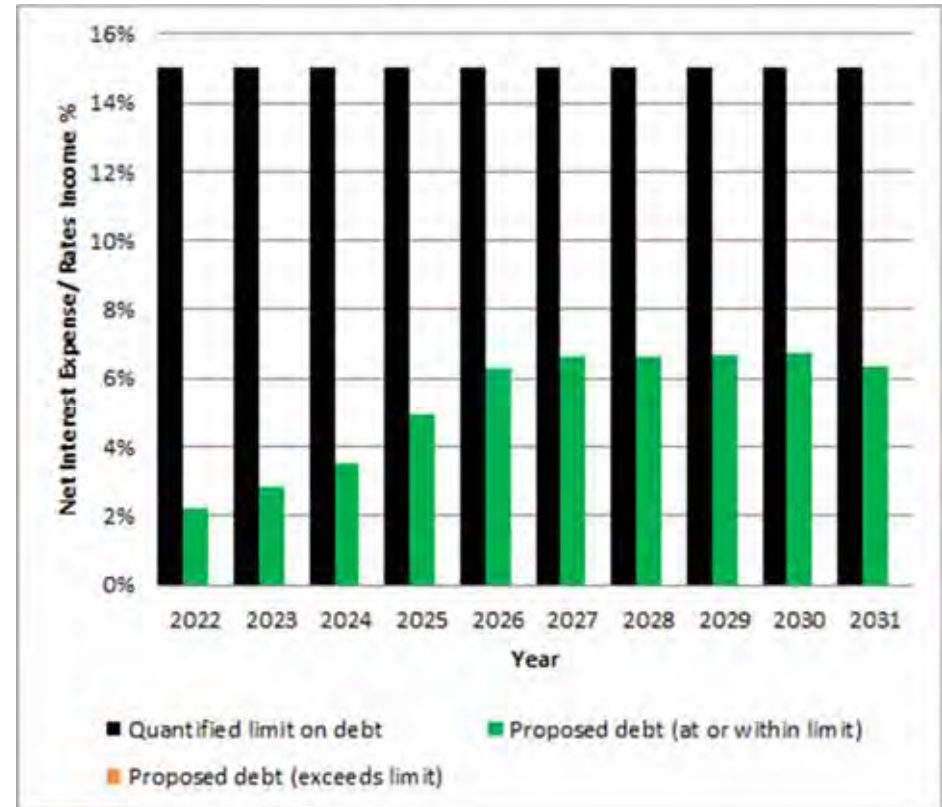
The Council meets the debt affordability benchmark if its planned borrowings is within each quantified limit on borrowing. The following graphs compare the Council’s planned debt with the quantified limits on borrowing contained in the financial strategy included in this Long Term Plan.

The quantified limits are:

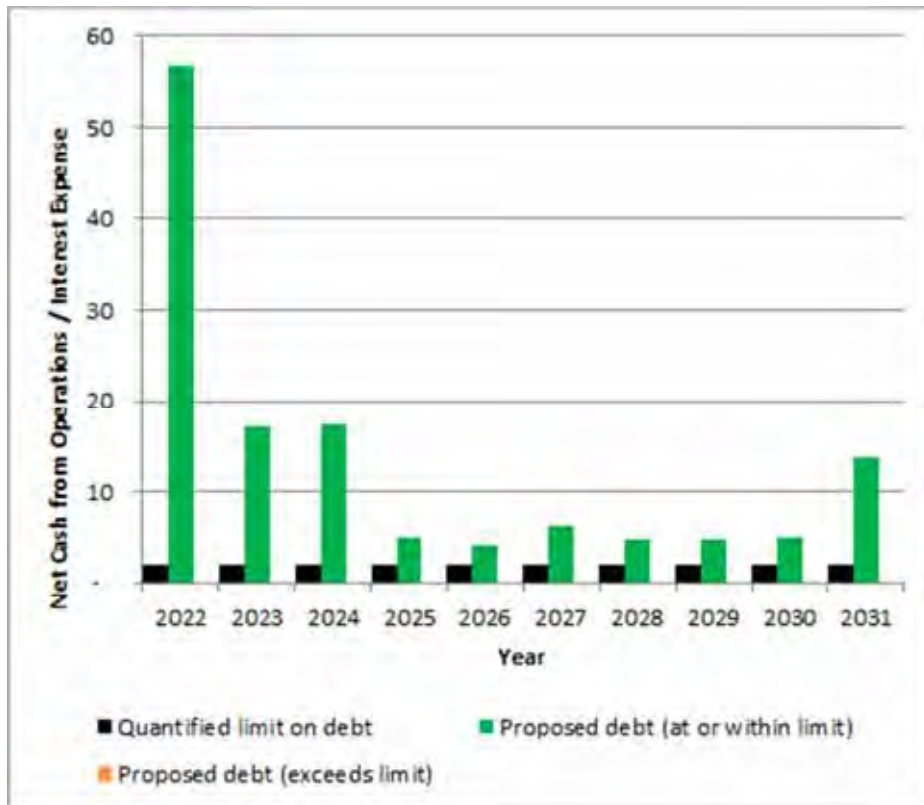
Net interest expense/total revenue less than or equal to 10%



Net interest expense/rates revenue less than or equal to 15%



Net cash flows from operating/interest expense greater than or equal to 2



**Benchmarks not met**

Council does not meet the balanced budget benchmark in years 5 and 6 due to the funding of harbour operations.

The cap on the targeted rate is exceeded in year 5 due to commercial targeted rate for harbour operations.

# Part Two – Introduction and Community Outcomes

Te Wahanga Tuatahi

## Overview of the Ōpōtiki district and community outcomes



Thousands of concrete hanbars being formed for the Ōpōtiki harbour development

# Introducing the Ōpōtiki District Long Term Plan

Our community is made up of many partners, including tangata whenua, government ministries, private organisations and individuals who have an interest in our district and provide us with the services, facilities and support needed.

Ōpōtiki District Council, as a representative of our community, plays an important part in bringing together the different partners to make things happen. It also has a responsibility to ensure that progress is in line with our community's vision for the future. That is the reason this Ōpōtiki District LTP has been brought together.

This plan covers the next ten years and has five different sections. It takes into account the many other strategies and documents that relate to our district and impact on our social, environmental, economic and cultural wellbeing. It is an ever changing document.

The first part of the plan explains Council's priorities and direction while the second part describes the type of place that we, the people of Ōpōtiki District, would like in the future. It outlines some of the outcomes we want for the future, the ways we can get what we want and some ways we can measure how well we are progressing toward our goals.

The third part shows how Council will work with the community and others and how it will focus on and monitor its efforts and achievements over the next ten years.

The fourth part of the plan provides information on Council finances and the fifth part of the plan provides the policies that guide how the Ōpōtiki District Council operates.

The Community Outcomes belong to all people in Ōpōtiki District. Council helps to promote them and does what it can to help us achieve them. Our community partners also do what they can to help, and we will work collectively and as individuals to achieve the outcomes we have set.

Every three years we measure our progress. Every six years we check to see we are still on track to creating the sort of future we want for ourselves.

This Long Term Plan has an emphasis on planning for the effects of economic activity and growth and maximising the benefits of that progress for our communities.

# Overview of the Ōpōtiki district

## Environment

With the miles and miles of open sea, 160 kilometres of coastline, 13 clean, fast flowing rivers and 11,200 hectares of native bush and scrubland, the Ōpōtiki District is the perfect place for a community that appreciates and enjoys outdoor activities and a natural environment. The district comprises 25% of the Bay of Plenty region and contains 50% of the Bay of Plenty coastline.

## Population

A little under 9,000 people live in the Ōpōtiki District. Normally each year more than 30,000 visitors experience the environment that we are lucky enough to call home. Just under half of the resident population lives in the Ōpōtiki township with the remainder of the population living in smaller outlying communities. There are twenty marae in the district, which are a focal point for local communities, along with a number of strong farming, lifestyle and coastal settlements.

## Our Ethnicity

In the 2018 Census approximately 64% of people in the Ōpōtiki District said they belong to the Maori ethnic group and 51% identified with the European ethnic group. There was a small proportion of Pacific Islanders, 4%, and 3% of Asians in the community.

## The Economy

The economy is driven primarily by agriculture with over 400 farms amounting to a total area of 75,660ha. 38% of this area is in beef and dairy farms, 29% in planted forests and 1% in horticulture units. The majority of horticultural land is planted in kiwifruit with plans for further development within this industry.

## Labour Force Participation

In the 2018 Census 7.3% of working age people were unemployed which compares with the national average.

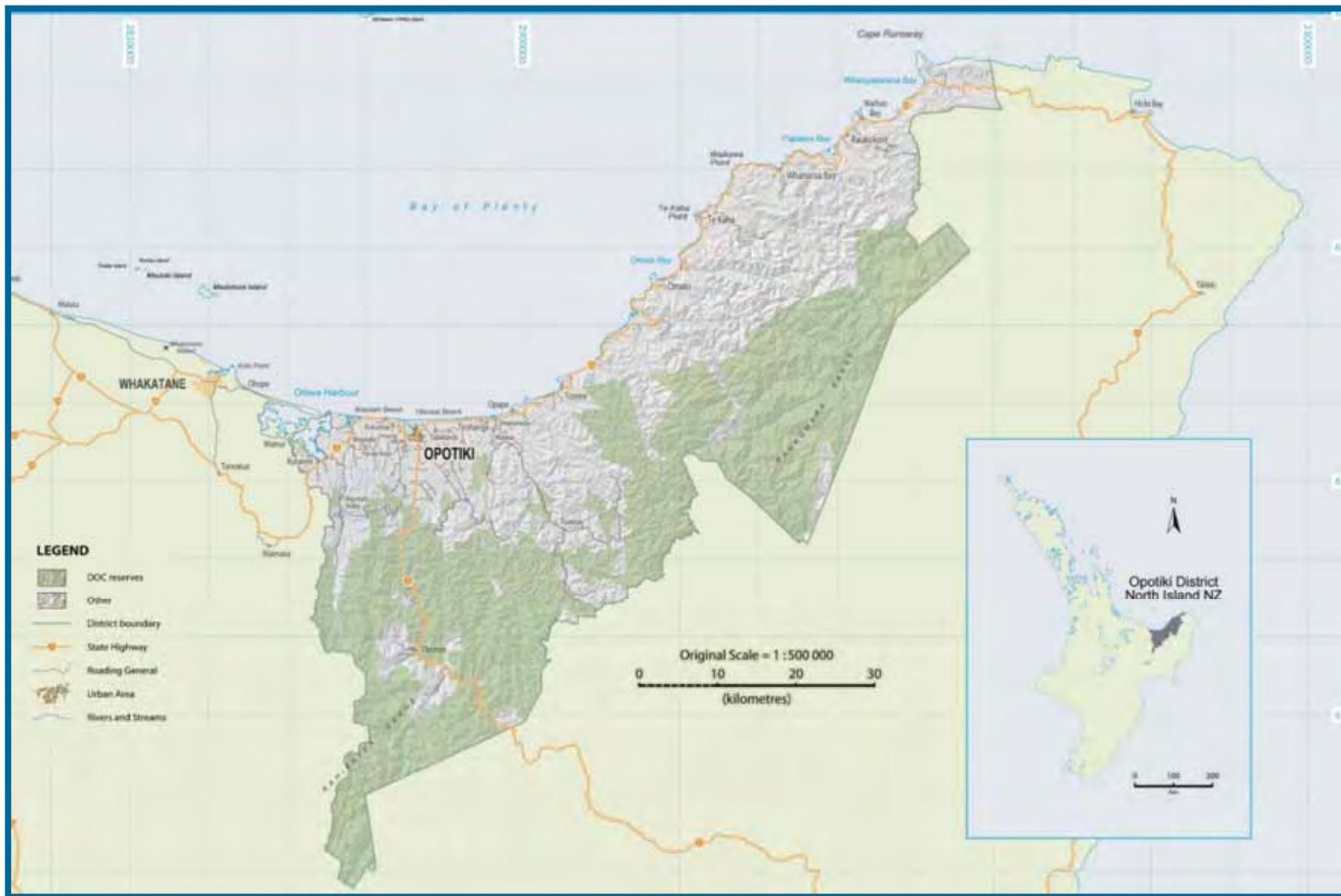
## Income

The median income for working age people in the Ōpōtiki District was \$22,400 in 2018 compared with \$31,800 nationally. In 2018 nearly 38% of working age people have an annual income of \$20,000 or less, compared with almost 57% in 2006.

## Development

Although a high proportion of residents (51%) own the homes that they live in which is slightly less than the national figure. Almost a third of the district population lives in accommodation they do not own and, according to statistics, this trend is likely to increase.

Over the past three years there has been a steady increase in the value of house sales in the district.



Map of the Ōpōtiki district.



# Community Outcomes

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

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

## Development and protection of the natural environment



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

## Services and facilities meet our needs



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

## Fair and efficient leadership



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

## A strong and effective community spirit



- Support the spirit and character of our communities remaining strong and distinctive
- Support and encourage positive community activities where people work and play together
- Promote a healthy active lifestyle and provision of appropriate facilities
- Work to lift the median incomes across the district
- There is a uniqueness with the community in Ōpōtiki that is unlike anywhere else - growth while retaining that uniqueness
- Social cohesion and activity.

## Purposeful work and learning opportunities



- Advocate for well aligned education and training, and employer and industry involvement in growing our workforce for the future
- Enable people to derive pride and purpose from a variety of work and learning opportunities
- Lift median incomes
- Living wage assumptions
- Seasonal vs ongoing work. Workforce development strategy, already agreed by the community

## Development supports the community



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

## Culture and history are treasured



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

## How Council contributes to the Community Outcomes

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

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

## Our Vision: 'STRONG COMMUNITY STRONG FUTURE'

## Our Values:

<p><b>Ngakau- tapatahi me te Pononga</b> Kaore matou a marie i a matou uaratanga aka mahi i roto i te huatanga matatika i nga wa katoa.</p>	<p><b>Integrity and honesty</b> We will not compromise our values and will act in a trustworthy manner at all times.</p>
<p><b>Manakuratanga</b> Ka kakama matou i roto i nga take e pa ana ki to tatou iwi whanui ma te whakahaere tikanga, ma te kanohi, kai tautoko arahitanga me te whakaaro.</p>	<p><b>Leadership</b> We will take an active role in issues that affect our community by providing governance, representation, advocacy, guidance and opinion.</p>
<p><b>Mahorahora me nga Herenga</b> Ka whakahaeretia a matou mahi i roto i te aria kia kitea ai e te iwi whanui a, kia mohiotia a matou mahinga me nga tutukitanga me te whakaae ano mo aua kawenga.</p>	<p><b>Openness and accountability</b> We will conduct our affairs in a way that allows the community to see and understand our actions and achievements, and we will accept responsibility for them.</p>
<p><b>Tokeke me te Ture o te Tika</b> Ka mahi matou ia hua ai ka orite te whiwhi mea angitu o te katoa me te noho tokeke i roto i iaga whakatinanatanga o uga kaupapa.</p>	<p><b>Fairness and equity</b> We will act to ensure that all have equal opportunities and we will be unbiased in the implementation of policies.</p>
<p><b>Whakatutukitanga Whakawaiatanga</b> Ka whiwhi hua i roto i te auaha me te ngawaritanga.</p>	<p><b>Achievements orientated</b> We will gain results in a timely, innovative and economic manner.</p>
<p><b>Tikanga Tutohungatanga</b> Ka manako matou i te wahi motuhake o te Tangata Whenua i roto i te iwi whanui a me te whakarite ano i nga kitenga rereketanga, me nga uaratanga o to tatou iwi whanui.</p>	<p><b>Relationships</b> We will acknowledge the special place of Tangata Whenua in our community and respect the different views and values of our community.</p>
<p><b>Tumanako Manawareka</b> Ka ahei tonu matou kia mohio ki nga tumanako o to tatou iwi kainga me te whakamatau kia taea te tairanga teitei o te whakanatanga o te iwi whanui.</p>	<p><b>Satisfying expectations</b> We will always look to understand our community's expectations and try to achieve a high level of community satisfaction.</p>

# Our District strategy

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

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

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

## Economic well-being

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

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

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

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

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

## Priorities for Council action

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

## Social well-being

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

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

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

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

### **Priorities for Council action**

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

### **Environmental well-being**

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

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

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

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

### **Priorities for Council action**

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

- Continue to work with partners to maintain, enhance and grow the Motu Trails cycleway.

### **Cultural well-being**

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

The ability and willingness of Ōpōtiki's communities to keep their spirits strong and maintain their sustainability and resilience became evident during the COVID response. All areas of our communities – residents, Council, businesses, iwi service providers and government organisations etc. worked together to ensure support was available for all. It helped enable many of our primary industries to continue to operate during lock-down and it is this spirit and resilience that has also meant has Ōpōtiki been able to quickly take up opportunities for recovery.

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

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

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

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

### Priorities for Council action

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



Footpath installation in Te Kaha with funding provided through the Provincial Growth Fund

## Strategic planning documents important to community outcomes

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

Strategic Document	Relationship to Ten Year Plan
Annual Plan	Produced in the two out of three years that a ten year plan is not compiled. Explains any changes that may be made to the Ten Year Plan for the coming year.
30 Year Infrastructure Strategy	Identifies the capital and operational costs we expect to spend on our infrastructure assets. This has a direct correlation to affordability contained in the financial strategy.
Asset Management Plans	Supports the ten year plan and provides in-depth detail of how assets will be managed over the next ten years.
District Plan	The regulatory tool that assists in achieving community outcomes via the protection of the district's natural and physical environment.
Bay of Plenty Regional Places and Spaces Strategy	Strategic framework for regional sport and recreation spaces and places (facility) planning in the Bay of Plenty region.
District Strategy	Part of our ten year plan. Identifies the most important projects Council will focus on over the next three years.
Bay of Plenty Regional Land Transport Strategy	Regional level guidance document that ensures integrated planning, management and operation of the regions state highways and various district roading works.
Walking and Cycling Strategy	Provide an integrated vision and targets for the promotion of these activities.
Eastern Bay of Plenty Road Safety Strategy	At a district level, takes into account and promotes community aspirations, particularly in the area of transport and safety.
Economic Development Strategy	The long term plans of Bay of Connections and Toi-EDA - established to promote sustainable economic growth.
Reserves Management Plans	
Tourism Strategy	
Recognised Iwi Management Plans	
Eastern Bay of Plenty Spatial Plan	



# Part Three – Council Activities

Te Wahanga Tuatoru

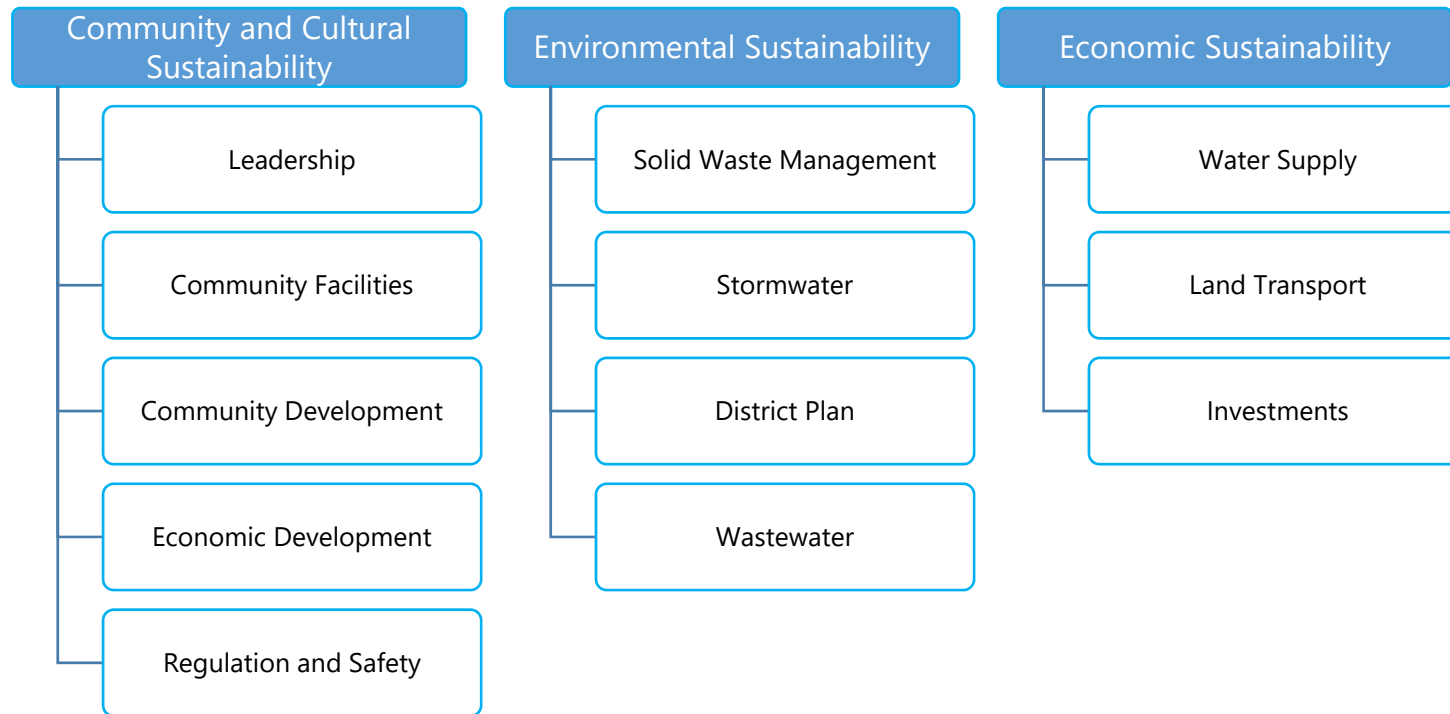
Activities Council undertakes and how they contribute to achieving the community outcomes



# An introduction to our activities

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

Our Significant Activities align with the four areas of community well-being – social, cultural, environmental and economic. Council has combined its activities into three Groups of Activities according to their contribution to the sustainable development of the well-being areas. They are:



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

# Guide to the information provided for each activity

## What we do and why

This section gives a brief description of the activity that the Council provides and discusses the reason for providing the particular service.

## Contribution to Community Outcomes

Each activity within the group contributes to specific community outcomes. Look for the icons to see which outcomes relate to a particular activity.

## What potential negative effects this activity may have

It is the Council's job to consider whether there are any significant negative effects (social, economic, environmental or cultural) for each of the activities it is involved in. If there are negative effects then the Council must inform the public through the Ten Year Plan. For each activity, we list any potential negative effects and how we plan to minimise any effects should they occur.

## Levels of service

This section specifies what level of service the Council will provide for a particular activity and states how performance will be measured over time by providing Strategic Goals, Performance Measures and specific performance targets. Collectively, these provide an understanding of the levels of service Council intends to provide for groups of activities.

## Key Projects and Programmes

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

## Financial Information

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

- Statement of proposed capital expenditure
- Funding Impact Statement.

# Community and Cultural Sustainability

## Why we provide this group of activities:

The group of activities promotes outcomes that help build a strong and cohesive community within the Opotiki District. Council provides a range of services and facilities to our various communities in order to achieve this.

## Significant activities in this group:

Leadership, Community Facilities, Community Development, Economic Development, Regulation and Safety



Part of the concept plan for the upgraded skatepark and new pump track – Opotiki township

# Leadership

## What we do and why:

This activity includes the preparation of advice, strategies and policies to inform Council decision making, the development of statutory and non-statutory policies, plans and reports, and the facilitation community input to decision making.



## Opportunities for Maori to contribute to our decision making process

Council works to maintain and enhance mutually beneficial relationships with Iwi and Hapū so that their views are represented both directly and indirectly through Council forums. Engaging with Iwi and Hapū provides parties with an opportunity to identify and address issues of mutual concern and encourages involvement in democracy. Council also encourages and partners with Iwi and Hapū in special projects.

This significant activity is important to enable Council to discharge its statutory role as well as ensure that it is satisfactorily discharging its governance role by accurately reflecting community needs and desires in decision making processes.

## This significant activity includes:

Representation, Strategic Planning and Policy Development, Cultural Liaison, Monitoring and Reporting.

Contribution to Community Outcomes		How this activity contributes
	<b>Fair and efficient leadership</b>	To ensure effective and fair community representation and support, and that policies and plans are integrated and wherever possible reflect the views of the wider community and stakeholders.
	<b>A strong and effective community spirit</b>	

## What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic	It may be possible that at times Council decisions can have a negative effect on the well-being of some individuals or groups within the community.	Council has a role to consider the community at large when making decisions that impact on community well-being and seeks to use the guidance provided by the Local Government Act 2002 and its understanding of the Ōpōtiki District community to weigh up the competing demands of different interest groups.

Levels of service:

<b>Outcome or priority for action</b>	<b>Measure of success</b>	<b>Performance achieved 2019/20</b>	<b>Performance targets 2021/22</b>	<b>Performance targets 2022/2023</b>	<b>Performance targets 2023/2024</b>	<b>Performance targets 2024-2031</b>
Council will provide leadership that is visionary, community focused, efficient and representative.	Community satisfaction with Council leadership.	79%	75%	75%	75%	80%
	Level of community satisfaction with the opportunities to participate in decision making.	56%	60%	60%	65%	70%

Funding Impact Statement for Leadership for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	1,142	1,299	1,329	1,382	1,420	1,459	1,492	1,533	1,574	1,612	1,655
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	2	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Funding (A)</b>	<b>1,145</b>	<b>1,299</b>	<b>1,329</b>	<b>1,382</b>	<b>1,420</b>	<b>1,459</b>	<b>1,492</b>	<b>1,533</b>	<b>1,574</b>	<b>1,612</b>	<b>1,655</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	928	995	1,023	1,050	1,076	1,108	1,135	1,164	1,197	1,225	1,257
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	198	304	306	334	343	351	359	369	378	386	398
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,126</b>	<b>1,299</b>	<b>1,329</b>	<b>1,384</b>	<b>1,419</b>	<b>1,459</b>	<b>1,494</b>	<b>1,533</b>	<b>1,575</b>	<b>1,611</b>	<b>1,655</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>1</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>-</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	18	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>1</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>-</b>





# Community Facilities

## What we do and why:

This activity includes the provision of parks and other recreation/amenity services to the people of the Ōpōtiki District. These services provide lifestyle opportunities to residents and visitors. They provide opportunities for recreation, beautification, conservation of the natural environment, and public access. Such facilities promote a range of public good outcomes around health and wellbeing which are becoming increasingly desirable to New Zealanders and visitors alike.

## This significant activity includes:

Parks and Recreation (Airport, Cemeteries, Public Toilets, Parks and Reserves, Playgrounds, District Library and Cycle Way).

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



What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic	<p>Community expectations for growth in services and facilities may exceed Council's programme.</p> <p>Ongoing maintenance and depreciation may cause increased or unexpected costs.</p> <p>Providing access to facilities and services to smaller remote communities within the district could be cost prohibitive.</p>	<p>Consultation to ensure proposals meet community expectations based on accurate assessments of current and future demand for the use of facilities. Council is of the view that it has the capability to provide for increased growth forecast by the planning assumptions that underpin the 2021-2031 LTP.</p> <p>Accurate forecasting and budgeting to accommodate ongoing costs of ownership.</p> <p>Consider alternatives such as partnerships with other agencies and transport.</p>

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
Provide recreation facilities including development of walkways, cycleway, horse trails, sports fields, and playgrounds.	% of community satisfied with the provision of recreation facilities in annual surveys.	69%	75%	75%	75%	80%
Playgrounds comply with NZS 5828 (2015)	<p>% of play equipment compliant with NZS 5828 or relevant standard.</p> <p>N.B The NZS 5828 standard is intended to promote and encourage the provision and use of playgrounds that are well designed, well-constructed, well maintained, innovative and challenging.</p>	91%	85%	85%	85%	85%
Provide facilities for community use.	% of customer satisfaction with cleanliness and quality of toilet facilities.	New target	60%	60%	65%	65%

<b>Outcome or priority for action</b>	<b>Measure of success</b>	<b>Performance achieved 2019/20</b>	<b>Performance targets 2021/22</b>	<b>Performance targets 2022/2023</b>	<b>Performance targets 2023/2024</b>	<b>Performance targets 2024-2031</b>
Provide facilities and services that meet current and future needs, and are accessible to all.	% of community satisfied with maintenance and tidiness of cemeteries.	New target	70%	75%	75%	80%
	% of the community satisfied with the library facility and service.	66%	85%	85%	85%	90%
	Number of library facilitated programmes per year.	16	8	8	10	10

Key projects and programmes:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Growth</b>										
Recreation enhancement - Memorial Park					22		24		25	
Coastal Reserves Tourism Infrastructure	500	514	528							
Mōtū Cycleway Extension - Opo to Whk	1,000	2,056	1,542							
Waiōtahe Drifts - New Toilet			211							
Hukutaia Domain Expansion				217						
New toilet at harbour entrance				217						
Marine Precint and Wharf Redevelopment		103	2,536	2,716						
<b>Growth Total</b>	<b>1,500</b>	<b>2,673</b>	<b>4,818</b>	<b>3,151</b>	<b>22</b>		<b>24</b>		<b>25</b>	
<b>LOS</b>										
Tirohanga Military Track	100									
New Technology for Public Use			11		11		12		12	
Te Tahuhu o Te Rangi	2,800									
Cemetery Upgrades and Enhancement		26	26	27						
CBD Veranda upgrade	1,200									
Mobile Library Services on the Coast - Option 2 Va		154								
Skatepark Reserve Upgrade	1,150	5	5	5	6	6	6	6	6	6
<b>LOS Total</b>	<b>5,250</b>	<b>185</b>	<b>42</b>	<b>33</b>	<b>17</b>	<b>6</b>	<b>18</b>	<b>6</b>	<b>19</b>	<b>6</b>
<b>Renewal</b>										
District Wide Toilet Replacement			159				118			
District Wide Toilet Refurbishment							29		31	
Playground Equipment Replacement	20		21		22		24		25	
Parks & Reserves - Planned Renewals	50	51	53	54	56	57	59	61	62	64
Library furniture and fittings replacements				5	6	6	6	6	6	6
Airport Renewals	2	2	2	2	2	2	2	2	2	3
Cemetery Renewals	10	10	11	11	11	11	12	12	12	13
Memorial Park Renewals	20		21							
Cycleway renewals	30	31	32	33	34	34	35	36	37	38
Redevelopment of Lot 9 and 10	4,500									
CBD Street Modification	150									
Plunket and Hospice building upgrade	200									
Earthquake Strengthening	50									
<b>Renewal Total</b>	<b>5,032</b>	<b>95</b>	<b>298</b>	<b>105</b>	<b>131</b>	<b>111</b>	<b>285</b>	<b>117</b>	<b>177</b>	<b>124</b>
<b>Grand Total</b>	<b>11,782</b>	<b>2,952</b>	<b>5,158</b>	<b>3,289</b>	<b>170</b>	<b>117</b>	<b>326</b>	<b>124</b>	<b>220</b>	<b>130</b>

Funding Impact Statement for Community Facilities for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	2,267	2,159	2,484	2,714	2,841	3,014	3,161	3,283	3,300	3,354	3,474
Targeted rates	48	104	115	132	137	147	158	165	166	168	176
Subsidies and grants for operating purposes	-	19	19	20	20	21	21	22	23	23	24
Fees and charges	370	466	484	503	517	531	545	560	576	592	401
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	162	67	144	150	158	165	167	181	190	199	200
<b>Total Operating Funding (A)</b>	<b>2,847</b>	<b>2,815</b>	<b>3,246</b>	<b>3,519</b>	<b>3,673</b>	<b>3,878</b>	<b>4,052</b>	<b>4,211</b>	<b>4,255</b>	<b>4,336</b>	<b>4,275</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	1,577	1,685	1,991	2,044	2,101	2,157	2,211	2,266	2,324	2,383	2,230
Finance costs	310	60	72	122	184	218	217	218	209	204	195
Internal charges and overheads applied	764	675	679	740	761	778	794	819	836	854	882
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,651</b>	<b>2,420</b>	<b>2,742</b>	<b>2,906</b>	<b>3,046</b>	<b>3,153</b>	<b>3,222</b>	<b>3,303</b>	<b>3,369</b>	<b>3,441</b>	<b>3,307</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>196</b>	<b>395</b>	<b>504</b>	<b>613</b>	<b>627</b>	<b>725</b>	<b>830</b>	<b>908</b>	<b>886</b>	<b>895</b>	<b>968</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	1,988	11,410	2,282	1,960	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	4,889	(44)	272	2,695	2,779	(432)	(592)	(445)	(619)	(522)	(686)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>6,877</b>	<b>11,366</b>	<b>2,554</b>	<b>4,655</b>	<b>2,779</b>	<b>(432)</b>	<b>(592)</b>	<b>(445)</b>	<b>(619)</b>	<b>(522)</b>	<b>(686)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	2,464	1,500	2,673	4,818	3,151	22	-	24	-	25	-
- to improve the level of service	4,416	5,250	185	42	33	17	6	18	6	19	6
- to replace existing assets	333	4,982	95	298	105	131	111	285	117	177	124
Increase (decrease) in reserves	(194)	29	29	30	32	34	35	36	38	39	40
Increase (decrease) of investments	55	-	76	80	85	89	88	100	106	113	111
<b>Total applications of capital funding (D)</b>	<b>7,074</b>	<b>11,761</b>	<b>3,058</b>	<b>5,268</b>	<b>3,406</b>	<b>293</b>	<b>240</b>	<b>463</b>	<b>267</b>	<b>373</b>	<b>281</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(197)</b>	<b>(395)</b>	<b>(504)</b>	<b>(613)</b>	<b>(627)</b>	<b>(725)</b>	<b>(832)</b>	<b>(908)</b>	<b>(886)</b>	<b>(895)</b>	<b>(967)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>




# Community Development

## What we do and why:

The Community Development activity is one where Council, in a number of ways, is involved in helping the community help itself. This activity enables the Council to assist the community to work towards community outcomes that on its own it may not be able to achieve. In many ways similar to the Leadership Activity, this is about the Council being connected and partnering with its community and other stakeholders within the community in working towards common objectives.

## This significant activity includes:

Community Support, including Community Grants and Healthy and Active Communities.

Contribution to Community Outcomes	How this activity contributes
 <b>A strong and effective community spirit</b>	To help assist the development of an inclusive community that provides a healthy, safe and friendly place to live, work and visit.
 <b>History and culture is treasured</b>	
 <b>Services and facilities meet our needs</b>	

## What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Cultural	Community expectations around funding community development initiatives may not be met.	Pursuing economic development opportunities that will in time provide capacity for community development aspirations.

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
The things that make Ōpōtiki unique and worth caring about are understood and supported.	Grants for the maintenance of the 22 district Urupa will be distributed by 31 December each year.	100%	100%	100%	100%	100%
Support iwi and hapū to exercise kaitiakitanga taking appropriate account of the principles of the Treaty of Waitangi.	Number of engagement initiatives with Tangata Whenua.	New target	3 per year	3 per year	4 per year	4 per year
Support and encourage positive community activities where people work and play together.	Provide community grants.	New target	3	3	4	4
Consider the creation of safer communities through the services and infrastructure we provide.	Continual expansion to CCTV camera system in town.	1	2	2	2	2

Key projects and programmes:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>LOS</b>										
Event Equipment	10	10	10	11	11	11	11	12	12	12
Event Storage Shed		51								
<b>LOS Total</b>	<b>10</b>	<b>61</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Grand Total</b>	<b>10</b>	<b>61</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>

Funding Impact Statement for Community development for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	269	317	344	359	348	357	367	377	387	398	409
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	2	2	2	2	2	2	2	2	3	3
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	5	5	5	5	6	6	6	6	7	7
<b>Total Operating Funding (A)</b>	<b>272</b>	<b>324</b>	<b>351</b>	<b>366</b>	<b>355</b>	<b>365</b>	<b>375</b>	<b>385</b>	<b>395</b>	<b>408</b>	<b>419</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	239	267	295	305	290	299	308	315	324	332	342
Finance costs	4	1	1	1	1	1	1	1	1	1	1
Internal charges and overheads applied	47	51	50	57	58	60	61	63	64	66	68
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>290</b>	<b>319</b>	<b>346</b>	<b>363</b>	<b>349</b>	<b>360</b>	<b>370</b>	<b>379</b>	<b>389</b>	<b>399</b>	<b>411</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(18)</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>8</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(18)	5	5	5	5	6	6	6	6	7	7
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(18)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>18</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(7)</b>	<b>(7)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>1</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1</b>

# Economic Development





## What we do and why:

This significant activity looks to support the development and growth of the Ōpōtiki District by investigating and promoting business development; promoting the district as a tourism destination; operation of the i-SITE service in Ōpōtiki Township; and facilitating new events. Key components of this significant activity are the economic growth opportunities associated with Ōpōtiki Harbour Development Project – Te Ara Moana a Toi and the developing aquaculture industry which is considered central to our future well-being. Economic Development is seen as an essential element to growing a more thriving and cohesive community as it will:

- Impact positively on the overall social, economic and cultural well-being of the Ōpōtiki Community and the Eastern Bay of Plenty
- Promotes investment, industry and employment in the district
- Enhance recreation opportunities and public access to the coast
- Capitalise on opportunities from the aquaculture industry already under development offshore from Ōpōtiki
- Assist in flood mitigation for the Ōpōtiki Township and surrounding area
- Achieve a long-standing community aspiration and in doing so take a significant step forward to realising the community’s vision for the area.

## This significant activity includes:

Investigation, promotion and support of new initiatives that contribute growth of the local economy, with a particular focus on tourism and the Ōpōtiki Harbour Development Project – Te Ara Moana a Toi.

Contribution to Community Outcomes	How this activity contributes
 <b>Development and protection of the natural environment</b>	To create a sustainable economic future by broadening the District’s economic and therefore employment base.
 <b>Services and facilities meet our needs</b>	
 <b>Purposeful work and learning opportunities</b>	
 <b>Development supports the community</b>	



What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Economic Environmental	Increasing visitor and population numbers may put pressure on infrastructure, environment and other resources, particularly in summer periods.  Capital costs associated with Ōpōtiki Harbour Transformation Project are not sustainable for the Ōpōtiki District alone.	Council is of the view that it has the capability to provide for increased growth forecast by the planning assumptions that underpin the 2018-28 LTP and that it has made adequate provision for investment in infrastructure to cater for expected demand.  To partner with Central and Regional Government and potentially the private sector to fund the Harbour Transformation Project.

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
Development that enables industry growth and meaningful employment for the community.	Communicate regularly with the community on Ōpōtiki Harbour Development project progress.	New target	3 public communications per year	3 public communications per year	3 public communications per year	3 public communications per year
Enable people to derive pride and purpose from a variety of work and learning opportunities / Support local and regional business growth and workforce development.	Council supports work and learning opportunities.	New target	4 council or community actions/programmes supported	4 council or community actions/programmes supported	5 council or community actions/programmes supported	5 council or community actions/programmes supported
Support the aspirations of Māori to develop their land.	Development Remissions applied.	New target	5 development remissions applied to Māori Titled land blocks	5 development remissions applied to Māori Titled land blocks	5 development remissions applied to Māori Titled land blocks	5 development remissions applied to Māori Titled land blocks
Promote and support community events / Support opportunities for artistic and cultural expression.	Facilitate community events.	13 events	5 events	5 events	5 events	5 events

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
Promote tourism and develop infrastructure to grow the visitor economy.	Communicate regularly with tourism contacts.	4 bulletins posted	4 bulletins posted	4 bulletins posted	4 bulletins posted	4 bulletins posted
Develop and maintain a vibrant town centre as an enjoyable meeting place for all people.	Town centre development plan created and implemented.	New target	Adoption of a Plan	Action the Plan	70% of community satisfied with town centre	70% of community satisfied with town centre

Key projects and programmes:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>LOS</b>										
Event Equipment	10	10	10	11	11	11	11	12	12	12
Event Storage Shed		51								
<b>LOS Total</b>	<b>10</b>	<b>61</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>Grand Total</b>	<b>10</b>	<b>61</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>

Funding Impact Statement for Economic Development for 2018-2028:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	597	505	516	540	418	533	633	678	729	744	644
Targeted rates	84	89	91	95	74	94	112	120	129	131	114
Subsidies and grants for operating purposes	689	60	62	64	65	67	69	71	73	75	77
Fees and charges	27	35	36	1,011	1,277	2,381	3,203	3,454	3,585	3,857	4,145
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	38	33	34	35	36	37	38	39	40	41	43
<b>Total Operating Funding (A)</b>	<b>1,435</b>	<b>722</b>	<b>739</b>	<b>1,745</b>	<b>1,870</b>	<b>3,112</b>	<b>4,055</b>	<b>4,362</b>	<b>4,556</b>	<b>4,848</b>	<b>5,023</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	1,252	594	610	1,601	3,343	3,469	3,717	3,852	4,120	4,403	4,562
Finance costs	7	6	9	13	43	66	71	73	73	75	76
Internal charges and overheads applied	175	281	286	310	320	327	333	346	352	360	374
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,434</b>	<b>881</b>	<b>905</b>	<b>1,924</b>	<b>3,706</b>	<b>3,862</b>	<b>4,121</b>	<b>4,271</b>	<b>4,545</b>	<b>4,838</b>	<b>5,012</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1</b>	<b>(159)</b>	<b>(166)</b>	<b>(179)</b>	<b>(1,836)</b>	<b>(750)</b>	<b>(66)</b>	<b>91</b>	<b>11</b>	<b>10</b>	<b>11</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	19,695	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	208	168	228	189	1,848	761	76	(80)	1	2	2
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>19,903</b>	<b>168</b>	<b>228</b>	<b>189</b>	<b>1,848</b>	<b>761</b>	<b>76</b>	<b>(80)</b>	<b>1</b>	<b>2</b>	<b>2</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	19,904	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	10	62	11	11	11	12	12	12	13	13
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>19,904</b>	<b>10</b>	<b>62</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1)</b>	<b>158</b>	<b>166</b>	<b>178</b>	<b>1,837</b>	<b>750</b>	<b>64</b>	<b>(92)</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>(2)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>





## Regulation and Safety

### What we do and why:

This Significant Activity works towards ensuring a healthy and safe environment for residents and visitors to the Ōpōtiki District. It includes a range of functions that are required of Council by legislation and also the administration of a range of bylaws designed to ensure a health and nuisance free District for residents and visitors alike. Further to the legislative requirements behind many of these services, there is a public expectation that the Council will regulate behaviours in public places in a manner that is in the community's best interest. The Regulation and Safety Activity is required to assist in maintaining community safety and to enhance community well-being.

### This significant activity includes:

- Regulation (Environmental Health, Noise Control, Animal Control, Building Control Services and Liquor Licencing)
- Safety (Emergency Management and Rural Fire)
- District Plan Implementation (issuing of resource consents for land use and subdivision and monitoring of consents for compliance with conditions).

Contribution to Community Outcomes	How this activity contributes
 <b>Development and protection of the natural environment</b>	To ensure that public health and safety is protected and enhanced through the effective and efficient implementation of legislation (Environment Health, Liquor and Noise Control) and fit for purpose bylaws.
 <b>Services and facilities meet our needs</b>	To protect the interest of public health, safety, infrastructure and ensure the welfare of animals through the delivery of animal (particularly dog) control.
 <b>A strong and effective community spirit</b>	To ensure the construction of sustainable buildings and to protect current and future users through the administration of the Building Control Act 2004 and relevant regulations.
 <b>Development supports the community</b>	To ensure that the Council and the Community are prepared for a civil emergency or rural fire event and adequate systems are in place to enable recovery following a civil emergency.

What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic	Some could consider that the enforcement nature of the activity infringes on the way of life of residents and ratepayers and the experience that the East Coast has to offer visitors.	Council is required to implement legislation as intended by Central Government and will wherever possible take a fit for purpose approach in doing so. The health and safety of the community at large and the protection of public and private property must take priority over individual needs and desires. Council will also continue to explore opportunities for shared service delivery arrangements with other organisations with a view to ensure that fit for purpose solutions are delivered in the most effective and efficient manner. Wherever possible, costs will be recovered from the applicant or the exacerbator.
	That the cost associated with monitoring and enforcement is beyond the community's ability to pay.	

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
Provide services that meet current and future needs, and are accessible to all.	All statutory timeframes met for processing liquor licences, building consents, food premises checks and resource consents.	New target	100%	100%	100%	100%
	% of customer satisfaction with building control team (where customer has interacted with them in the last year).	New target	70%	70%	75%	75%
Community where people feel safe.	Number of patrols undertaken in the Ōpōtiki urban area by Animal Control team.	New target	2 per day	2 per day	2 per day	2 per day
	All animal control complaints of an aggressive or threatening nature are responded to within 2 hours from receipt of complaint.	76%	80%	80%	85%	90%

<b>Outcome or priority for action</b>	<b>Measure of success</b>	<b>Performance achieved 2019/20</b>	<b>Performance targets 2021/22</b>	<b>Performance targets 2022/2023</b>	<b>Performance targets 2023/2024</b>	<b>Performance targets 2024-2031</b>
Support the provision of emergency management services.	% of roles identified and staffed for 24 hours operation of the Emergency Coordination Centre.	100%	85%	85%	85%	85%
	Minimum number of council delivered initiatives to promote community resilience and safety.	4 initiatives delivered	4 initiatives delivered	4 initiatives delivered	4 initiatives delivered	4 initiatives delivered

Key projects and programmes:

Funding Impact Statement for Regulation and Safety for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	601	628	603	660	638	682	659	708	683	733	711
Targeted rates	88	95	95	100	101	102	104	106	108	110	112
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	649	841	868	896	926	956	983	1,011	1,040	1,071	1,100
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	27	67	69	71	73	75	77	79	81	85	87
<b>Total Operating Funding (A)</b>	<b>1,365</b>	<b>1,631</b>	<b>1,635</b>	<b>1,727</b>	<b>1,738</b>	<b>1,815</b>	<b>1,823</b>	<b>1,904</b>	<b>1,912</b>	<b>1,999</b>	<b>2,010</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	1,018	1,196	1,194	1,257	1,254	1,320	1,318	1,385	1,382	1,453	1,451
Finance costs	3	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	336	434	440	470	482	493	505	518	530	543	557
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,357</b>	<b>1,630</b>	<b>1,634</b>	<b>1,727</b>	<b>1,736</b>	<b>1,813</b>	<b>1,823</b>	<b>1,903</b>	<b>1,912</b>	<b>1,996</b>	<b>2,008</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>2</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	102	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>102</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	89	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	21	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(8)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>1</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>2</b>	<b>1</b>

# Environmental Sustainability

## Why we provide this group of activities:

The group of activities works towards those community outcomes that promote well-being. Communities have an impact on our natural environment in many ways. This group of activities work towards mitigating and managing those impacts so that future generations can enjoy our districts' pristine natural environment.

## Significant activities in this group:

Solid Waste Management, Stormwater, District Plan and Wastewater



*Opōtiki sewage treatment pond undergoes de-sludging*



# Solid Waste Management

## What we do and why:




This Significant Activity provides for the minimisation, collection, management and disposal of solid waste in the Ōpōtiki District. The provision of solid waste services is vital to both environmental and public health.

Council is responsible under the Waste Minimisation Act 2008 for preparing and implementing a waste management and minimisation plan and for overseeing and promoting effective and efficient waste minimisation and management. The following minimisation and management hierarchy drives Council's philosophical approach to Solid Waste Management and provides context for the Resource Recovery Facilities within the District:

- Reduction
- Reuse
- Recycling
- Recovery
- Treatment
- Disposal

## This significant activity includes:

- Solid Waste and Recyclables Collection (Kerbside Collection)
- Solid Waste Management (Resource Recovery Facilities, Waste Minimisation, Litter Control and the management and monitoring of closed landfills within the District).

Contribution to Community Outcomes	How this activity contributes
 <b>Development and protection of the natural environment</b>	Ensure the environmentally safe collection and disposal of waste.  Minimise the creation of waste within the District.
 <b>Services and facilities meet our needs</b>	
 <b>Development supports the community</b>	

What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic Environmental	Public health, odour and environmental degradation.	The provision of effective and efficient waste collection and disposal facilities.
	High waste volumes can increase the costs of waste management.	A focus on waste minimisation through waste reduction, reuse and recycling.
	Because of the cost of waste disposal, some community members may resort to fly tipping.	Ensuring a balance between economic incentives for waste reduction and the cost associated with waste disposal through fees and charges.

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
Provide facilities and services that meet current and future needs, and are accessible to all.	Number of justified complaints received about kerbside refuse and recycling collection service. (Note: service conditions outlined on brochure delivered annually)	14	<20	<20	<20	<18
	Customer satisfaction rating of waste transfer stations good or better.	81%	>80%	>80%	>80%	>80%
	Percentage of actions identified in the Waste Management and Minimisation Plan for the year that have been completed. This identifies the total annual actions required. Actions are required within specification and budget.	New target	70%	70%	75%	75%

Key projects and programmes:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Growth</b>										
Additional Rubbish Bins at district toilets	8									
<b>Growth Total</b>	<b>8</b>									
<b>LOS</b>										
Green waste recycling project	60									
<b>LOS Total</b>	<b>60</b>									
<b>Renewal</b>										
Waihau Bay RRC renewals	15	15	16	16	16	17	17	17	18	18
Te Kaha RRC renewals	25	26	26	27	27	28	28	29	30	30
Ōpōtiki RRC renewals	80	36	36	37	38	39	40	41	42	43
<b>Renewal Total</b>	<b>120</b>	<b>77</b>	<b>78</b>	<b>80</b>	<b>81</b>	<b>83</b>	<b>85</b>	<b>87</b>	<b>89</b>	<b>91</b>
<b>Grand Total</b>	<b>188</b>	<b>77</b>	<b>78</b>	<b>80</b>	<b>81</b>	<b>83</b>	<b>85</b>	<b>87</b>	<b>89</b>	<b>91</b>

## Funding Impact Statement for Solid Waste for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	1,011	1,245	1,232	1,267	1,355	1,393	1,428	1,466	1,503	1,542	1,582
Targeted rates	446	514	515	557	572	588	603	619	636	653	670
Subsidies and grants for operating purposes	37	-	-	-	-	-	-	-	-	-	-
Fees and charges	292	272	280	288	296	305	313	323	332	342	351
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Funding (A)</b>	<b>1,786</b>	<b>2,031</b>	<b>2,027</b>	<b>2,112</b>	<b>2,223</b>	<b>2,286</b>	<b>2,344</b>	<b>2,408</b>	<b>2,471</b>	<b>2,537</b>	<b>2,603</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	1,455	1,589	1,579	1,623	1,720	1,769	1,816	1,864	1,915	1,966	2,018
Finance costs	9	4	5	7	9	12	13	15	16	17	19
Internal charges and overheads applied	323	413	413	452	463	475	486	498	510	522	536
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,787</b>	<b>2,006</b>	<b>1,997</b>	<b>2,082</b>	<b>2,192</b>	<b>2,256</b>	<b>2,315</b>	<b>2,377</b>	<b>2,441</b>	<b>2,505</b>	<b>2,573</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1)</b>	<b>25</b>	<b>30</b>	<b>30</b>	<b>31</b>	<b>30</b>	<b>29</b>	<b>31</b>	<b>30</b>	<b>32</b>	<b>30</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	-	165	47	49	52	54	56	59	61	64	67
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>165</b>	<b>47</b>	<b>49</b>	<b>52</b>	<b>54</b>	<b>56</b>	<b>59</b>	<b>61</b>	<b>64</b>	<b>67</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	8	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	60	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	120	77	79	82	84	86	89	92	94	97
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>188</b>	<b>77</b>	<b>79</b>	<b>82</b>	<b>84</b>	<b>86</b>	<b>89</b>	<b>92</b>	<b>94</b>	<b>97</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>(23)</b>	<b>(30)</b>	<b>(30)</b>	<b>(30)</b>	<b>(30)</b>	<b>(30)</b>	<b>(30)</b>	<b>(31)</b>	<b>(30)</b>	<b>(30)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>(1)</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>(1)</b>	<b>2</b>	<b>-</b>

# Stormwater




## What we do and why:

This Significant Activity provides for the collection and disposal of stormwater predominantly in the urban environment. Stormwater drainage systems are provided in the Ōpōtiki township and the Waiotahi Drifts subdivision with a view to mitigate surface flooding following rainfall. Council is involved in this activity to fulfil its legal obligations for the control of stormwater systems and to ensure the protection of public health and property.

The Local Government Act 2002 empowers Council to be involved in the ownership of stormwater assets and the provision of such services.

## This significant activity includes:

- Stormwater collection and disposal.

Contribution to Community Outcomes	How this activity contributes
 <b>Development and protection of the natural environment</b>	<p>To protect the environment from the adverse effects of stormwater.</p> <p>To protect public health and property.</p> <p>Facilities and services that meet the expectations of the community for quality of life.</p>
 <b>Services and facilities meet our needs</b>	
 <b>Development supports the community</b>	

## What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic Environmental	The discharge of pollutants to stormwater reticulation can be harmful to the natural environment.	Mitigate risk through education, monitoring and where necessary enforcement. Reduce the risk by developing stormwater treatment systems  Reduce the risk by maintaining and developing existing urban drainage systems and undertake catchment modelling to understand future stormwater management needs in line with future development.  Ensure buildings have appropriate stormwater design and suitable drainage fittings.
	Inadequate stormwater systems may lead to the flooding of property and/or surcharge of the wastewater reticulation network both of which represent risk to public health and property.	

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
The urban stormwater activity is managed to protect people and property from the impacts of flooding.	The number of flooding events that occur in the District. N.B. The Department of Internal Affairs describes a flooding event as an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.	0	0	0	0	0
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).	0/1000 connections	0/1000 connections	0/1000 connections	0/1000 connections	0/1000 connections
Service requests and complaints are processed as they come in.	Median response time to attend a flooding event, from notification to personnel on site. N.B. The Department of Internal Affairs describes a flooding event as an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.	0/1000 connections	<4 hours	<4 hours	<4 hours	<4 hours
	Number of complaints received about the performance of the stormwater system per 1000 connections to the Council's stormwater system.	<9/1000 connections	<10/1000 connections	<10/1000 connections	<10/1000 connections	<10/1000 connections

<b>Outcome or priority for action</b>	<b>Measure of success</b>	<b>Performance achieved 2019/20</b>	<b>Performance targets 2021/22</b>	<b>Performance targets 2022/2023</b>	<b>Performance targets 2023/2024</b>	<b>Performance targets 2024-2031</b>
Stormwater water quality will be managed effectively for 365 days of the year.	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of:					
	a) abatement notices	0	0	0	0	0
	b) infringement notices	0	0	0	0	0
	c) enforcement orders	0	0	0	0	0
	d) convictions	0	0	0	0	0
	received by Council in relation to those resource consents					

Key projects and programmes:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Growth</b>										
Hukutaia Growth - Option 1		21	1,065	880		1,167				
<b>Growth Total</b>		<b>21</b>	<b>1,065</b>	<b>880</b>		<b>1,167</b>				
<b>LOS</b>										
Brabant St Drain Upgrade			213							
Church St South Pump Station and Pipe Upgrade									708	
Comprehensive Discharge Resource Consent		58								
Duke St Basin							760	3,114	3,860	
Duke St Stop Bank		52								
Elliot/Goring St Basin										26
Malcolm St Basin										26
Memorial Park Pump Station		31								
New Richard St Gravity Main		243								
New St John St Gravity Main						12	663			
Second Pump at Tarawa Creek		392								
Stewart/Wellington St Pump Station										
Tarawa Creek Flood Water Storage Area			107		1,138					
Tarawa Creek Pump Station	500									
Upgrade to Richard St Gravity Main	1,326									
Wellington/Brabant St Pump Station		207								
Wellington/Union St Storage Basin		284								26
Memorial Park Storage Basin								25	322	
Tarawa Creek Storage - Stage 2					114	2,334				
Stormwater - Ricardo at Critical Pump Stations	66									
Tarawa Open Drain	1,098									
Stormwater Pump Stations	220									
Stormwater Channel works	110									
Stormwater Reticulation extensions/upgrades	329									264
Stormwater - King Street Culvert		52								
<b>LOS Total</b>	<b>3,649</b>	<b>1,317</b>	<b>320</b>		<b>1,251</b>	<b>2,346</b>	<b>1,423</b>	<b>3,138</b>	<b>4,889</b>	<b>343</b>
<b>Renewal</b>										
Stormwater - Reticulation Replacements		36	37	39	40	41	42	44	45	46
Stormwater - Plant Replacement	2									
Flood Gates Replacement	33									
<b>Renewal Total</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>39</b>	<b>40</b>	<b>41</b>	<b>42</b>	<b>44</b>	<b>45</b>	<b>46</b>
<b>Grand Total</b>	<b>3,683</b>	<b>1,374</b>	<b>1,422</b>	<b>919</b>	<b>1,291</b>	<b>3,554</b>	<b>1,465</b>	<b>3,182</b>	<b>4,934</b>	<b>389</b>



## Funding Impact Statement for Stormwater for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	573	576	627	676	736	790	856	930	986	1,075	1,138
Targeted rates	64	144	157	169	184	197	214	233	246	269	284
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Funding (A)</b>	<b>637</b>	<b>720</b>	<b>784</b>	<b>845</b>	<b>920</b>	<b>987</b>	<b>1,070</b>	<b>1,163</b>	<b>1,232</b>	<b>1,344</b>	<b>1,422</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	212	248	256	265	276	285	299	306	315	336	348
Finance costs	106	58	79	107	133	179	246	276	327	414	415
Internal charges and overheads applied	149	109	107	120	123	126	129	133	136	139	143
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>467</b>	<b>415</b>	<b>442</b>	<b>492</b>	<b>532</b>	<b>590</b>	<b>674</b>	<b>715</b>	<b>778</b>	<b>889</b>	<b>906</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>170</b>	<b>305</b>	<b>342</b>	<b>353</b>	<b>388</b>	<b>397</b>	<b>396</b>	<b>448</b>	<b>454</b>	<b>455</b>	<b>516</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	1,319	-	-	-	-	-	-	-	-	185
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	1,819	2,168	1,034	1,068	531	895	3,157	1,017	2,728	4,480	(312)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,819</b>	<b>3,487</b>	<b>1,034</b>	<b>1,068</b>	<b>531</b>	<b>895</b>	<b>3,157</b>	<b>1,017</b>	<b>2,728</b>	<b>4,480</b>	<b>(127)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	110	21	1,065	880	-	1,167	-	-	-	-
- to improve the level of service	1,887	3,649	1,317	320	-	1,251	2,346	1,423	3,138	4,889	343
- to replace existing assets	100	35	36	37	39	40	41	42	44	45	46
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,987</b>	<b>3,794</b>	<b>1,374</b>	<b>1,422</b>	<b>919</b>	<b>1,291</b>	<b>3,554</b>	<b>1,465</b>	<b>3,182</b>	<b>4,934</b>	<b>389</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(168)</b>	<b>(307)</b>	<b>(340)</b>	<b>(354)</b>	<b>(388)</b>	<b>(396)</b>	<b>(397)</b>	<b>(448)</b>	<b>(454)</b>	<b>(454)</b>	<b>(516)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>2</b>	<b>(2)</b>	<b>2</b>	<b>(1)</b>	<b>-</b>	<b>1</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>




# District Plan

## What we do and why:

The purpose of the District Plan significant activity is to provide a framework for managing future growth and land use activities to provide a high quality environment for present and future generations. Council's principal document for the delivery of this significant activity is the District Plan and Council has a statutory responsibility under the Resource Management Act 1991 (RMA). Under this significant activity, Council develops appropriate land use controls for the Ōpōtiki District, fosters good working relationships with Tangata Whenua and other stakeholders, and monitors and enforces rules and policies.

## This significant activity includes:

- District Planning (reviewing and amending the District Plan as appropriate).

Contribution to Community Outcomes	How this activity contributes
 <b>Development and protection of the natural environment</b>	To assist the development of a safe and sustainable environment through the administration of the Ōpōtiki District Plan and the Resource Management Act 1991.
 <b>Services and facilities meet our needs</b>	To provide a District Plan that responds to and manages growth and development in terms of environmental sustainability.
 <b>Development supports the community</b>	

## What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Economic	<p>The District Plan could be seen as either a barrier to growth or as enabling environmental degradation.</p> <p>Cost of process could be seen by some as excessive.</p>	<p>Ensure that any amendments to the District Plan balance the need for environmental protection and desirable development.</p> <p>Efficient processes while ensuring purpose of the RMA is met.</p>

Levels of service:

<b>Outcome or priority for action</b>	<b>Measure of success</b>	<b>Performance achieved 2019/20</b>	<b>Performance targets 2021/22</b>	<b>Performance targets 2022/2023</b>	<b>Performance targets 2023/2024</b>	<b>Performance targets 2024-2031</b>
Provision of a District Plan that meets the district's needs going forward.	Review District Plan in accordance with the RMA as required.	100%	100%	100%	100%	100%
Community where people feel safe.	Percentage of existing bylaws that are reviewed within legislative timeframes to ensure they remain relevant.	New target	100%	100%	100%	100%

Funding Impact Statement for District Plan for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	344	338	345	358	367	376	385	394	403	413	423
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1	1	1	1	1	1	1	1	1	1
<b>Total Operating Funding (A)</b>	<b>344</b>	<b>339</b>	<b>346</b>	<b>359</b>	<b>368</b>	<b>377</b>	<b>386</b>	<b>395</b>	<b>404</b>	<b>414</b>	<b>424</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	270	238	244	251	255	262	269	274	280	286	294
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	74	100	101	109	111	114	117	120	123	126	129
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>344</b>	<b>338</b>	<b>345</b>	<b>360</b>	<b>366</b>	<b>376</b>	<b>386</b>	<b>394</b>	<b>403</b>	<b>412</b>	<b>423</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>(1)</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	1	1	1	1	1	1	1	1	1	1
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>1</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>

# Wastewater

## What we do and why:




This Significant Activity provides for the environmentally safe collection, treatment and disposal of the District’s sewage wastes. Council operates two schemes. One serves the township of Ōpōtiki and the Waiotahi Drifts while the other serves a small subdivision at Waihou Bay. Both schemes discharge primary treated effluent to field soakage systems. All other dwellings in the District are serviced by privately owned septic tank systems.

Council is involved in the Wastewater Significant Activity as the collection, treatment and safe disposal of human and commercial/trade wastes are essential for the protection of public health and environmental outcomes in urban areas.

The Local Government Act 2002 empowers Council to be involved in the ownership of wastewater assets and the provision of services.

## This significant activity includes:

- Reticulation, Treatment and Disposal (Ōpōtiki and Waihou Bay).

Contribution to Community Outcomes	How this activity contributes
 <b>Development and protection of the natural environment</b>	To protect public health and property from sewage overflows.
 <b>Services and facilities meet our needs</b>	To enable economic growth with quality of life benefit.
 <b>Development supports the community</b>	To protect the environment from the adverse effects of wastewater.

## What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic Environmental	Groundwater infiltration & stormwater inflow could overload the treatment and reticulation systems. Limit new connections, creating a barrier to community growth and development And causing adverse effects on the environment and public health	Robust wastewater asset management planning and design avoids adverse effects on the environment. Council’s dedication to a sustainable reticulation renewal programme will mitigate groundwater infiltration and stormwater inflow.

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
A reliable removal and treatment service is provided in areas serviced by Council operated sewerage systems.	The total number of complaints received by Council about any of the following:					
	a) sewerage odour	0/1000 connections	<5/1000 connections	<5/1000 connections	<5/1000 connections	<5/1000 connections
	b) sewerage system faults	<2/1000 connections	<5/1000 connections	<5/1000 connections	<5/1000 connections	<5/1000 connections
	c) sewerage system blockages	<2/1000 connections	<5/1000 connections	<5/1000 connections	<5/1000 connections	<5/1000 connections
	d) Council's response to issues with its sewerage system	0/1000 connections	<2/1000 connections	<2/1000 connections	<2/1000 connections	<2/1000 connections
	expressed per 1000 connections to Council's sewerage system.					
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system.	<20 minutes	<4 hours	<4 hours	<4 hours	<4 hours
Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system.	49 minutes	<2 days	<2 days	<1 day	<1 day	
Sewage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system.	0	0	0	0	0
	The number of dry weather overflows from Council's sewerage system expressed per 1000 sewerage connections to that sewerage system.	<1	<2	<2	<2	<2

The quality of effluent leaving the treatment plant is of a standard required by consents.	Compliance with Council's resource consents for discharge from its sewage system, measured by the number of								
	a) abatement notices	0	0	0	0	0	0	0	0
	b) infringement notices	0	0	0	0	0	0	0	0
	c) enforcement orders	0	0	0	0	0	0	0	0
	d) convictions	0	0	0	0	0	0	0	0
received by Council in relation to those resource consents.									

Key projects and programmes:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Growth</b>										
Public toilet WW disposal field upgrade	220									
Secondary treatment upgrade		464		4,950						
Hukutaia Growth - Option 2 Revised and funded	500	310	1,704			817				10,163
<b>Growth Total</b>	<b>720</b>	<b>774</b>	<b>1,704</b>	<b>4,950</b>		<b>817</b>				<b>10,163</b>
<b>LOS</b>										
Factory Rd Wastewater Extension Stage 2				55	114	128				
Motorhome Association dump station in Ōpōtiki					23					
Pump Station 2 Rising main extension	220									
<b>LOS Total</b>	<b>220</b>			<b>55</b>	<b>137</b>	<b>128</b>				
<b>Renewal</b>										
Soakage lines renewal			53	330						
Wastewater Reticulation Renewals Waihou Bay	5	5	5	6	6	6	6	6	6	7
Wastewater Reticulation Renewals Ōpōtiki	60	62	64	66	68	70	72	75	77	79
Wastewater Treatment Renewals Ōpōtiki	40	41	43	44	46	47	48	50	51	53
Wastewater Reticulation Rehabilitation	100			1,100	1,138	1,167	1,206	1,245		
Wastewater Treatment Renewals Waihou Bay	1	1	1	1	1	1	1	1	1	1
WWTP Consent		26	53	83						
Wastewater Treatment Plant Inlet works	1,000	1,297								
Waihou Bay Wastewater disposal field	55									
<b>Renewal Total</b>	<b>1,261</b>	<b>1,433</b>	<b>219</b>	<b>1,629</b>	<b>1,258</b>	<b>1,291</b>	<b>1,333</b>	<b>1,377</b>	<b>136</b>	<b>140</b>
<b>Grand Total</b>	<b>2,200</b>	<b>2,207</b>	<b>1,923</b>	<b>6,635</b>	<b>1,395</b>	<b>2,236</b>	<b>1,333</b>	<b>1,377</b>	<b>136</b>	<b>10,303</b>

## Funding Impact Statement for Wastewater for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	496	347	351	369	489	540	581	617	639	644	671
Targeted rates	907	810	818	860	1,140	1,260	1,355	1,439	1,491	1,503	1,566
Subsidies and grants for operating purposes	-	110	-	-	-	-	-	-	-	-	-
Fees and charges	6	20	21	21	22	23	23	24	25	26	26
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Funding (A)</b>	<b>1,410</b>	<b>1,287</b>	<b>1,190</b>	<b>1,250</b>	<b>1,651</b>	<b>1,823</b>	<b>1,959</b>	<b>2,080</b>	<b>2,155</b>	<b>2,173</b>	<b>2,263</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	428	642	562	574	809	852	857	882	933	941	966
Finance costs	278	106	135	158	280	363	399	431	449	451	450
Internal charges and overheads applied	368	210	208	231	237	243	249	256	262	268	275
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,074</b>	<b>958</b>	<b>905</b>	<b>963</b>	<b>1,326</b>	<b>1,458</b>	<b>1,505</b>	<b>1,569</b>	<b>1,644</b>	<b>1,660</b>	<b>1,691</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>336</b>	<b>329</b>	<b>285</b>	<b>287</b>	<b>325</b>	<b>365</b>	<b>454</b>	<b>511</b>	<b>511</b>	<b>513</b>	<b>572</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	631	829	1,704	-	-	817	-	-	-	10,163
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	973	1,241	1,095	(68)	6,312	1,031	963	822	866	(375)	(433)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>973</b>	<b>1,872</b>	<b>1,924</b>	<b>1,636</b>	<b>6,312</b>	<b>1,031</b>	<b>1,780</b>	<b>822</b>	<b>866</b>	<b>(375)</b>	<b>9,730</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	720	774	1,704	4,950	-	817	-	-	-	10,163
- to improve the level of service	-	220	-	-	55	137	128	-	-	-	-
- to replace existing assets	1,308	1,261	1,433	219	1,629	1,258	1,291	1,333	1,377	136	140
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,308</b>	<b>2,201</b>	<b>2,207</b>	<b>1,923</b>	<b>6,634</b>	<b>1,395</b>	<b>2,236</b>	<b>1,333</b>	<b>1,377</b>	<b>136</b>	<b>10,303</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(335)</b>	<b>(329)</b>	<b>(283)</b>	<b>(287)</b>	<b>(322)</b>	<b>(364)</b>	<b>(456)</b>	<b>(511)</b>	<b>(511)</b>	<b>(511)</b>	<b>(573)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>1</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>3</b>	<b>1</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(1)</b>



# Economic Sustainability

## Why we provide this group of activities:

The group of activities are those that provide infrastructure that enables the community to grow and prosper. The Opotiki District relies on reliable infrastructure to support business and industry development. By way of example primary industries depend on a reliable transport network to enable them to get produce to market. The developing aquaculture industry will need a secure and reliable potable water supply for processing its products.

## Significant activities in this group:

Water supply, Land Transport and Investments.



*PGF funded footpaths being laid*

# Water Supply




## What we do and why:

The Water Supply Significant Activity provides for the environmentally safe collection, treatment and reticulation of potable water supply to certain parts of the community. A reliable and safe water supply is provided to approximately 5,750 of the Ōpōtiki District population in Te Kaha, Ōpōtiki, Hukutaia Waiotahi Drifts and Ōhiwa. Efficient, safe and sustainable water supplies are essential for the social, economic and environmental well-being of the District. Reliable drinking water supports public health outcomes, industry growth and development and community safety by way of providing firefighting capacity in urban areas.

The Local Government Act 2002 empowers Council to be involved in the ownership of wastewater assets and the provision of services.

## This significant activity includes:

- Extraction, Treatment and Reticulation of potable water.

Contribution to Community Outcomes	How this activity contributes
 <b>Development and protection of the natural environment</b>	Safe drinking water in accordance with NZ Drinking Water Standards.
 <b>Services and facilities meet our needs</b>	Reliable water supplies, minimising supply disruptions through improved maintenance and meeting peak water supply demands.
 <b>Development supports the community</b>	Cost effective operation, maintenance of and improvements to water supply systems including treatment facilities, pumping stations, reservoirs and piped reticulation.

## What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic Environmental	Growth could exceed the capacity of the water supply infrastructure.  Excessive abstraction of raw water at the point of intake has the potential for negative impact on the environment.	Robust water supply asset management planning and design avoids adverse effects on the environment. The Water Supply Asset Management Plan adequately provides for projected growth, particularly through extended reticulation.  Robust assessment of effects carried out in support of resource consent to take water. Regional Council monitoring of aquifer.

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
Council will provide safe drinking water that is pleasant tasting and looking from Council operated supplies.	The total number of complaints received by Council about any of the following:					
	Drinking water clarity	6.8/1000 connections	<5	<5	<5	<5
	Drinking water taste	<1/1000 connections	<5	<5	<5	<5
	Drinking water odour	0/1000 connections	<5	<5	<5	<5
	Drinking water pressure or flow	<2/1000 connections	<5	<5	<5	<5
	Continuity of supply	<3/1000 connections	<5	<5	<5	<5
	Council's response to any of these issues	0/1000 connections	<3	<3	<3	<3
	expressed per 1000 connections to Council's networked reticulation system.					
	The extent to which Council's drinking water supply complies with:					
	Part 4 of the drinking water standards (bacteria compliance criteria); and	100%	100%	100%	100%	100%
Part 5 of the drinking water standards (protozoal compliance criteria).	100%	100%	100%	100%	100%	

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
Failures and service requests are responded to promptly.	Fault response times:	48 minutes	<4 hours	<4 hours	<4 hours	<4 hours
	a) Median response time to attend urgent call-outs					
	b) Median response time to resolve urgent call-outs	3 hours	<1 days	<1 days	<1 days	<1 days
	c) Median response time to attend non-urgent call-outs	48 minutes	<1 day	<1 day	<1 day	<1 day
	d) Median response time to resolve non-urgent call-outs	22 hours and 56 minutes	<4 days	<4 days	<4 days	<4 days
Water resources are used efficiently and sustainably.	Average consumption of drinking water per day per resident.	384L	<400L	<400L	<400L	<400L
	Percentage of real water loss from networked reticulation system.	Ōpōtiki 16.4%	<20%	<20%	<15%	<10%
		Te Kaha 29%	<20%	<20%	<15%	<10%

Key projects and programmes:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Growth</b>										
Ōpōtiki Water - Duke Street Feed						373				
Ōpōtiki Water - Reticulation Upgrades for Harbour							169			
<b>Growth Total</b>						<b>373</b>	<b>169</b>			
<b>LOS</b>										
Pressure monitoring equipment & Ricardo		41								
Te Kaha Booster to OBrien's 1.4km				319						
Ōpōtiki Water Treatment UV	150		21		23		24		26	
Copenhagen Loop								286		
Te Kaha Water - Pressure Monitoring Equipment	20									
Te Kaha Water - Treatment Plant Relocation		867								
Te Kaha Water - New Water Source	190									
Ōpōtiki Water - Reticulation Improvements	165									
Ōpōtiki Water - Condition & Performance Assessment	5	5	5	6	6	6	6	6	6	7
<b>LOS Total</b>	<b>530</b>	<b>913</b>	<b>27</b>	<b>325</b>	<b>28</b>	<b>6</b>	<b>30</b>	<b>293</b>	<b>32</b>	<b>7</b>
<b>Renewal</b>										
Dip Rd Replacement 2km	350									
Hukutaia Rd Main Renewal						373				
Te Kaha Water - Valves, Hydrants, Meters, Pumps	15		16		17		18		28	
Te Kaha Water - Treatment Renewals	18	19	19	20	20	21	22	22	23	24
Te Kaha Water - Reticulation Renewals	20	21	21	22	23	23	277	25	26	26
Ōpōtiki Water - Consent Renewals	30									
Hukutaia Valves and Hydrants			16		17		18		19	
Ōpōtiki Water - Reservoir Lining								249		
Ōpōtiki Water - Valves, Hydrants and Meters	20		21		23		36		39	
Otara Booster Station Renewals and Pumps	21	41				12	1			
Woodlands Reticulation Renewal							289			
Hukutaia Reticulation Replacement and Upgrade	30	31	32	33	34	35	36	37	39	40
Ōpōtiki Water - Reticulation Renewals	60	62	64	66	68	70	72	75	77	79
Ōpōtiki Water - Treatment Renewals	50	52	53	55	57	58	60	62	64	66
Grant Road Reticulation Renewal					284					
Hukutaia Rd Rising Main and Reservoir Upgrade					1,593					
Ōpōtiki Water - Treatment Plant Renewals	85	21	14	6		15	8	20	14	
Hukutaia Booster Station Electrical Control	6		4	12			6			
Ōhiwa Water - Treatment Renewals	2	2	2	2	2	2	2	2	2	2
Ōhiwa Water - Reticulation Renewals			11			6				
<b>Renewal Total</b>	<b>706</b>	<b>247</b>	<b>273</b>	<b>215</b>	<b>2,138</b>	<b>616</b>	<b>847</b>	<b>493</b>	<b>331</b>	<b>237</b>
<b>Grand Total</b>	<b>1,236</b>	<b>1,160</b>	<b>300</b>	<b>540</b>	<b>2,166</b>	<b>995</b>	<b>1,046</b>	<b>785</b>	<b>363</b>	<b>244</b>

## Funding Impact Statement for Water Supply for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	132	117	147	151	160	170	173	187	189	191	204
Targeted rates	1,077	1,214	1,392	1,439	1,506	1,580	1,617	1,710	1,744	1,775	1,862
Subsidies and grants for operating purposes	-	110	-	-	-	-	-	-	-	-	-
Fees and charges	8	4	4	4	4	5	5	5	5	5	5
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Funding (A)</b>	<b>1,217</b>	<b>1,445</b>	<b>1,543</b>	<b>1,594</b>	<b>1,670</b>	<b>1,755</b>	<b>1,795</b>	<b>1,902</b>	<b>1,938</b>	<b>1,971</b>	<b>2,071</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	550	794	704	705	724	748	768	790	814	837	860
Finance costs	163	60	76	86	100	151	166	181	184	182	176
Internal charges and overheads applied	272	248	244	275	282	289	295	303	311	318	326
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>985</b>	<b>1,102</b>	<b>1,024</b>	<b>1,066</b>	<b>1,106</b>	<b>1,188</b>	<b>1,229</b>	<b>1,274</b>	<b>1,309</b>	<b>1,337</b>	<b>1,362</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>232</b>	<b>343</b>	<b>519</b>	<b>528</b>	<b>564</b>	<b>567</b>	<b>566</b>	<b>628</b>	<b>629</b>	<b>634</b>	<b>709</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	603	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	(54)	290	642	(229)	(24)	1,599	428	418	155	(270)	(465)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(54)</b>	<b>893</b>	<b>642</b>	<b>(229)</b>	<b>(24)</b>	<b>1,599</b>	<b>428</b>	<b>418</b>	<b>155</b>	<b>(270)</b>	<b>(465)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	373	169	-	-	-
- to improve the level of service	21	530	913	27	325	28	6	30	293	32	7
- to replace existing assets	157	706	247	273	215	2,138	616	847	493	331	237
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>178</b>	<b>1,236</b>	<b>1,160</b>	<b>300</b>	<b>540</b>	<b>2,166</b>	<b>995</b>	<b>1,046</b>	<b>786</b>	<b>363</b>	<b>244</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(232)</b>	<b>(343)</b>	<b>(518)</b>	<b>(529)</b>	<b>(564)</b>	<b>(567)</b>	<b>(567)</b>	<b>(628)</b>	<b>(631)</b>	<b>(633)</b>	<b>(709)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(2)</b>	<b>1</b>	<b>-</b>

# Land Transport





## What we do and why:

Council provides on-going management, development and maintenance of the District’s Land Transport Network. The Land Transport Network in the Ōpōtiki District enables the safe and efficient movement of people and goods and services that avoids damage to the environment. The Land Transport Network contributes to the social and economic development of the District Community.

An efficient, safe and reliable Land Transport Network is essential for the economic well-being of our District. Roads provide access to properties, the passage of traffic and the transportation of goods and services.

## This significant activity includes:

- Subsidised Roding
- Unsubsidised Roding.

Contribution to Community Outcomes	How this activity contributes
 <b>Development and protection of the natural environment</b>	The transport network supports the economic and lifestyle needs of the District through provision of access to properties, passage of through traffic, and effective transportation of goods and services.
 <b>Services and facilities meet our needs</b>	
 <b>Development supports the community</b>	
 <b>A strong and effective community spirit</b>	

What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Cultural Social Economic Environmental	<p>Carbon emissions and safety associated with using the transport network.</p> <p>Road standards and capacity could result in delays to the transport of good and services and access to emergency services and daily employment.</p> <p>There may be a gap between community expectations for roading and the subsidised funding from government.</p>	<p>Alternative fuel and product sources need to be considered. Education and safer road corridors.</p> <p>Responding to damages and repairs in a timely and appropriate manner.</p> <p>Consultation with community about choice between rates funding and level of service. Focussed advocacy efforts.</p>

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
The surface of the roading network is maintained in good condition and is fit for purpose.	Percentage of requests relating to roads and footpaths that are responded to within timeframes set in Long Term Plan:					
	- Urgent requests within 1 day	100%	95%	95%	95%	95%
	- Non-urgent requests within 4 days	88%	90%	90%	90%	90%
	Percentage of sealed road network resurfaced.	>5%	>5%	>5%	>5%	>5%
Ensure roads and transport networks are appropriate to requirements and district growth needs.	Percentage of persons who as users rate the safety of the District's roads as good or excellent.	63%	>80%	>80%	>80%	>80%
	The average quality of a ride on a sealed local road network, measured by the smooth travel exposure.	98%	91-95% - measured every other year	N//A	91-95%	91-95% every other year.



<b>Outcome or priority for action</b>	<b>Measure of success</b>	<b>Performance achieved 2019/20</b>	<b>Performance targets 2021/22</b>	<b>Performance targets 2022/2023</b>	<b>Performance targets 2023/2024</b>	<b>Performance targets 2024-2031</b>
	Change from previous year in number of fatalities and serious injury crashes on Council maintained roads.	-1	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend	Target for reducing the number of serious injuries and fatalities = no increase and a general declining trend
	The number of users who agree the standard of footpaths is good or excellent.	59%	>70%	>70%	>75%	>75%
	Percentage of footpaths in Ōpōtiki district that fall within the level of service or service standard for the condition of footpaths as set in plans.	70% of qualifying footpath faults scheduled for repair	90% of qualifying footpath faults scheduled for repair	90% of qualifying footpath faults scheduled for repair	90% of qualifying footpath faults scheduled for repair	90% of qualifying footpath faults scheduled for repair

Key projects and programmes:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>LOS</b>										
Minor Improvements - Low Cost Low Risk	546	573	489	714	737	759	783	807	832	857
Seal extensions		206	213	220	227	234	241	248	256	264
Harbour Access Road	400	289	533							
<b>LOS Total</b>	<b>946</b>	<b>1,068</b>	<b>1,234</b>	<b>934</b>	<b>963</b>	<b>993</b>	<b>1,024</b>	<b>1,056</b>	<b>1,088</b>	<b>1,121</b>
<b>Renewal</b>										
Drainage Renewals	112	117	123	129	136	143	151	159	167	176
Sealed Road Resurfacing	482	509	590	514	588	451	472	481	484	553
Unsealed Road Metalling	160	171	181	176	181	187	193	199	205	211
Emergency Reinstatement	86	89	92	204	211	217	224	231	238	245
Traffic Services Renewal	42	45	48	46	48	49	51	52	54	55
Structures Components Replacement	47	50	53	35	36	37	38	40	41	42
Sealed Pavement Rehabilitation	294	296	235	558	452	251	384	285	508	439
Council site access roads	15	15	16	16	17	18	18	19	19	20
CBD Kerb & Channel	32	33	34	35	36	37	39	40	41	42
Footpath renewals	33	34	35	36	37	39	40	41	42	44
<b>Renewal Total</b>	<b>1,303</b>	<b>1,359</b>	<b>1,406</b>	<b>1,750</b>	<b>1,742</b>	<b>1,429</b>	<b>1,608</b>	<b>1,546</b>	<b>1,798</b>	<b>1,827</b>
<b>Grand Total</b>	<b>2,249</b>	<b>2,427</b>	<b>2,640</b>	<b>2,685</b>	<b>2,705</b>	<b>2,422</b>	<b>2,632</b>	<b>2,601</b>	<b>2,887</b>	<b>2,948</b>

Funding Impact Statement for Land Transport for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	1,659	1,930	1,896	2,108	2,250	2,322	2,534	2,796	3,232	3,658	3,947
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	1,660	1,847	1,945	1,959	1,984	2,046	2,109	2,175	2,242	2,311	2,381
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	81	84	87	89	93	96	98	101	105	108	111
<b>Total Operating Funding (A)</b>	<b>3,400</b>	<b>3,861</b>	<b>3,928</b>	<b>4,156</b>	<b>4,327</b>	<b>4,464</b>	<b>4,741</b>	<b>5,072</b>	<b>5,579</b>	<b>6,077</b>	<b>6,439</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	2,706	2,780	2,910	2,957	2,999	3,092	3,187	3,284	3,384	3,487	3,592
Finance costs	45	19	28	38	49	65	71	72	64	52	35
Internal charges and overheads applied	580	673	671	734	754	773	791	813	832	852	876
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,331</b>	<b>3,472</b>	<b>3,609</b>	<b>3,729</b>	<b>3,802</b>	<b>3,930</b>	<b>4,049</b>	<b>4,169</b>	<b>4,280</b>	<b>4,391</b>	<b>4,503</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>69</b>	<b>389</b>	<b>319</b>	<b>427</b>	<b>525</b>	<b>534</b>	<b>692</b>	<b>903</b>	<b>1,299</b>	<b>1,686</b>	<b>1,936</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	4,140	1,651	1,629	1,783	1,810	1,819	1,600	1,751	1,721	1,928	1,967
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	655	212	483	434	355	358	133	(17)	(413)	(721)	(950)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>4,795</b>	<b>1,863</b>	<b>2,112</b>	<b>2,217</b>	<b>2,165</b>	<b>2,177</b>	<b>1,733</b>	<b>1,734</b>	<b>1,308</b>	<b>1,207</b>	<b>1,017</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	3,492	946	1,068	1,234	934	963	993	1,024	1,056	1,088	1,121
- to replace existing assets	1,368	1,303	1,359	1,406	1,750	1,742	1,429	1,608	1,546	1,798	1,827
Increase (decrease) in reserves	4	4	4	4	5	5	5	5	6	6	6
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>4,864</b>	<b>2,253</b>	<b>2,431</b>	<b>2,644</b>	<b>2,689</b>	<b>2,710</b>	<b>2,427</b>	<b>2,637</b>	<b>2,608</b>	<b>2,892</b>	<b>2,954</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(69)</b>	<b>(390)</b>	<b>(319)</b>	<b>(427)</b>	<b>(524)</b>	<b>(533)</b>	<b>(694)</b>	<b>(903)</b>	<b>(1,300)</b>	<b>(1,685)</b>	<b>(1,937)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>(2)</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>(1)</b>




# Investments

## What we do and why:

The Investment Activity provides for Council’s ownership stake in Council Controlled Organisation namely BOP LASS Ltd (Bay of Plenty Shared Services) and TOI-EDA (Eastern Bay of Plenty Regional Economic Development Agency). Council has an investment stake in these organisations as by doing so it can leverage outcomes that are important to the Ōpōtiki District that it may not be able to achieve on its own. By having an ownership stake in these organisations Council is partnering with other units of Local Government within the Bay of Plenty Region to achieve common objectives.

## This significant activity includes:

- **BOP LASS Ltd**  
Established in 2007/08 BOP LASS was created to foster shared services between participating Council’s. It provides a vehicle to investigate, procure, develop and deliver shared services where a clear benefit (in terms of quality of service or cost) exists for member local authorities.
- **TOI-EDA**  
Toi-EDA is the Eastern Bay of Plenty regional Economic Development Agency established by the three territorial authorities (Kawerau, Ōpōtiki and Whakatāne) working together with local Iwi. Toi- EDA has a strong focus on its vision of enhancing the Eastern Bay of Plenty’s economic growth and resultant social and economic wealth for its communities.

Contribution to Community Outcomes	How this activity contributes
 <b>Services and facilities meet our needs</b>	Council’s investments contribute to the social and economic well-being of the district.
 <b>A strong and distinctive community spirit</b>	
 <b>Fair and efficient leadership</b>	

What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic	Other parties with an ownership stake withdraw support.  CCOs are perceived as a threat to community autonomy.	Council will continue to be an active member of CCOs at a governance and operational level to ensure they continue to add value to all those with an ownership stake.  Council will continue to be an active member of CCOs at a governance and operational level to ensure they continue to be about advancing common objectives.

Levels of service:

Outcome or priority for action	Measure of success	Performance achieved 2019/20	Performance targets 2021/22	Performance targets 2022/2023	Performance targets 2023/2024	Performance targets 2024-2031
Help agencies and organisations identify our specific needs.	Investigate new joint procurement initiatives for goods and service for BOPLASS councils.	8	Minimum of 4	Minimum of 4	Minimum of 4	Minimum of 4
Support local and regional business growth and workforce development / Immediate focus on the district's economic recovery from COVID	Develop and implement a strategy and annual work plan that supports and develops key sectors in the Eastern Bay economy to grow employment and wealth.	100%	90%	90%	90%	90%

Funding Impact Statement for Investments for 2021-2031:

	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charges, rates penalties	57	54	55	59	60	62	64	66	68	69	71
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Funding (A)</b>	<b>57</b>	<b>54</b>	<b>55</b>	<b>59</b>	<b>60</b>	<b>62</b>	<b>64</b>	<b>66</b>	<b>68</b>	<b>69</b>	<b>71</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	45	42	43	45	45	47	49	50	51	52	54
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	12	12	12	14	15	15	15	16	16	17	17
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>57</b>	<b>54</b>	<b>55</b>	<b>59</b>	<b>60</b>	<b>62</b>	<b>64</b>	<b>66</b>	<b>67</b>	<b>69</b>	<b>71</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>



# Part Four – Financial Information

Te Wahanga TuaWha

## How Council will finance its activities

# Forecast Financial Statements

The following Prospective Financial Statements are provided to give you an indication of our predicted financial position during the period of the LTP. We develop an Annual Plan on an annual basis to update our proposals with the latest information.

The prospective financial statements of the Council are for the 10 years ended 30 June 2031. The financial statements were authorised for issue on the 30 June 2021 by Council resolution. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

## Prospective Statement of Comprehensive Revenue and Expense

This statement discloses the net surplus or deficit and the components of the net surplus (deficit), arising from activities or events during the year that are significant for the assessment of both past and future financial performance.

## Prospective Statement of Changes in Equity

This financial statement contributes to the objectives of general purpose financial reporting by combining information about net surplus (deficit) with other aspects of Council's financial performance in order to give a degree of measure of comprehensive revenue and expense.

## Prospective Statement of Financial Position

Information about the economic resources controlled by Council and its capacity to modify those resources is useful in assessing Council's ability to generate cash and/or provide services in the future. Information about the financing structure is useful in assessing future borrowing needs and how future surpluses and cash flows may be distributed among those with an interest in the Council. The information is also useful in assessing how successful the Council is likely to be in raising further finance.

## Prospective Statement of Cash Flows

This statement reflects Council's cash receipts and cash payments during the year and provides useful information about Council's activities in generating cash through operations to:

- Repay debt; or
- Re-invest to maintain or expand operating capacity

It also provides useful information about the cash flows generated from Council's investing and financing activities, both debt and equity.

## Prospective Capital Expenditure Programme

This statement summarises Council's capital expenditure by significant activity.

## Council Reserve Funds

This statement shows the movement in Council created reserve funds.

## Prospective Statement of Internal Borrowing

Provides a schedule on internal borrowing over the term of the LTP.

## Statement of Accounting Policies

Provides details of policies adhered to in the preparation of Financial Statements.

### Cautionary Note:

The information in the Prospective Financial Statements is uncertain and its preparation requires the exercise of judgement. Actual financial results are likely to vary from the information presented and the variations may be material. Events and circumstances may not occur as expected and may or may not have been predicted or the Council may subsequently take actions that differ from the proposed course of action on which the prospective financial statements are based.



## Prospective Statement of Comprehensive Revenue and Expense

For the period ended 30 June	Annual Plan*	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
<b>Revenue</b>											
General rates and UAGC	8,615	9,076	9,567	10,036	10,439	11,024	11,626	12,296	12,936	13,654	14,130
Targeted Rates											
Targeted rates for water supply	1,077	1,214	1,392	1,439	1,504	1,577	1,614	1,705	1,739	1,771	1,857
Other targeted rates	1,637	1,756	1,791	1,909	2,196	2,372	2,526	2,656	2,751	2,808	2,897
Subsidies and grants	28,209	17,761	6,788	8,556	4,762	3,956	5,786	4,021	4,061	4,340	14,800
Fees and Charges	1,355	1,622	1,672	2,697	3,014	4,172	5,044	5,348	5,533	5,861	5,996
Other Revenue	409	372	464	485	501	518	529	554	573	594	606
Finance revenue	42	46	47	49	50	52	53	55	56	58	59
<b>Total operating revenue</b>	<b>41,344</b>	<b>31,847</b>	<b>21,721</b>	<b>25,171</b>	<b>22,467</b>	<b>23,671</b>	<b>27,178</b>	<b>26,635</b>	<b>27,649</b>	<b>29,085</b>	<b>40,345</b>
<b>Expenditure</b>											
Depreciation and amortisation expense	3,562	3,562	3,793	4,028	4,282	4,404	4,615	4,898	4,905	5,155	5,484
Personnel costs	4,654	5,077	5,440	5,570	5,704	5,841	5,969	6,106	6,240	6,384	6,537
Finance costs	928	314	406	517	752	994	1,101	1,164	1,220	1,291	1,262
Other expenses	8,529	8,802	8,875	10,078	12,263	12,712	13,175	13,633	14,189	14,807	15,005
<b>Total operating expenditure</b>	<b>17,673</b>	<b>17,755</b>	<b>18,514</b>	<b>20,193</b>	<b>23,001</b>	<b>23,951</b>	<b>24,860</b>	<b>25,801</b>	<b>26,554</b>	<b>27,637</b>	<b>28,288</b>
<b>Operating surplus (deficit)</b>	<b>23,671</b>	<b>14,092</b>	<b>3,207</b>	<b>4,978</b>	<b>(534)</b>	<b>(280)</b>	<b>2,318</b>	<b>834</b>	<b>1,095</b>	<b>1,448</b>	<b>12,057</b>
<b>Other comprehensive revenue and expense</b>											
Gain on revaluation of property, plant and equipment	21,549	-	8,759	6,903	-	17,011	13,318	-	20,324	17,917	-
<b>Total other comprehensive revenue and expense</b>	<b>21,549</b>	<b>-</b>	<b>8,759</b>	<b>6,903</b>	<b>-</b>	<b>17,011</b>	<b>13,318</b>	<b>-</b>	<b>20,324</b>	<b>17,917</b>	<b>-</b>
<b>Total comprehensive revenue and expense</b>	<b>45,220</b>	<b>14,092</b>	<b>11,966</b>	<b>11,881</b>	<b>(534)</b>	<b>16,731</b>	<b>15,636</b>	<b>834</b>	<b>21,419</b>	<b>19,365</b>	<b>12,057</b>
<i>* Adjusted for revaluation</i>											

# Prospective Statement of Changes in Equity

For the period ended 30 June	Annual Plan*	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Equity balance at 1 July	210,732	245,870	259,962	271,927	283,810	283,278	300,009	315,645	316,481	337,898	357,263
Comprehensive income for year	45,220	14,092	11,966	11,881	(534)	16,731	15,636	834	21,419	19,365	12,057
<b>Equity Balance 30 June</b>	<b>255,952</b>	<b>259,962</b>	<b>271,928</b>	<b>283,808</b>	<b>283,276</b>	<b>300,009</b>	<b>315,645</b>	<b>316,479</b>	<b>337,900</b>	<b>357,263</b>	<b>369,320</b>
<b>Components of Equity</b>											
Retained Earnings at 1 July	137,076	146,729	160,375	163,531	168,462	167,874	167,536	169,794	170,569	171,597	172,979
Transfers to/(from) Retained Earnings	(160)	(446)	(49)	(50)	(55)	(58)	(60)	(61)	(65)	(66)	(69)
Net Surplus/(Deficit)	23,671	14,092	3,207	4,978	(534)	(280)	2,318	834	1,095	1,448	12,057
Retained earnings 30 June	160,587	160,375	163,533	168,460	167,873	167,536	169,794	170,567	171,599	172,979	184,967
Asset Revaluation Reserves at 1 July	72,712	98,037	98,037	106,797	113,699	113,700	130,711	144,029	144,029	164,353	182,270
Revaluation Gains	21,549	-	8,759	6,903	-	17,011	13,318	-	20,324	17,917	-
Revaluation Reserves 30 June	94,261	98,037	106,796	113,699	113,699	130,711	144,029	144,029	164,353	182,270	182,270
Council Created Reserves at 1 July	944	1,104	1,550	1,599	1,649	1,704	1,762	1,822	1,883	1,948	2,014
Transfers to / (from) reserves	160	446	49	50	55	58	60	61	65	66	69
Council created Reserves 30 June	1,104	1,550	1,599	1,649	1,704	1,762	1,822	1,883	1,948	2,014	2,083
<b>Equity at 30 June</b>	<b>255,952</b>	<b>259,962</b>	<b>271,928</b>	<b>283,808</b>	<b>283,276</b>	<b>300,009</b>	<b>315,645</b>	<b>316,479</b>	<b>337,900</b>	<b>357,263</b>	<b>369,320</b>
<i>* Adjusted for revaluation</i>											

## Prospective Statement of Financial Position

As at 30 June	Annual Plan*	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and cash equivalents	4,000	5,926	5,460	4,972	4,503	3,939	3,363	2,741	2,108	1,456	829
Debtors and other receivables	3,866	3,198	3,363	3,539	3,721	3,917	4,123	4,333	4,546	4,763	4,980
Prepayments	139	227	236	245	256	267	279	290	301	313	324
Available for sale assets	-	53	53	53	53	53	53	53	53	53	53
<b>Total Current Assets</b>	<b>8,005</b>	<b>9,404</b>	<b>9,112</b>	<b>8,809</b>	<b>8,533</b>	<b>8,176</b>	<b>7,818</b>	<b>7,417</b>	<b>7,008</b>	<b>6,585</b>	<b>6,186</b>
<b>Non-Current Assets</b>											
Plant, property and equipment	274,638	263,675	280,433	295,149	305,342	326,097	344,671	347,021	371,010	392,783	401,797
Intangible assets	146	85	85	85	85	85	85	85	85	85	85
Investment Property	2,606	2,700	2,776	2,856	2,940	3,030	3,118	3,218	3,324	3,436	3,548
Other financial assets											
Investment in Associates	201	266	266	266	266	266	266	266	266	266	266
<b>Total Non-Current Assets</b>	<b>277,591</b>	<b>266,726</b>	<b>283,560</b>	<b>298,356</b>	<b>308,633</b>	<b>329,478</b>	<b>348,140</b>	<b>350,590</b>	<b>374,685</b>	<b>396,570</b>	<b>405,696</b>
<b>TOTAL ASSETS</b>	<b>285,596</b>	<b>276,130</b>	<b>292,672</b>	<b>307,165</b>	<b>317,166</b>	<b>337,654</b>	<b>355,958</b>	<b>358,007</b>	<b>381,693</b>	<b>403,155</b>	<b>411,882</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Creditors and other Payables	4,730	5,038	5,261	5,487	5,757	5,960	6,179	6,370	6,572	6,775	7,022
Employee entitlements	399	342	342	342	342	342	342	342	342	342	342
<b>Total Current Liabilities</b>	<b>5,129</b>	<b>5,380</b>	<b>5,603</b>	<b>5,829</b>	<b>6,099</b>	<b>6,302</b>	<b>6,521</b>	<b>6,712</b>	<b>6,914</b>	<b>7,117</b>	<b>7,364</b>
<b>Non-Current Liabilities</b>											
Provisions	164	79	79	79	79	79	79	79	79	79	79
Borrowings	24,351	10,710	15,063	17,448	27,713	31,264	33,714	34,737	36,802	38,695	35,120
<b>Total Non-Current Liabilities</b>	<b>24,515</b>	<b>10,789</b>	<b>15,142</b>	<b>17,527</b>	<b>27,792</b>	<b>31,343</b>	<b>33,793</b>	<b>34,816</b>	<b>36,881</b>	<b>38,774</b>	<b>35,199</b>
<b>TOTAL LIABILITIES</b>	<b>29,644</b>	<b>16,169</b>	<b>20,745</b>	<b>23,356</b>	<b>33,891</b>	<b>37,645</b>	<b>40,314</b>	<b>41,528</b>	<b>43,795</b>	<b>45,891</b>	<b>42,563</b>
<b>EQUITY</b>											
Retained Earnings	160,587	160,375	163,533	168,460	167,873	167,536	169,794	170,567	171,599	172,979	184,967
Asset Revaluation Reserves	94,261	98,037	106,796	113,699	113,699	130,711	144,029	144,029	164,353	182,270	182,270
Council Created Reserves	1,104	1,550	1,599	1,649	1,704	1,762	1,822	1,883	1,948	2,014	2,083
<b>TOTAL EQUITY</b>	<b>255,952</b>	<b>259,962</b>	<b>271,928</b>	<b>283,808</b>	<b>283,276</b>	<b>300,009</b>	<b>315,645</b>	<b>316,479</b>	<b>337,900</b>	<b>357,263</b>	<b>369,320</b>
* Adjusted for revaluation											

## Prospective Statement of Cash Flows

For the period ended 30 June	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
<b>Cash flows from operating activities</b>											
Receipts from rates revenue	11,172	11,875	12,576	13,198	13,947	14,766	15,549	16,436	17,201	18,003	18,656
Receipts from other revenue	29,918	19,755	8,848	11,658	8,194	8,557	11,270	9,823	10,061	10,682	21,290
Interest received	42	46	47	49	50	52	53	55	56	58	59
Payments to suppliers and employees	(12,710)	(13,540)	(14,093)	(15,421)	(17,699)	(18,349)	(18,926)	(19,548)	(20,226)	(20,987)	(21,296)
Interest paid	(928)	(314)	(406)	(517)	(752)	(994)	(1,101)	(1,164)	(1,220)	(1,291)	(1,262)
<b>Net Cashflow from Operating Activity</b>	<b>27,494</b>	<b>17,822</b>	<b>6,972</b>	<b>8,967</b>	<b>3,740</b>	<b>4,032</b>	<b>6,845</b>	<b>5,602</b>	<b>5,872</b>	<b>6,465</b>	<b>17,447</b>
<b>Cash flow from investing activities</b>											
Receipts from sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Receipts from sale of investments	-	-	-	-	-	-	-	-	-	-	-
Acquisition of investments	-	-	-	-	-	-	-	-	-	-	-
Purchases of property, plant and equipment	(36,242)	(21,865)	(11,791)	(11,840)	(14,475)	(8,148)	(9,871)	(7,248)	(8,570)	(9,011)	(14,498)
	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cashflow from Investing Activity</b>	<b>(36,242)</b>	<b>(21,865)</b>	<b>(11,791)</b>	<b>(11,840)</b>	<b>(14,475)</b>	<b>(8,148)</b>	<b>(9,871)</b>	<b>(7,248)</b>	<b>(8,570)</b>	<b>(9,011)</b>	<b>(14,498)</b>
<b>Cash flow from financing activities</b>											
Proceeds from borrowings	9,064	2,210	4,352	2,385	10,265	3,552	2,450	1,023	2,065	1,893	-
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-	(3,575)
<b>Net Cashflow from Financing Activity</b>	<b>9,064</b>	<b>2,210</b>	<b>4,352</b>	<b>2,385</b>	<b>10,265</b>	<b>3,552</b>	<b>2,450</b>	<b>1,023</b>	<b>2,065</b>	<b>1,893</b>	<b>(3,575)</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>316</b>	<b>(1,833)</b>	<b>(467)</b>	<b>(488)</b>	<b>(470)</b>	<b>(564)</b>	<b>(576)</b>	<b>(623)</b>	<b>(633)</b>	<b>(653)</b>	<b>(626)</b>
Add Opening Cash bought forward	3,685	7,758	5,926	5,460	4,972	4,503	3,939	3,363	2,741	2,108	1,456
<b>Closing Cash &amp; Cash Equivalents</b>	<b>4,001</b>	<b>5,925</b>	<b>5,459</b>	<b>4,972</b>	<b>4,502</b>	<b>3,939</b>	<b>3,363</b>	<b>2,740</b>	<b>2,108</b>	<b>1,455</b>	<b>830</b>

## Prospective Capital Expenditure Programme

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Capital Expenditure by Activity	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028-2029	2029/2030	2030/2031
Community Development	-	-	-	-	-	-	-	-	-	-
Community Facilities	11,782	2,952	5,158	3,289	170	117	326	124	220	130
Economic Development	10	62	11	11	11	12	12	12	13	13
Land Transport	2,249	2,427	2,640	2,685	2,705	2,422	2,632	2,601	2,887	2,948
Regulation & Safety	-	-	-	-	-	-	-	-	-	-
Solid Waste Management	188	77	79	82	84	86	89	92	94	97
Stormwater	3,683	1,374	1,422	919	1,291	3,554	1,465	3,182	4,934	389
Support Services	516	1,532	307	316	325	449	344	397	364	374
Wastewater	2,200	2,207	1,923	6,635	1,395	2,236	1,333	1,377	136	10,303
Water Supplies	1,236	1,160	300	540	2,166	995	1,046	785	363	244
	21,865	11,791	11,840	14,475	8,148	9,871	7,248	8,570	9,011	14,498

### Backlog of works and the 'Do-ability' of the works programme

Council has not spent significant proportions of its capital budgets over recent years. This backlog of work has been incorporated into the planned works covered in this strategy. The planned works outlined in the early years of this strategy represent a significant step change in the capital expenditure for council. This is due to the injection of stimulus funds from central government, debt funded wastewater growth infrastructure, and debt funded levels of service projects for stormwater.

The three waters stimulus grant is required to be completed by March 2022. To support this deliver a contract programme manager was brought in to support the team to (i) baseline scopes for all 17 projects, (ii) create a schedule for deliver, including critical path, (iii) identify resource requirements to deliver this programme, and (iv) identify potential delivery risks. All this work was completed in May 2021 and to date delivery has been tracking against progress, with weekly team meetings to update and review schedule, monthly exception reporting to the GM Engineering. In addition there is an active risk management process underway to ensure the mitigation actions are being tracked by the team, and this is reviewed monthly.

It is proposed to roll out this process to all the capital works programme for year 1 of the LTP through Jun / Jul 2021, thus ensuring better visibility of progress and understand early on any constraint.

Two key risks have been identified (as at May/June 2021) are (i) Availability of contractors/consultants/materials, (ii) Resource consent delays. Clear mitigation actions are in place to address these risks, and new risks will be identified and prioritised as we progress through delivery.

## Council Reserve Funds

<b>Council Created Reserves</b>	<b>Activities to which the reserve relates</b>	<b>Purpose</b>	<b>Opening Balance 01/07/2021</b>	<b>Transfer to Reserve</b>	<b>Transfer from Reserve</b>	<b>Closing Balance 30/06/2031</b>
Cash in Lieu of Reserves	Economic Development	For general purpose funding	174	266	-	440
Road Upgrading	Land Transport	For upgrading of roading	122	62	-	184
Carpark Contribution	Land Transport	For the upgrade of carparks	5	-	(5)	-
CBD Development	Property	For the development of town CBD	40	538	-	578
Development Contribution	Parks and Reserves	For development of recreational facilities	441	-	196	637
Elections	Leadership	For funding triennial elections	22	(22)	-	-
Library Development	Library	For the Library Development Project	375	-	(375)	-
Coast Community Board	Community Development	For funding CCB projects	129	-	79	208
Whakaari Taonga Management	Planning	For the development of reserves	19	-	(19)	-
Destination Playground	Playgrounds	For development of playgrounds	3	-	(3)	-
General Purpose (Electricity Proceeds)	Economic Development	For general purpose funding	41	-	(41)	-
			<b>1,371</b>	<b>843</b>	<b>(167)</b>	<b>2,047</b>

## Council Reserve Funds – continued

	Opening Balance 01/07/2021	Transfer to Reserve	Transfer from Reserve	Closing Balance 30/06/2031
<b>Asset Revaluation Reserves</b>				
<i>Operational Assets</i>				
Land	-	-	-	-
Buildings	382	307	-	1,902
Site Improvements	52	15	-	67
<i>Infrastructural Assets</i>				
Roading	52,734	45,828	-	98,562
Water Systems	19,588	9,128	-	28,716
Sewerage Systems	6,829	7,844	-	14,674
Stormwater Systems	14,356	8,447	-	22,803
Cycleways	446	1,863	-	2,309
<i>Restricted Assets</i>				
Land	2,679	48	-	2,727
Buildings	380	(331)	-	49
Site Improvements	436	-	-	438
	<b>97,883</b>	<b>73,149</b>	<b>-</b>	<b>172,247</b>



Opōtiki war memorial cenotaph cleaned for Anzac day 2021.

## Council Internal Borrowing

Activity	Opening Balance 01/07/2020	Additional Funds Borrowed	Funds Repaid	Closing Balance 30/06/2021	Interest Paid
Support	2,442	682	(840)	2,284	-
Wastewater	11,181	1,308	(1,376)	11,113	158
Stormwater	6,563	1,987	(919)	7,631	107
Solid Waste	430	-	-	479	7
Water Supplies	6,311	178	(407)	6,081	86
Land Transport	2,124	720	(414)	2,431	34
Regulation & Safety	16	110	(111)	15	0
Economic Development	-	210	-	862	12
Community Facilities	5,986	5,225	(2,530)	8,681	122
Community Development	58	-	-	58	1
	<b>35,110</b>	<b>10,420</b>	<b>(6,597)</b>	<b>39,634</b>	<b>528</b>



# Statement of Accounting Policies

## REPORTING ENTITY

Ōpōtiki District Council (ODC) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations include the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself as a public benefit entity (PBE) for the purpose of complying with generally accepted accounting practice.

The prospective financial statements of ODC are for the years from 1 July 2021 through to 30 June 2031.

## BASIS OF PREPARATION

The prospective financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of compliance

The prospective financial statements of ODC have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These prospective financial statements have been prepared in accordance with the reduced disclosure of a Tier 2 PBE accounting entity. ODC qualifies for the Tier 2 exemptions as it does not have debt or equity instruments that are traded in a public market nor hold assets in a fiduciary capacity for a broad group of outsiders; and has total expenses between \$2 million and \$30 million. These prospective financial statements comply with PBE Standards.

The statements comply with PBE FRS 42 Prospective Financial Statements and other applicable Financial Reporting Standards as appropriate for public benefit entities. The prospective financial statements use opening balances from period ending 30 June 2020; estimates have been restated accordingly if required. The prospective financial statements are prepared using the historical cost basis, except for asset and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

### Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Council is New Zealand dollars.

### Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are:

#### *2018 Omnibus Amendments to PBE Standards, issued November 2018*

The 2018 Omnibus Amendments to PBE Standards include a number of amendments to text and editorial corrections within a number of accounting standards. Those changes relevant to the Council are detailed below:

**PBE IPSAS 2 Cashflow Statements:** The omnibus amendments provides for additional disclosure to enable users of financial statements to evaluate changes in liabilities arising from financial assets. The amendments to this standard is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted. When the entity first applies this amendment, it is not required to provide comparative information for preceding periods. The Council has not yet assessed the effects of this new standard.

#### Financial Instruments

**PBE IPSAS 41 Financial Instruments** replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Finance Instruments and is effective for financial years beginning on or after 1 January 2022, with early adoption permitted. The main changes compared with PBE IPSAS 29 that are relevant to the Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses

The Council has applied the new standards in preparing the prospective financial statements.

#### *Service performance reporting*

The New Zealand Accounting Standards Board (NZASB) has issued PBE FRS 48 Service Performance Reporting effective for periods beginning on or after 1 January 2022, with early application permitted.

The Council plans to apply this standard in preparing the 30 June 2022 financial statements. The Council has not yet assessed the effects of this new standard.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **Revenue**

Revenue is measured at the fair value.

The specific accounting policies for significant revenue items are explained below:

#### *Exchange Transactions*

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below.

#### *Interest and dividends*

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

#### *Sale of goods*

Revenue from the Sales of goods is recognised when a product is sold to the customer.

#### *Provision of Commercially based Services*

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date.

#### *Other gains and losses*

Other gains and losses includes fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of PPE held at cost.

#### ***Non-Exchange Transactions***

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed below.

#### ***Rates revenue***

The following policies for rates have been applied:-

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when ODC has received an application that satisfies its rates remission policy.

- Rates collected on behalf of Bay of Plenty Regional Council (BOPRC) are not recognised in the prospective financial statements as ODC is acting as agent for BOPRC.

#### ***New Zealand Transport Agency Roading Subsidies***

The Council receives funding assistance from New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

#### ***Other Grants Received***

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

#### ***Building and Resource Consent Revenue***

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

#### ***Infringement Fees and Fines***

Infringement Fees and Fines mostly relate to fees and fines for use of library books. The fair value is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

#### ***Donated and Bequeathed Financial Assets***

Donated and Bequeathed Financial Assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

### *Direct charges*

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council or Group is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such services is recognised when the Council or Group issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council or Group has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council or Group for the service) if the service is not completed.

### **Borrowing Costs**

Borrowing Costs are recognised as an expense in the period in which they are incurred.

### **Grant Expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

### **Leases**

#### *Finance leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term of its useful life.

#### *Operating Leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### **Receivables**

Receivables are recorded at their face value, less an allowance for expected credit losses.

The Council applies the simplified expected credit loss model of recognising lifetime expected credit loss for receivables. The expected credit loss is calculated based on historic credit losses on both rates debtors and sundry debtors, adjusted for forward looking factors.

## Other Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- amortised cost;
- fair value through other comprehensive revenue and expense

The classification of a financial asset depends on its cash flow characteristics and the Council management model for managing them

### *Financial assets at fair value through surplus or deficit.*

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if they do not meet the criteria to be measured at amortised cost or fair value through other comprehensive revenue and expense..

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on recognised in the surplus or deficit.

Currently, the Council does not hold any financial assets in this category.

### *Amortised Cost*

Financial Assets are classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses.

Loans to community organisations made by the Council at nil, or below-market interest rate are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of expected cash flows of the loan is recognised in the surplus or deficit as a grant expense.

The loans are subsequently measured at amortised cost using the effective interest method, less any expected credit losses.

### *Fair value through other comprehensive revenue and expense*

Financial assets at fair value through other comprehensive revenue and expense are those that give rise to cash flows that are SPPI and are held within a management model whose objective is achieved by both collecting contractual cashflows and selling financial assets, or are equity investments not held for trading and are designated into the category at initial recognition

The Council includes in this category:

- Investments that the Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that the Council holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, there is no assessment for impairment when fair value falls below the cost of the investment.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity.

## **Inventory**

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

Commercial: measured at the lower of cost and net realisable value.

Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Any write-down from the cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

## **Property, Plant and Equipment**

Property, plant and equipment consists of:

*Operational assets* — These include land, buildings, plant, machinery and vehicles, fixtures, fittings and equipment and library collections.

*Restricted assets* — Restricted assets land and buildings owned by ODC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

*Infrastructure assets* — Infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) is measured at fair value, and buildings and infrastructural assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

### *Revaluation*

Land, buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure their carry amount does not differ materially from fair value.

Revaluation movements are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the value of the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to ODC and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with this item will flow to ODC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

#### *Disposals*

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

#### *Depreciation*

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

##### Buildings

- Structure 15 to 75 years (1.33% - 6.67%)
- Roof 2 to 40 years (2.5% - 50%)
- Services 5 to 45 years (2.22% - 20.00%)
- Internal fit out 5 to 30 years (3.33% - 20.00%)

Site Improvements 3 to 80 years (1.25% - 33%)

Plant and machinery 5 to 10 years (10% - 20%)

Fixed plant @refuse recovery centre 30 years (3.33%)

Motor vehicles 5 years (20%)

Fixtures, fittings and equipment 3 to 10 years (10% - 33%)

Library collections – not depreciated

##### Roading network

- Formation – not depreciated
- Sub base – not depreciated
- Basecourse (unsealed) 8 years (12.5%)
- Basecourse (sealed) 120 years (0.83%)
- Top surface 10 to 63 years (1.59% - 10.0%)
- Bridges 100 years (1.0%)
- Cycleways 50 to 80 years (1.25% - 2%)

Kerb and footpaths 20 to 80 years (1.25% - 5.0%)

Reticulation 5 to 100 years (1% - 20.0%)

Traffic facilities (roading components) 10 to 30 years (3.33% - 10.0%)

Culverts (roading components) 60 years (1.66%)

Pumps 10 to 20 years (5.0% - 10.0%)

Meters, valves and connections 15 to 50 years (2% - 6.66%)

River protection works 100 years (1.0%)

Open drains associated with the roading infrastructure are not depreciated.

The annual maintenance programme set out in the asset management plan will ensure the specific level of service is maintained.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

#### **Intangible assets**

##### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by ODC, are recognised as an intangible asset. Direct cost will include the software development, employee costs and appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website is recognised as an expense when incurred.

##### *Easements*

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use.

Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software 3 to 7 years (14% - 33%).

### **Impairment of property, plant and equipment and intangible assets**

Intangible assets that have an indefinite useful life, or not yet available for use, and goodwill are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For revalued assets, the impairment loss is recognised in the surplus or deficit.

### *Value in Use for Non-cash-Generating Assets*

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### *Value in Use for Cash-Generating Assets*

Cash-Generating Assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating units is the present value of expected future cash flows.

### **Investment property**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, ODC measures all investment property at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in surplus or deficit.

### **Payables**

Short-term creditors and other payables are recorded at their face value.

### **Borrowings**

Borrowings are initially recognised at the amount borrowed plus transaction costs. Interest due on borrowings is subsequently accrued.

Borrowings are classified as current liabilities unless ODC has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### **Employee entitlements**

#### *Short-term employee entitlements*

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming



year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that ODC anticipates it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

#### *Presentation of Employee Entitlements*

Sick leave and annual leave are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### **Superannuation schemes**

#### *Defined contribution schemes*

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

### **Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

### **Equity**

Equity is the community's interest in ODC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Accumulated funds
- Council created reserves

- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserve

#### *Council Created reserves*

Council created reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Council created reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in council created reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

#### *Asset revaluation reserves*

This reserve relates to the revaluation of property, plant and equipment to fair value.

#### *Fair value through other comprehensive revenue and expense reserves*

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

### **Good and Service Tax (GST)**

All items in the prospective financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Cost allocation**

ODC has derived the cost of service for each significant activity of ODC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities utilising an appropriate driver.

### **Critical accounting estimates and assumptions**

In preparing these prospective financial statements estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### **Critical judgments in applying accounting policies**

Management has exercised the following critical judgments in applying accounting policies.

#### *Classification of property*

The Council owns land and buildings previously occupied by the Council Depot. A portion of the property was leased and this portion was classified as investment

property. The property has been redeveloped and the entire property is now classified as investment property.

#### *Work in progress in relation to the Development of the Harbour (Note 14: Property, Plant and Equipment)*

Council has considered whether there are any indicators of impairment in relation to the costs previously capitalised in relation to the Development of the Harbour. Costs incurred as at 30 June 2020 are \$4.032 million. The costs represent harbour structure and navigation design, geotechnical information gathered and other project management costs specific to the overall project. Council continues to work with the Government and other agencies to progress this project and at this stage considers there to be future economic benefit from the works previously undertaken. It is expected that these costs will form part of the overall cost to complete the Harbour development. Council will reconsider the recoverability of this work on an ongoing basis going forward. Any impairment will be recognised in the statement of comprehensive revenue and expenditure at that time.

## Funding impact statement

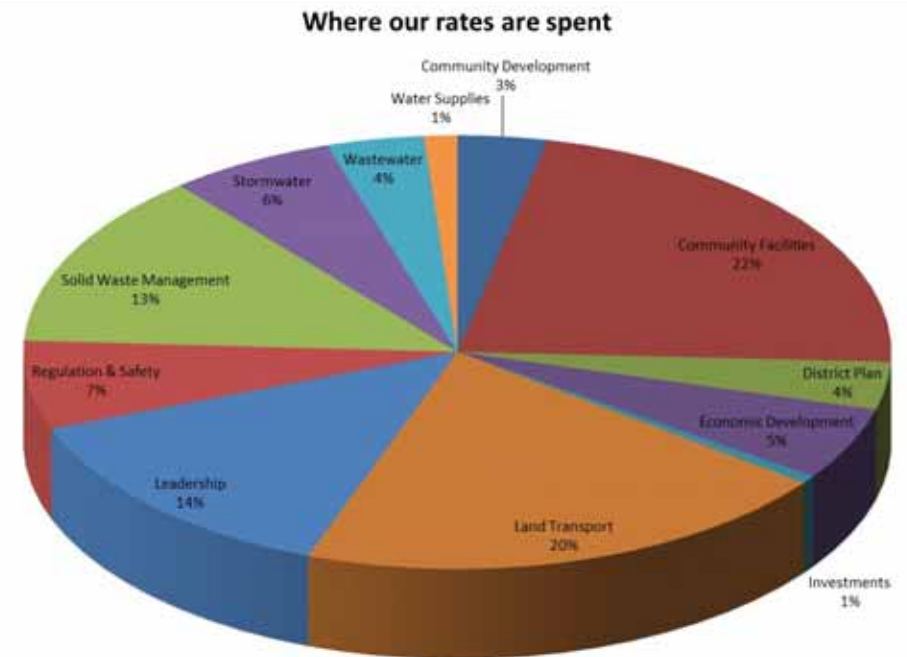
The purpose of the funding impact statement is to provide information about the income and funding streams we will use and is an indication of the amount of funding we will generate from each stream.

Council will use a mix of revenue sources to meet operating costs, with major sources being general and targeted rates, land transport subsidies and fees and charges.

Capital expenditure for new works will be funded from loans, with capital renewals being funded by rates and reserves set aside for this purpose.

At various points in this funding impact statement the Council has included an indicative level of rate or charge. These indicative figures support the calculations in the rates sample models and are included to provide you with an indication of the level of rates we are likely to assess on your rating unit in the coming year. So long as we set the rates in accordance with the system described in this statement, the amounts may change.

## How your rates dollar is split over our activity groups



## Funding Impact Statement

For the period ended 30 June	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
<b>Sources of Operating Funding</b>											
General rates, uniform annual general charge, rates penalties	8,610	9,076	9,567	10,036	10,439	11,024	11,626	12,297	12,936	13,654	14,181
Targeted rates	2,719	2,970	3,183	3,348	3,701	3,949	4,140	4,361	4,490	4,578	4,754
Subsidies and grants for operating purposes	2,386	2,147	2,028	2,044	2,072	2,136	2,202	2,270	2,340	2,413	2,485
Fees and charges	1,355	1,637	1,692	2,724	3,042	4,200	5,072	5,377	5,563	5,892	6,028
Interest and dividends from investments	42	46	47	49	50	52	53	55	56	58	59
Local authorities fuel tax, fines, infringement fees, and other receipts	409	357	444	458	475	490	500	525	543	563	573
<b>Total Operating Funding (A)</b>	<b>15,521</b>	<b>16,233</b>	<b>16,961</b>	<b>18,659</b>	<b>19,779</b>	<b>21,851</b>	<b>23,593</b>	<b>24,885</b>	<b>25,928</b>	<b>27,158</b>	<b>28,030</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	13,184	13,877	14,315	15,648	17,966	18,552	19,142	19,740	20,428	21,192	21,544
Finance costs	928	314	406	517	752	994	1,101	1,164	1,220	1,291	1,262
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,112</b>	<b>14,191</b>	<b>14,721</b>	<b>16,165</b>	<b>18,718</b>	<b>19,546</b>	<b>20,243</b>	<b>20,904</b>	<b>21,648</b>	<b>22,483</b>	<b>22,806</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,409</b>	<b>2,042</b>	<b>2,240</b>	<b>2,494</b>	<b>1,061</b>	<b>2,305</b>	<b>3,350</b>	<b>3,981</b>	<b>4,280</b>	<b>4,675</b>	<b>5,224</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	25,823	15,614	4,760	6,512	2,690	1,819	3,584	1,751	1,721	1,928	12,315
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	9,064	2,210	4,352	2,385	10,265	3,552	2,450	1,023	2,065	1,893	(3,575)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>34,887</b>	<b>17,824</b>	<b>9,112</b>	<b>8,897</b>	<b>12,955</b>	<b>5,371</b>	<b>6,034</b>	<b>2,774</b>	<b>3,786</b>	<b>3,821</b>	<b>8,740</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	20,529	2,228	4,495	7,587	8,981	22	2,358	192	-	25	10,163
- to improve the level of service	12,099	10,814	3,597	1,686	1,412	2,463	3,548	2,565	4,566	6,103	1,554
- to replace existing assets	3,613	8,823	3,699	2,567	4,082	5,662	3,966	4,490	4,004	2,883	2,780
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	55	(2,000)	(439)	(449)	(460)	(472)	(488)	(493)	(504)	(515)	(534)
<b>Total applications of capital funding (D)</b>	<b>36,296</b>	<b>19,865</b>	<b>11,352</b>	<b>11,391</b>	<b>14,015</b>	<b>7,675</b>	<b>9,384</b>	<b>6,754</b>	<b>8,066</b>	<b>8,496</b>	<b>13,963</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,409)</b>	<b>(2,041)</b>	<b>(2,240)</b>	<b>(2,494)</b>	<b>(1,060)</b>	<b>(2,304)</b>	<b>(3,350)</b>	<b>(3,980)</b>	<b>(4,280)</b>	<b>(4,675)</b>	<b>(5,223)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

## Depreciation by Group of Activity

Group of Activities	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028	Forecast 2028-2029	Forecast 2029/2030	Forecast 2030/2031
Community and Cultural Sustainability	407	533	598	686	718	720	784	754	754	829
Economic Sustainability	2,046	2,091	2,224	2,297	2,328	2,535	2,625	2,655	2,905	3,009
Environmental Sustainability	664	724	742	820	880	881	988	995	995	1,118
Support Services	445	445	465	479	479	479	501	501	501	528
	3,562	3,793	4,028	4,282	4,404	4,615	4,898	4,905	5,155	5,484

## Reconciliation FIS to Comprehensive Income

For the period ended 30 June	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
<b>Income</b>											
Prospective Statement of Comprehensive Income	41,344	31,847	21,721	25,171	22,467	23,671	27,178	26,635	27,649	29,085	40,345
<b>Summary Funding Impact Statement</b>											
Total Operating Funding	15,521	16,233	16,961	18,659	19,779	21,851	23,593	24,885	25,928	27,158	28,030
Add Sources of Capital Funding											
Sources of capital funding	25,823	15,614	4,760	6,512	2,690	1,819	3,584	1,751	1,721	1,928	12,315
<b>Total Revenue</b>	<b>41,344</b>	<b>31,847</b>	<b>21,721</b>	<b>25,171</b>	<b>22,469</b>	<b>23,670</b>	<b>27,177</b>	<b>26,636</b>	<b>27,649</b>	<b>29,086</b>	<b>40,345</b>
<b>Expenditure</b>											
Prospective Statement of Comprehensive Income											
Operating Expenditure	17,673	17,755	18,514	20,193	23,001	23,951	24,860	25,801	26,554	27,637	28,288
<b>Summary Funding Impact Statement</b>											
Total applications of operating funding	14,112	14,191	14,721	16,165	18,718	19,546	20,243	20,904	21,648	22,483	22,806
Add Provision Aftercare											
Add Depreciation and Amortisation Expense	3,562	3,562	3,793	4,028	4,282	4,404	4,615	4,898	4,905	5,155	5,484
<b>Total Expenditure</b>	<b>17,674</b>	<b>17,753</b>	<b>18,514</b>	<b>20,193</b>	<b>23,000</b>	<b>23,950</b>	<b>24,858</b>	<b>25,802</b>	<b>26,553</b>	<b>27,638</b>	<b>28,290</b>

## Rates

\*All figures exclude GST

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>General Rates</b>	7,448,413	7,770,151	8,312,125	8,335,721	9,032,295	9,655,283	10,224,226	10,713,674	11,274,412	11,663,589
<b>UAGC Rates</b>	2,077,957	2,156,532	2,316,568	2,713,545	2,619,779	2,616,270	2,736,398	2,906,179	3,082,354	3,189,116
<b>Total General Rates and UAGC</b>	<b>9,526,371</b>	<b>9,926,684</b>	<b>10,628,693</b>	<b>11,049,266</b>	<b>11,652,073</b>	<b>12,271,552</b>	<b>12,960,623</b>	<b>13,619,853</b>	<b>14,356,766</b>	<b>14,852,706</b>
<b>Targeted Rates</b>										
Opotiki/Hikutaia Water	451,327	597,196	625,061	656,985	699,777	717,317	769,714	774,869	778,035	830,259
Te Kaha Water	112,967	125,054	121,777	132,263	138,226	138,796	151,800	155,228	157,484	169,501
Ohiwa Water	13,238	13,252	14,095	14,697	15,010	15,282	16,044	16,203	16,378	17,286
Opotiki Sewerage	755,858	760,862	802,109	1,116,963	1,233,686	1,329,036	1,407,180	1,459,205	1,470,624	1,532,947
Waihou Bay Sewerage	13,872	17,346	18,118	18,844	19,447	20,710	21,648	22,150	22,679	23,692
Refuse Collection	513,610	515,418	556,507	571,841	587,495	602,811	619,292	635,985	653,215	670,375
Waiioeka Wastewater Extension	39,885	39,885	39,885							
<b>Total Targeted Rates</b>	<b>1,900,756</b>	<b>2,069,012</b>	<b>2,177,551</b>	<b>2,511,594</b>	<b>2,693,642</b>	<b>2,823,952</b>	<b>2,985,679</b>	<b>3,063,640</b>	<b>3,098,415</b>	<b>3,244,059</b>
<b>Communities of interest rates</b>										
<b>Residential</b>	<b>129,459</b>	<b>133,850</b>	<b>141,495</b>	<b>142,242</b>	<b>152,715</b>	<b>162,909</b>	<b>173,110</b>	<b>181,116</b>	<b>191,355</b>	<b>195,830</b>
<b>Rural</b>	<b>83,705</b>	<b>89,954</b>	<b>98,132</b>	<b>95,367</b>	<b>106,436</b>	<b>117,170</b>	<b>124,941</b>	<b>130,744</b>	<b>136,322</b>	<b>136,358</b>
<b>Commercial</b>	<b>219,382</b>	<b>233,585</b>	<b>253,145</b>	<b>251,214</b>	<b>272,227</b>	<b>293,325</b>	<b>309,656</b>	<b>321,513</b>	<b>333,625</b>	<b>337,384</b>
<b>Total Targeted Rates</b>	<b>2,333,301</b>	<b>2,526,401</b>	<b>2,670,323</b>	<b>3,000,417</b>	<b>3,225,019</b>	<b>3,397,356</b>	<b>3,593,385</b>	<b>3,697,014</b>	<b>3,759,717</b>	<b>3,913,632</b>
<b>Total Rates</b>	<b>11,859,672</b>	<b>12,453,084</b>	<b>13,299,016</b>	<b>14,049,684</b>	<b>14,877,092</b>	<b>15,668,908</b>	<b>16,554,008</b>	<b>17,316,867</b>	<b>18,116,483</b>	<b>18,766,338</b>

Description	Land Liabile	Differential	Factor of Liability	Rate Value (Excl GST)	Amount Sought
<b>District Wide Rates</b>					
General	All rateable property	Uniform	Capital Value	0.2804 cents in the dollar	\$ 7,448,413
Uniform Annual General Charge	All rateable property	Uniform	Fixed amount per rating unit	\$ 442.28	\$ 2,077,957

#### Targeted Rates

Opotiki/Hikutaiā Water	Service available	Service available/connected	Amount per SUIP	\$194.9 Connected	\$ 451,327
			Amount per rating unit	\$97.45 Available	
Te Kaha Water	Service available	Service available/connected	Amount per SUIP	\$295.63 Connected	\$ 112,967
			Amount per rating unit	\$147.82 Available	
Ohīwa Water	Service available	Service available/connected	Amount per SUIP	\$615.72 Connected	\$ 13,238
			Amount per rating unit	\$307.86 Available	
Opotiki Sewerage	Service available	Service available/connected	Amount per SUIP	\$440.43 Connected	\$ 755,858
			Amount per rating unit	\$220.215 Available	
			Amount per pan	\$352.34 Multiple	
Waihou Bay Sewerage	Service available	Service available/connected	Amount per SUIP	\$544 Connected	\$ 13,872
			Amount per rating unit	\$272 Available	
Waiōeka Wastewater Extension	Service available	Service	Amount per rating unit	\$19942.5 Connected	\$ 39,885
Refuse Collection	Service available	Service available/provided	Amount per SUIP	\$232.3 Collected	\$ 513,610
			Amount per rating unit	\$116.15 Available	

#### Communities of Interest Rates

Residential	Residential property	Uniform	Amount per rating unit	\$ 60.82	\$ 129,459
Rural	Rural property	Uniform	Amount per rating unit	\$ 35.16	\$ 83,705
Commercial	Commercial/Industrial	Uniform	Amount per rating unit	\$ 1,042.87	\$ 219,382

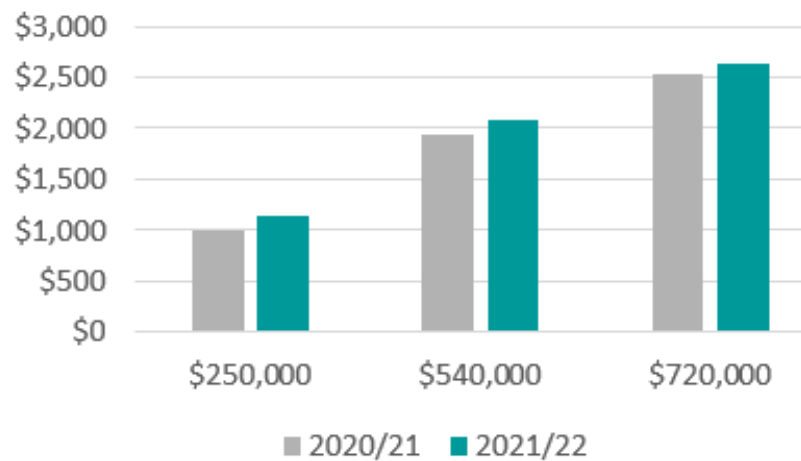
#### Metered Water Rates

Opōtiki/Hikutaiā	Service connected	Uniform	Amount per cubic metre up to each threshold	2m <sup>3</sup> per day	\$ 0.57
				2-3.5m <sup>3</sup> per day	\$ 0.85
				3.5-4.5m <sup>3</sup> per day	\$ 1.31
				4.5-10m <sup>3</sup> per day	\$ 1.42
Ohīwa	Service connected	Uniform	Amount per cubic metre up to each threshold	2m <sup>3</sup> per day	\$ 1.00
				2-3.5m <sup>3</sup> per day	\$ 1.50
				3.5-4.5m <sup>3</sup> per day	\$ 2.00
				4.5-10m <sup>3</sup> per day	\$ 2.50
Te Kaha	Service connected	Uniform	Amount per cubic metre up to each threshold	2m <sup>3</sup> per day	\$ 1.00
				2-3.5m <sup>3</sup> per day	\$ 1.50
				3.5-4.5m <sup>3</sup> per day	\$ 2.00
				4.5-10m <sup>3</sup> per day	\$ 2.50

\*All figures exclude GST

# Rating Examples

## Ohiwa Property

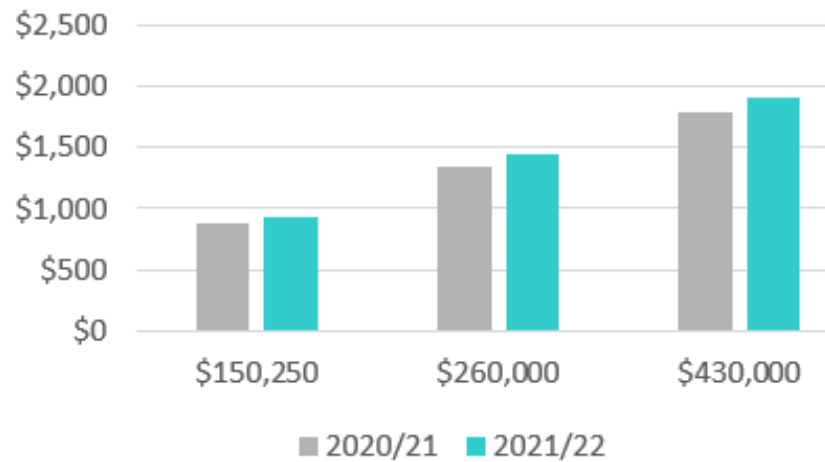


## Ōpotiki house property

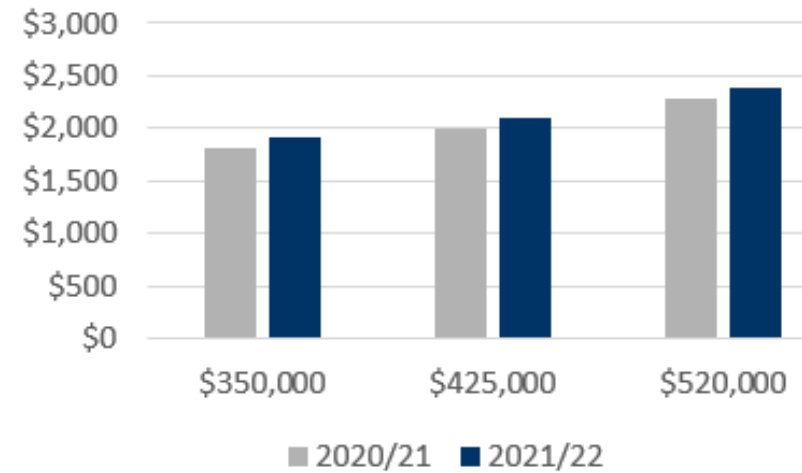




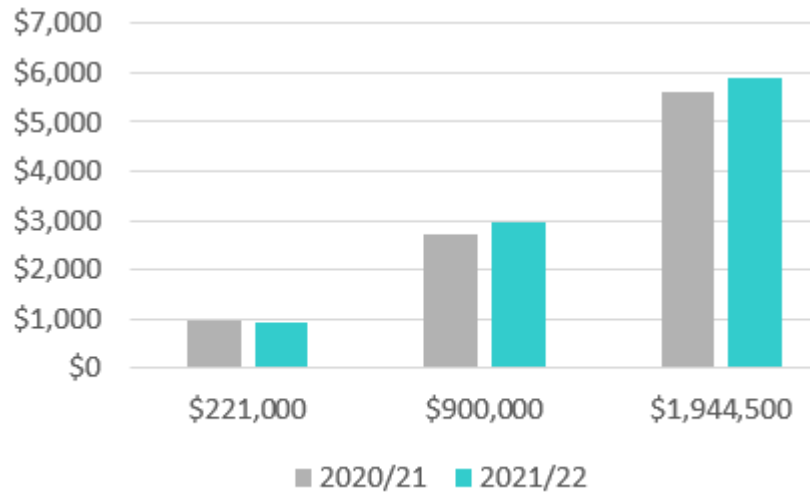
## Rural Residential Property



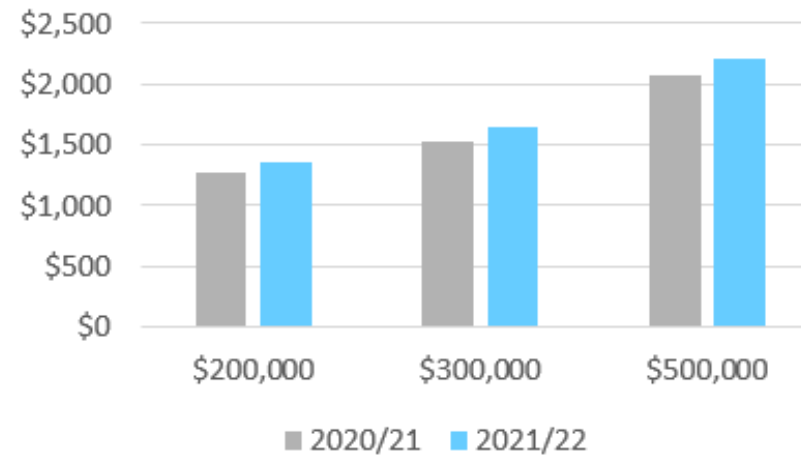
## Hukutaia/Woodlands Property



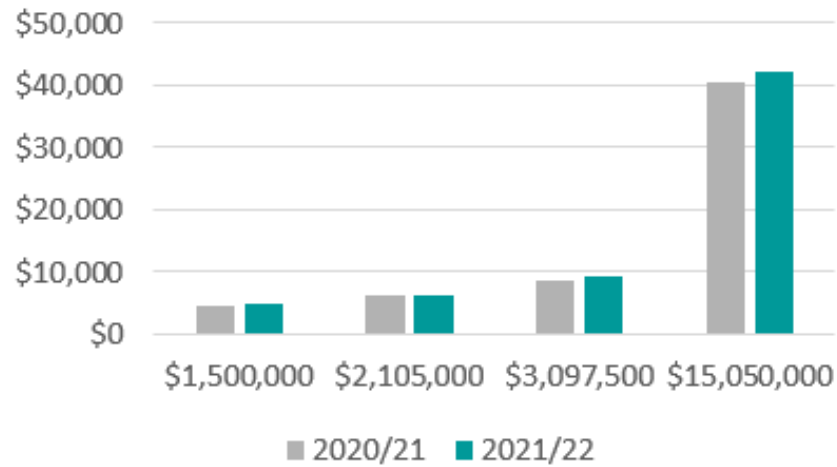
## Rural Property



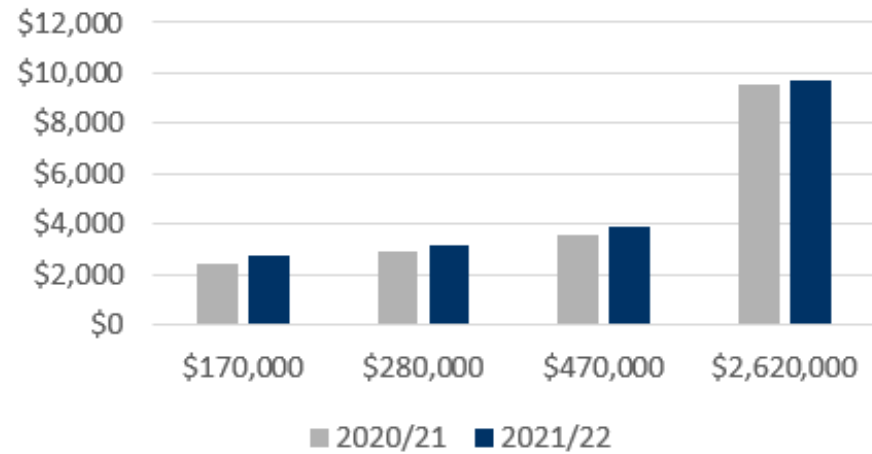
## Te Kaha on water



## Kiwifruit Property



## Commercial & Industrial



The following rates are proposed to be set and assessed within the District for the 2021/22 year (GST Exclusive):

### District Wide Rates

#### 1 General Rates

A general rate set under section 13 of the Local Government (Rating) Act 2002 for the purposes of providing all or some of the cost of the Council activities set out in this 2021-2031 Long Term Plan.

For the 2021/22 year this rate will be 0.2804 cents per dollar (excluding GST) based on the rateable capital value of all land within the District.

#### 2 Uniform Annual General Charge

A rate set under section 15 of the Local Government (Rating) Act 2002 on each rating unit within the District. This rate is for the purpose of providing for some of the costs of delivering the Council activities set out in this 2021-2031 Long Term Plan.

For the 2021/22 year this rate will be \$442.28 per rating unit (excluding GST)

#### Definitions:

##### Separately Used or Inhabited Parts of a Rating Unit

Definition: A separately used or inhabited parts of a rating unit is defined as –

Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, licence or other agreement.

Examples of separately used or inhabited parts of a rating unit:

- For residential rating units, each self-contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance

- Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations.

### Targeted Rates

#### 3 Water Supply Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit.

The purpose of this rate is to fund water supplies for Ōpōtiki/Hukutaia, Te Kaha and Ōhiwa, as well as to fund the maintenance, operation and capital upgrades of water supplies and treatment in those parts of the districts where these systems are provided.

The rate is subject to differentials as follows:-

- A charge per separately used or inhabited part of a rating unit connected in the Ōpōtiki/Hukutaia, Te Kaha and Ōhiwa communities.
- A half-charge per rating unit which is serviceable in the above locations.

For this rate:

- "Connected" means a rating unit to which water is supplied.
- "Available" means a rating unit to which water is not being supplied, but the property is situated within 100 metres of any part of the waterworks.

For the 2021/22 year these rates will be:

	WATER RATES	
	Connected	Available
<b>Ōpōtiki/Hukutaia</b>	194.90	97.45
<b>Te Kaha</b>	295.63	147.82
<b>Ōhiwa</b>	615.72	307.86

#### 4 Metered Water Rate

A targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by cubic metre, to any property that is connected to one of the water supplies in Ōpōtiki, Te Kaha or Ōhiwa Districts.

METERED WATER	
Connected	
Ōpōtiki/Hukutaia	57 cents per cubic metre
Te Kaha	\$1.00 per cubic metre
Ōhiwa	\$1.00 per cubic metre

#### Charges for high volume use

Ōpōtiki	
2m <sup>3</sup> to 3.5 m <sup>3</sup>	.86 cents per cubic metre
3.5m <sup>3</sup> to 4.5m <sup>3</sup>	\$1.14 per cubic metre
4.5 <sup>3</sup> to 10m <sup>3</sup>	\$1.43 per cubic metre
Te Kaha	
2m <sup>3</sup> to 3.5 m <sup>3</sup>	\$1.50 per cubic metre
3.5m <sup>3</sup> to 4.5m <sup>3</sup>	\$2.00 per cubic metre
4.5 <sup>3</sup> to 10m <sup>3</sup>	\$2.50 per cubic metre
Ōhiwa	
2m <sup>3</sup> to 3.5 m <sup>3</sup>	\$1.50 per cubic metre
3.5m <sup>3</sup> to 4.5m <sup>3</sup>	\$2.00 per cubic metre
4.5 <sup>3</sup> to 10m <sup>3</sup>	\$2.50 per cubic metre

#### 5 Sewerage Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's sewage disposal function of fixed amounts in relation to which the Council's sewage disposal service is provided or available as follows:

The purpose of this rate is to fund the maintenance, operation and capital upgrades of sewerage collection, and treatment and disposal systems in those parts of the District where these systems are provided.

This rate is subject to differentials as follows

- A charge of per separately used or inhabited part (SUIP) of a rating unit connected.
- A charge per pan within the separately used or inhabited part of a rating unit for each pan where there are multiple connections.
- A charge per rating unit where the service is available but not connected.

For this rate:

- “Connected” means the rating unit is connected to a public sewerage system.
- “Available” means the rating unit is not connected to a public drain, but the property is situated within 30 metres of such a drain.
- A rating unit used primarily as a residence for one household is treated as not having more than one pan
- For multiple connections each pan will be rated at 80% of the full charge.
- A separately used or inhabited part that is connected to a public sewerage system will be charged either the connected rate or the multi-connection rate.

For the 2021/22 year these rates will be:

	SEWERAGE	RATE	
	Connected (per SUIP)	Available (per rating unit)	Multi-connection (per pan)
Ōpōtiki	440.43	220.22	352.34
Waihou Bay	544.00	272.0	

#### (d) Waioueka Wastewater Extension Charge

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for each property connected to the wastewater extension to Factory Road, Ōpōtiki of \$19,942.50 per rating unit.

## **6 Refuse Collection Charge**

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the purposes of funding collection of household refuse in the Ōpōtiki district as follows:

The collection area is:

- Within the Ōpōtiki Ward with the exception of Dip Road, Crooked Road and State Highway 2 west of Baird Road
- Within the Waiotaha/Waioeka Ward for the Waiotahi Drifts Subdivision, Appleton Road, State Highway 2 between Waiotahi Drifts and Paerata Ridge Road, Whakaari Road and Paerata Ridge Road up to but excluding Thompson Road, Otara Road to Factory Road, Factory Road, Stoney Creek Road and Waioeka Road/State Highway 2 to rural number 126.

The rate is subject to differentials as follows:-

- (a) A full charge of \$232.30 on each separately used or inhabited part of a rating unit to which the service is provided within the collection area.
- (b) A half-charge of \$116.15 on each separate rating unit where the service is provided but the property is not used or inhabited within the collection area.

## **7 Communities of Interest**

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for specific groups of ratepayers that receive a greater benefit from certain activities. The rate is set differentially on all rateable rating units as follows:

### **(a) Residential Communities of Interest**

This targets a charge for certain activities to the Ōpōtiki Town Ward plus all rating units less than 0.5ha outside the Ōpōtiki Town Ward on the seaward side of the area commencing from Ohiwa Harbour at the intersection of Ruatuna Road and State Highway 2 and following State Highway 2, Waiotahi Valley Road, Gabriels Gully Road, Browns Road, Verralls Road, Paerata Ridge Road, Old Creamery

Road, Crooked Road, Dip Road, Armstrong Road, McGregor Road, line from intersection of McGregor and Woodlands Road to intersection of State Highway 2 and Clarks Cross Road, Stump Road, line bisecting Tablelands and Tirohanga Road to Te Wakanui Road, Te Wakanui Road concluding at intersection with State Highway 35. The activities include litter control, playgrounds, compliance, economic development, animal control, and stormwater.

For the 2021/22 year this rate will be \$60.82 per rating unit.

### **(b) Rural Communities of Interest**

This targets a charge for certain activities in the rural areas of the district excluding properties included in the residential communities of interest, and commercial/industrial communities of interest. The activities include rural stormwater, cycleway, economic development, compliance, and rural litter control.

For the 2021/22 year this rate will be \$35.16 per rating unit.

### **(c) Commercial/Industrial Communities of Interest**

This targets a charge for certain activities to rating units where the land use is commercial or industrial. The activities include cycleway, litter control, stormwater, economic development, compliance, property, tourism, and health.

For the 2021/22 year this rate will be \$1,042.87 per rating unit.

### **Sources of funding for subsequent years**

The funding sources applied for 2021/22 will also apply for all the other years covered by the Plan. However, the specific rates applying for each other year of the plan, may vary.

Council will not seek any lump sum contributions for the 2021/22 rating year.

## To the reader:

### Independent auditor's report on Ōpōtiki District Council's 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's long-term plan (the plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 29 June 2021.

### Opinion

In our opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 47 to 52 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### Emphasis of Matters

Without modifying our opinion, we draw attention to the following matters:

### **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 plan 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 plan has been based.

### **Uncertainty over the delivery of the capital programme**

Page 125 outlines the Council's proposed spending on capital projects, which totals \$117 million over the next 10 years. Although the Council is taking steps to deliver its planned capital programme, as outlined on page 45, there is uncertainty over the delivery of the programme due to a number of factors, including the significant constraints in the construction market. If the Council is unable to deliver on a planned project, it could affect intended levels of service.

### **Uncertainty over external funding**

Page 46 outlines the challenges the Council faces with funding large scale housing developments. The Council has assumed that government subsidies will be obtained to fund projects of approximately \$22 million, as outlined on page 22, to facilitate growth in Hukutaia. These projects are currently uncertain because funding has not yet been sought. If the level of external funding is not achieved, the Council notes that it would consider other funding sources as part of the next long-term plan.

### **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.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the approach taken by the Council to maintain its assets is reasonable, given the types of asset infrastructure owned by the Council;
- the information in the plan is based on materially complete and reliable information;



- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

### **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

### **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 annual report, we have carried out engagements in the areas of debenture trust deed assurance engagement, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council.



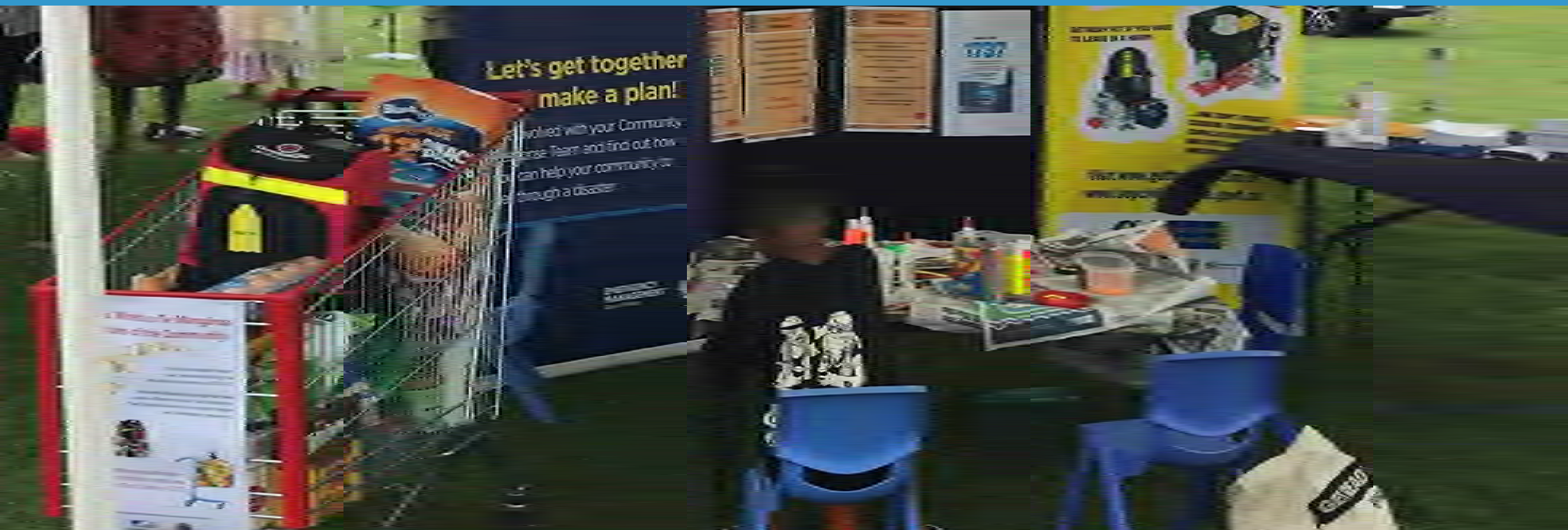
Leon Pieterse, Audit New Zealand  
On behalf of the Auditor-General, Tauranga, New Zealand



# Part Five – Council Policies

Te Wahanga Tuarima

Important policies that guide Council's direction





# Opotiki District Council

## Significance and Engagement Policy

Adopted 29 June 2021

### Table of contents

1.0 Purpose.....	1
2.0 Objectives.....	1
3.0 Principles .....	1
4.0 Significance .....	1
4.1 Significance flowchart.....	2
5.0 Engagement.....	3
5.1 Principles of engagement .....	3
5.2 Engagement framework.....	4
5.3 When Council may choose not to engage.....	5
6.0 Review of the policy.....	5
Appendix 1 .....	6

## 1.0 Purpose

For every decision that Council makes, we are required under the Local Government Act<sup>8</sup> to determine how important, or significant, that decision is to the community. We look at a number of factors when making a decision, including who could be affected by the decision; who could be interested in the decision; how the decision may impact levels of service, and what the costs could be.

Council will use this policy to determine the significance of a decision, and determine the level of engagement we will use, based on the significance of the decision.

## 2.0 Objectives

The objectives of this policy are:

- to ensure consistency when determining the significance of proposals, assets and decisions
- to identify the extent and type of public engagement required before a decision is made
- to build positive relationships with the community, tangata whenua and stakeholders
- to encourage cooperation, respect and a mutual understanding of other points of view
- to comply with Section 76AA of the Local Government Act 2002 (LGA).

## 3.0 Principles

The principles of this policy are:

- Council will be consistent, genuine and transparent in how it engages with the public
- Council will consider the language, accessibility and cultural needs in any engagement
- Council will ensure that it involves the community in its decisions, and recognises the importance of the community in any engagement it holds.

## 4.0 Significance

Council will use the flowchart on page 2 to determine the significance of a decision.

A decision will be considered to be of high significance by Council if one of the following applies:

- It involves the transfer of the ownership or control, or the construction, replacement or abandonment of a strategic asset (Appendix A) to or from Council; or
- It is inconsistent with Council plans or policies and meets one of the following thresholds (as set out in significance flowchart on page 2):

**Financial thresholds:** The proposal or project will incur net operational or capital expenditure exceeding 10% of total Council annual expenditure in the year commenced.

**Community interest:** The proposal will generate considerable interest or render the community deeply divided.

**Effect on ratepayers or communities:** The proposal will have a major and long term impact on ratepayers, and/or groups who reflect the makeup of the District's community.

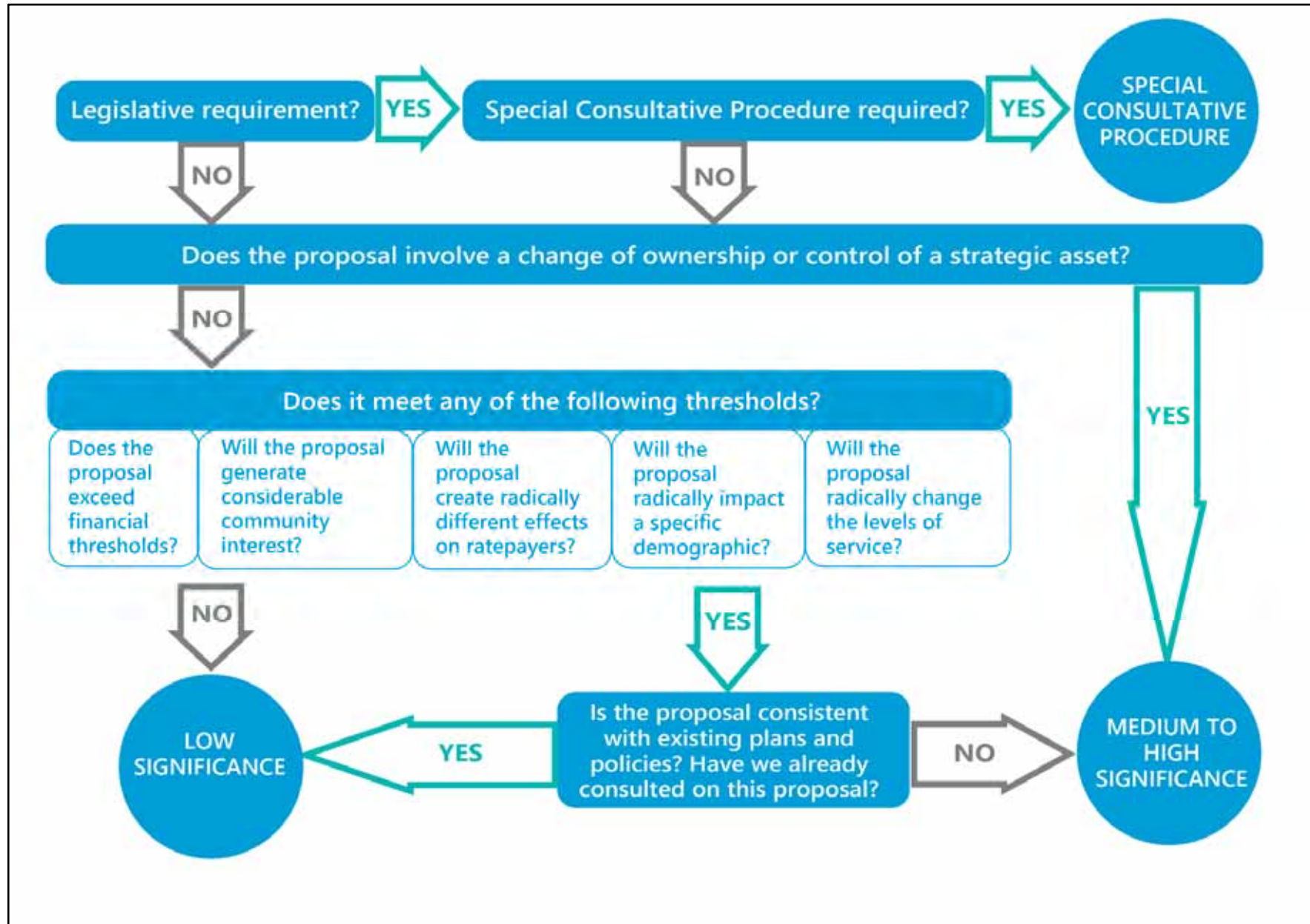
**Levels of Service:** The change to the current level of service will be major and long-term.

It is important to note that the LGA requires council to engage with the community for certain matters using the Special Consultative Procedure (s83 LGA 2002), regardless of the significance of the decision. Examples include changes to Bylaws, the Long Term Plan or the Annual Plan.

<sup>8</sup> Section 76AA Local Government Act 2002

<http://www.legislation.govt.nz/act/public/2002/0084/latest/DLM6236805.html>

## 4.1 Significance flowchart



## 5.0 Engagement

Once the significance has been determined, the Council will use the International Association for Public Participation (IAP2) framework to determine the appropriate level of engagement.

Where required, Council will undertake engagement at the level prescribed by legislation (e.g., when required by the Special Consultative Procedure, or by the Resource Management Act 1991).

The framework that council will use to determine the type of engagement it will use is shown in the framework on page 4.




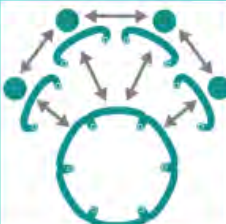

### 5.1 Principles of engagement

When engaging with the community, Council will:

- seek out and encourage contributions from people who may be affected by or interested in a decision
- provide accurate, relevant, timely and balanced information so people can contribute in a meaningful way
- provide a variety of appropriate ways for people to have their say
- tell the community what the Council decision is and the reasons for that decision.

**The more significant a matter is, the more Council engages with the community about the decision.**

## 5.2 Engagement framework

SIGNIFICANCE	LOW	MEDIUM	HIGH	MAXIMUM	
LEVEL OF ENGAGEMENT	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
What does it involve?	One-way communication providing balanced and objective information to assist understanding about something that is going to happen	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposal to inform decision making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.
Types of issues that we may use this for	Water restrictions; temporary road closure; adopting annual report; emergency works	Regulation policy such as Local Alcohol Policy; developing and adopting a Bylaw; adopting the LTP or the Annual Plan	Review of the Ōpōtiki District Plan	Sub-regional Spatial Plan	Election voting systems (MMP, STV or FPP)
Tools that Council might use	Websites Information flyer Public notices	Formal submissions and hearing	Workshops Focus groups	External focus groups	Binding referendum Local body elections
					

Council shall use an appropriate method(s) of engagement that correspond to the degree of significance decided, more than one option can be utilised.



### 5.3 When Council may choose not to engage

There are times when the Council may choose not to engage with the community about a decision. Generally, the Council will not engage on the following matters:

- operational matters that do not reduce a level of service
- emergency management activities
- those decisions made by delegation to Council staff
- commercially sensitive decisions
- decisions made to manage an urgent issue
- decisions where an action is necessary to:
  - comply with the law
  - protect life, health, amenity and/or infrastructure
  - avoid, remedy or mitigate an adverse effect on the environment.

### 6.0 Review of the policy

The Council will review the Significance and Engagement Policy every three years, or as required. The policy will be amended and confirmed through public consultation if necessary, separately, or as part of the Long Term Plan. The next review of this policy will be in 2024.

## Appendix 1

Schedule 5 of the Local Government Act 2002 requires the following to be listed in this policy:

- a) any asset or group of assets listed in accordance with Section 76AA(3) by the local authority
- b) any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its policy
- c) any equity securities held by the local authority
  - i. a port company within the meaning of the Port Companies Act 1988
  - ii. an airport company within the meaning of the Airport Authorities Act 1966.

The following is a list of assets or groups of assets that the Council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community:

STRATEGIC ASSET	NOTE
Roading and traffic network	Includes footpaths, street lighting and off-street parking
Wastewater network	Includes land, pipes, pump stations and sewage ponds
Water treatment network	Includes land, pipes, pumps, reservoirs and treatment plants
Stormwater network	Includes reticulation and pumps
Reserves and sports fields	
Library	Includes book collection
Public toilets	
Cemeteries	
Cycle ways	
Aerodrome	
Council’s administration buildings	



**Opotiki District Council**

STRONG COMMUNITY STRONG FUTURE

# Revenue & Financing Policy

Adopted 29 June 2021

A246156





## CONTENTS

Background	3
Funding approach	9
Council activities	15
• Community & cultural sustainability	18
• Environmental sustainability	24
• Economic sustainability	29








## The Local Government Act 2002 (LGA) requires every local authority to adopt a Revenue and Financing Policy.



In accordance with the LGA, this Revenue and Financing Policy outlines how Ōpōtiki District Council will fund its operating and capital expenditure, who will fund it, and why.

Council provides a number of distinct activities and services to achieve the community outcomes identified in its Long Term Plan (LTP). It is obliged to undertake these activities in a financially prudent and sustainable manner, across a variety of available funding sources.

Council's current activities can be grouped into the following three categories:

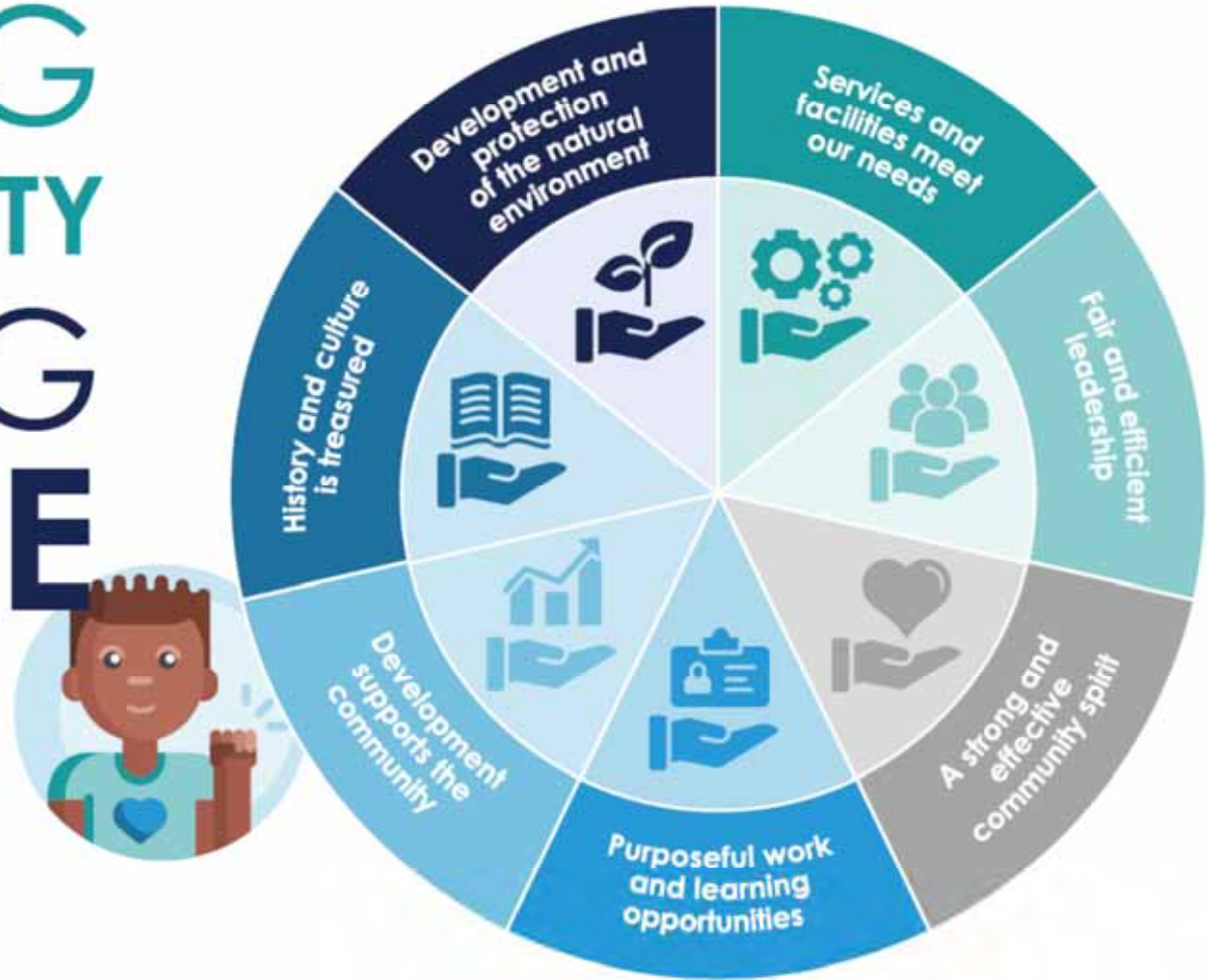
-  Community & cultural sustainability.
-  Environmental sustainability.
-  Economic sustainability.

Before discussing how each of these groups of activities are funded, this section first identifies Ōpōtiki district's community outcomes. It then describes the Council expenditure necessary to achieve these outcomes alongside the funding sources available and the matters considered by Council when making funding decisions.



# Ōpōtiki district's vision and community outcomes

**STRONG  
COMMUNITY  
STRONG  
FUTURE**



# Description of Council expenditure

Broadly speaking, Council has two types of expenditure to achieve its stated community outcomes; operating and capital.



## OPERATING EXPENDITURE

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

Ōpōtiki District Council's policies and practices regarding the funding of its operating expenses are set to ensure that they comply with applicable legislation and accounting practices.

In general terms, Council will use a mix of revenue sources to meet operating expenses. Major sources include general rates, subsidies, and fees and charges.

In addition, revenue from targeted rates is applied to specific activities. Reserve funds (including savings from previous years) are also occasionally used as a revenue source.

Operating costs do not normally utilise loans or proceeds from asset sales.

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



## CAPITAL EXPENDITURE

Capital expenditure is money spent in acquiring or upgrading a business asset such as equipment or buildings.

Council has three categories of capital expenditure in relation to its activities. These include:

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

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

## Available funding sources

**Ōpōtiki District Council, like other local authorities, has a number of sources available to fund its activities.**

As outlined in s103(2) of the LGA, these include:

- General rates, including choice of valuation system, differential rating, and uniform annual general charges;
- Targeted rates;
- Lump sum contributions;
- Fees and charges;
- Interest and dividends from investments;
- Borrowing;
- Proceeds from asset sales;
- Development contributions;
- Financial contributions under the Resource Management Act 1991;
- Grants and subsidies;
- Regional fuel taxes under the Land Transport Management Act 2003; and
- Any other source.

Further explanation of each of these funding sources, and how Council uses them, is included on pages 12 – 13.



# Matters considered by Council when making funding decisions

In order to decide how to fund its activities to best achieve its community outcomes, Council was guided by the matters outlined in s101(3) of the LGA. Consideration of these matters helped Council to determine which funding source it would use for each of its activities. These matters included:

- The community outcomes to which the activity primarily contributes;
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- The period in or over which those benefits are expected to occur;
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Council also considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.



In addition to these s101(3) matters, Council also considered the overall impact of its funding decisions on ratepayers, communities, and direct-users. Specifically, Council considered:

- 1 Affordability and the public's ability to pay rates. Council sought to strike a balance between achieving a level of service that meets customer and legislative requirements; and the need to provide these levels of service in an affordable manner. Council also considered how it could maintain an affordable and predictable level of rates in the future.
- 2 The current economic recovery from Covid, and consequent affordability issues that many residents are facing. A larger proportion of infrastructure upgrade costs, for example, will be borne by urban ratepayers. Council is therefore focusing on designing infrastructure that balances function, longevity, and affordability.
- 3 Actively working to gain outside support and external grant funding, where possible and practical. Council has successfully secured central government funding in the past few years, for foundational projects such as the harbour redevelopment and town centre upgrade.
- 4 How best to enable the ongoing profitability of the rural sector, given the impact it has on the whole community.
- 5 Over the period of the LTP there are likely to be ups and downs in reaction to the current global pandemic, commodity prices, and the climate. In the past, Council has adapted to such crises by deferring projects or reducing savings for future asset replacement. These remain options for future crises.





**FUNDING  
APPROACH**

# Funding challenges

Ōpōtiki district experiences a number of challenges that can impact the financial wellbeing of the community. These include:



### Small population:

Ōpōtiki has a small population with a large number of assets. This creates challenges for repairing, maintaining, and renewing those assets to meet the evolving needs of the district.



### Geographically spread assets:

Ōpōtiki district is large in size and assets are required across the district, even though some assets only serve a small number of ratepayers. This can increase the operational and capital costs of providing some necessary services.



### Long-life assets:

Most of Ōpōtiki's long-life assets (up to 100 years) are over halfway through their useful lives. Funding the replacement of such assets to ensure continuity of service is critical.



### Roading subsidies:

Council is reliant on Waka Kotahi (NZTA) subsidies for roading. In addition, increasing oil prices and/or lowering of the New Zealand dollar strongly impacts Council's roading construction costs.



# Funding principles

Taking these challenges into account, Ōpōtiki District Council used the following general principles to determine which funding source would be the most equitable and appropriate to utilise for each Council activity:

- All properties** should contribute in some way to the running of the district, given that ratepayers largely benefit to an equal extent from some Council services.
- User charges** are preferred if Council activities benefit individuals to a greater extent than the community.
- Differential or targeted rates** are preferred where benefits accrue to specific groups within the community.
- In some cases, **targeted rates** are used as a surrogate for user charges if Council considers this to be a more efficient and effective method of funding than individual user charges.
- All Council activities are **annually funded** to ensure that each generation of ratepayers fund the services they receive.
- Renewal expenditure and new capital assets** will be funded by internal loans. Depreciation reserves will not be used for these activities due to intergenerational inequities embedded in this approach.

# Council's approach per funding source

The following approach has been taken by Council and is used alongside the funding principles to determine funding sources for Council activities:

- While effort is made to link payment of rates to benefits received or costs generated, it is not always possible to do this on an individual ratepayer basis (nor is it legally required).
- Subsidies from central government recognise that some services, such as roads, form part of our national infrastructure and only central government can levy charges.
- Savings are generally placed into reserves which are funded from past surpluses, realisation of assets, or by rates. Trust funds are normally bequeathed to Council in trust. Reserves and trust funds (savings) may be used to fund activities where appropriate to the purpose of the reserves or trusts (operating or capital).

The remainder of this section describes the funding sources available to Council with more specific detail regarding Council's approach to each.

## General rates

The general rate is set under Section 13 of the Local Government (Rating) Act 2002. The general rate is a rate in the dollar on capital/land value applied to all properties in the district.

A general rate is generally used when:

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

## Availability charges

The general rate is sometimes split between the base differential rating category and an 'availability charge' differential rating category.

This occurs when services are available (such as water supply located adjacent to a property), but a property is not connected. In these cases, the Council charges for the availability of this service (i.e. the ability to

connect). Availability is usually charged as targeted rates for water supply, wastewater, and refuse collection.

## Uniform Annual General Charge

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

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

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

### Targeted rates

A targeted rate is set under Sections 16 or 19 of the Local Government (Rating) Act 2002. Targeted rates are for funding one or more activities or groups of activities and can apply either to all the land in the district or one or more categories of land. A targeted rate is used when:

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

### Fees and charges

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

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

### Interest

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

### Dividends

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

### Borrowing

Borrowing is managed by the provisions of Council's policy on liability and investment management.

### Proceeds from asset sales

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



### Development contributions

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

### Financial contributions

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

### Grants and subsidies

Council receives a subsidy from Waka Kotahi (NZTA) to part-fund operations, renewal, and capital development in Land Transport. The percentage of this subsidy differs for different types of works.

Council pursues other grant & subsidy funding available from central government and other agencies wherever it is considered appropriate.

# Who benefits?

In relation to each Council activity that requires funding, Council must identify how the benefit of that activity is distributed. This includes the distribution of the benefit across the community as a whole, any identifiable part of the community, and/or individuals. The following groups have been identified for the purpose of considering the distribution of benefits of Council activities:



**National benefit:**

Benefits the nation and is public in nature.



**Regional benefit:**

Benefits the region and is public in nature.



**District benefit:**

Benefits the whole of Ōpōtiki district and is public in nature.



**Offender/exacerbator:**

Cost that results from offenders, or protagonists, who exacerbate a problem.



**Community benefit:**

Benefits a particular Ward, property type or property use and is public in nature.



**Commercial benefit:**

Benefits the commercial sector and has both public and private benefit.



**User/applicant benefit:**

Benefits an identifiable individual, group, or community segment.



The following section identifies the scale of 'attributable benefit' that each of these groups may experience as a result of specific Council activities. This ranges from 'high', 'medium' and 'low' likely benefit. Refer to pages 19 – 32 for further details.

**Note:**

Private benefit - The distribution of benefits between parts of the community and/or individuals.

Public benefit - The distribution of benefits between the community as a whole.

**COUNCIL  
ACTIVITIES**



# Council activities

Council's current activities can be grouped into three categories, as identified below. These groupings are considered the best way to reflect how Council's activities promote community wellbeing across Ōpōtiki district. This section then identifies, for each group of activities, what funding mechanisms are available and how Council propose to fund each activity, following consideration of the matters outlined in s101(3) of the LGA.



### COMMUNITY & CULTURAL SUSTAINABILITY

This group of activities focus on building and developing cohesive and functional communities in the Ōpōtiki district.

- LEADERSHIP
- COMMUNITY FACILITIES
- COMMUNITY DEVELOPMENT
- ECONOMIC DEVELOPMENT
- REGULATION AND SAFETY



### ENVIRONMENTAL SUSTAINABILITY

This group of activities work towards community outcomes that promote environmental wellbeing. They mitigate and manage impacts so that future generations can enjoy our districts' pristine natural environment.

- SOLID WASTE MANAGEMENT
- STORMWATER
- DISTRICT PLANNING
- WASTEWATER



### ECONOMIC SUSTAINABILITY




This group of activities provide infrastructure that enables the community to grow and prosper. Ōpōtiki district needs reliable infrastructure to support the development of businesses and industries.

- WATER SUPPLY
- LAND TRANSPORT
- INVESTMENTS



# Funding operating and capital expenditure

The following table shows which mechanisms could be used to fund the operating and capital expenditure necessary to sustain Council's activities.

		Funding of operating expenditure				Funding of capital expenditure			
		General rates	Targeted rates	Grants & subsidies	Fees & charges	General rates	Targeted rates	Borrowings	Contributions/ user charges
 <b>COMMUNITY &amp; CULTURAL SUSTAINABILITY</b>	Leadership	✓			✓	✓		✓	
	Community facilities	✓	✓	✓	✓	✓		✓	✓
	Community development	✓				✓		✓	
	Economic development	✓		✓	✓	✓		✓	✓
	Regulation & safety	✓			✓	✓		✓	
 <b>ENVIRONMENTAL SUSTAINABILITY</b>	Solid waste management	✓	✓	✓	✓	✓		✓	✓
	Stormwater	✓	✓			✓		✓	✓
	District planning	✓							
	Wastewater	✓	✓				✓	✓	✓
 <b>ECONOMIC SUSTAINABILITY</b>	Water supply	✓	✓		✓		✓	✓	
	Land transport	✓	✓	✓	✓	✓	✓	✓	✓
	Investments	✓			✓			✓	



**COMMUNITY &  
CULTURAL  
SUSTAINABILITY**





## Leadership

Council's leadership activity provides for:

- Governance at the district and local levels.
- Conduct of elections.
- Council's advocacy on issues that impact on the Ōpōtiki district's community outcomes.
- Planning and policy development to provide a framework for the community's strategic direction.
- Monitoring and reporting.

Leadership activity also includes the preparation of policies guiding strategic direction and strategic financial decisions for presentation to the community for feedback.



**Community outcome:**



Fair and efficient leadership

**Period of benefit:**



On-going

**Need created by:**



District

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>		
National	Low	No mechanism	None	This activity is not funded separately because there is a benefit to all ratepayers.	The preferred funding tool is general rates, which are applied to all households and businesses that benefit from Council's leadership activities.
Regional	Low	No mechanism	None		
District	High	Rates	All		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



## Community facilities

Council's community facilities activity ensures that individuals living in Ōpōtiki district have access to a range of services and facilities to increase their wellbeing and quality of life. These services and facilities are provided through functions such as:

- Airport.
- Cemeteries.
- Public toilets.
- Parks and reserves.
- Playgrounds.
- Property.
- District library.
- The cycle way.



### Community outcome:



Services and facilities meet our needs

### Period of benefit:



On-going

### Need created by:



District



User/applicant

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>		
National	Low	No mechanism	None	It is useful to fund community facilities separately as some aspects of this activity suit different funding mechanisms. For example, cemeteries & libraries can be at least partly user-funded whereas cycleways cannot.	The user benefit of community facilities is high, however, Council currently lacks the means to effectively recover fees & charges from users. A mix of general rates, targeted rates, and some user charges is therefore preferred.
Regional	Low	No mechanism	None		
District	Med	Rates	Most		
Community	Low	Targeted rate	Minimal		
Commercial	Low	Targeted rate	Minimal		
User	Med	Fees and charges	Minimal		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



## Community development

Council's community development activity works to ensure that individuals living in the Ōpōtiki district have access to a range of services and facilities to increase their quality of life. These services and facilities provide the following functions:

- Community grants.
- Healthy and active communities.



### Community outcome:



A strong and effective community spirit

### Period of benefit:



On-going

### Need created by:



District



Community

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>		
National	Low	Subsidy	Minimal	Community development is funded separately to understand the cost of service and provide transparency regarding aspects such as community grants.	General rates or a UAGC (or a combination) are the most appropriate funding mechanisms given the distribution of benefits to the district & communities. It would be difficult to justify any other funding sources such as user-pays.
Regional	Low	Subsidy	Minimal		
District	Med	Rates	Most		
Community	Med	Subsidy	Minimal		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



## Economic development

Council's economic development activity creates a sustainable economic future for the district. This is achieved through the following functions:

- Economic development.
- Tourism promotion.
- Harbour development.



### Community outcome:



Development supports the community



Purposeful work and learning opportunities

### Period of benefit:



On-going

### Need created by:



District



Community

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>		
National	Low	Subsidy	Low	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity, which uses various funding sources.	General rates or a UAGC (or a combination) are the most appropriate funding mechanisms given the distribution of benefits to the district & communities.
Regional	Low	Subsidy	Low		
District	Med	Rates	Most		
Community	Low	Targeted rates	Minimal		
Commercial and user	Low	Fees and charges	Low		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



## Regulation & safety

Council's regulation and safety activity regulates a number of activities in the district to facilitate growth and maintain environmental qualities valued by the community. This is achieved through the following functions:

- Environmental health.
- Noise control.
- Animal control.
- Building control.
- District Plan implementation.
- Liquor licensing.
- Safety.



### Community outcome:



Development supports the community



Development and protection of the natural environment

### Period of benefit:



On-going

### Need created by:



District



Community



Commercial

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit	Funding method	Level of funding		
National	Low	No mechanism	None	Identifying separate funding helps understand the cost of regulatory compliance and enhances the transparency of Council's expenditure.	General rates or a UAGC (or a combination) are the preferred funding mechanisms given the distribution of benefits. User charges and fines are also appropriate to recover costs of non-compliance.
Regional	Low	No mechanism	None		
District	Med	Rates	Low		
Community	Low	Targeted rates	Minimal		
Commercial and user	Low	Fees and charges	Moderate		



**ENVIRONMENTAL  
SUSTAINABILITY**







# Solid waste management

Council's solid waste activity provides solid waste services for public health and future development for the district. This is achieved by the following functions:

- Kerbside collection.
- Resource recovery centres.
- Waste minimisation.
- Litter control.
- Closed landfills.



### Community outcome:



Services and facilities meet our needs



Development and protection of the natural environment

### Period of benefit:



On-going

### Need created by:



District



User

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>		
National	Low	Subsidies and grants	Minimal	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	The preferred funding tool is general rates, which are applied to all households and businesses that benefit from this activity. User charges and targeted rates also recognise the benefits to people disposing of waste.
Regional	Low	No mechanism	None		
District	High	Rates	Moderate		
User	Low	Targeted rates Fees and charges	Minimal Minimal		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



# Stormwater

Council's stormwater activity protects the health and safety of the community.



### Community outcome:



Services and facilities meet our needs



Development and protection of the natural environment

### Period of benefit:



On-going

### Need created by:



District



Community

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>		
District	High	Rates	Most	Identifying separate funding helps understand the cost of service for stormwater and enhances the transparency of Council's expenditure.	The preferred funding tool is general rates, which are applied to all households and businesses that benefit from this activity. A targeted rate also acknowledges the additional benefit attributed to some communities.
Community	Low	Targeted rates	Minimal		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



## District planning

The district planning activity provides for future development of the district. This is achieved through the administrative, processing, monitoring and decision-making role for resource management.



### Community outcome:



Development supports the community



Development and protection of the natural environment

### Period of benefit:



On-going

### Need created by:



District



User/applicant

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>		
National	Low	No mechanism	None	It is useful to fund district planning separately from other activities in order to understand the cost of service and set appropriate user fees & charges.	General rates or a UAGC (or a combination) are the preferred funding mechanisms given the distribution of benefits. User fees & charges are also appropriate.
Regional	Low	No mechanism	None		
District	High	Rates	Most		
User/applicant	Low	Fees and charges	Minimal		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



## Wastewater

Council's wastewater activity manages sewage disposal for public health and future development for the district.



### Community outcome:



Services and facilities meet our needs

### Period of benefit:



On-going

### Need created by:



Community



District

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING			
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>	Separate funding	Rationale
District	Low	Rates	Low	Identifying separate funding assists in the accountability and transparency of Council's expenditure on wastewater. It can also inform estimates for future maintenance expenditure.	General rates or a UAGC (or a combination) are the preferred funding mechanisms given the distribution of benefits to the community. It is not practical to measure the quantity of each user's contribution to the sewage system.
Community	High	Targeted rates User charges	Moderate Minimal		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



## ECONOMIC SUSTAINABILITY





## Water supply

Council's water supply activity provides a reliable and safe water supply for public health and future development for the district. This is achieved through the following functions:

- A reticulated supply to 5,760 residents.
- Water quality monitoring.
- Future supply needs.



### Community outcome:



Services and facilities meet our needs

### Period of benefit:



On-going

### Need created by:



Community



User

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING			
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>	Separate funding	Rationale
District	Low	Rates	Minimal	Identifying separate funding (targeted rate based on water use) provides accountability and transparency of Council spending on water supply.	Targeted rates are appropriate for charging those communities and users that directly benefit from the use of potable water. An element of general rates is recommended to capture all beneficiaries.
Community and user	High	Targeted rates, metered water charges, and connection fees	Most		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



## Land transport

Council's land transport activity works to provide an efficient transport network and future development for the district. This is achieved by the following functions:

- Land transport.
- Land transport accelerated and enhanced.



### Community outcome:



Services and facilities meet our needs



Development supports the community

### Period of benefit:



On-going

### Need created by:



District



Commercial



National



User



Regional

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit	Funding method	Level of funding		
National	Low	Subsidy	Low	Identifying separate funding provides accountability and transparency of Council's expenditure on this activity.	A subsidy is provided by the Govt given the national benefits of this activity. Some income may be claimable from the Regional Council given the regional benefits. Given the district-wide benefit a general rate or UAGC is preferred. A targeted rate will be applied to commercial users given environmental management benefits. Where a user benefit is identifiable, costs will be recovered via a targeted rate or minimal user charges.
Regional	Low	No mechanism	None		
District	Med	Rates	Moderate		
Commercial	Low	Targeted rates	Minimal		
User	Low	Targeted rates	Minimal		
		User charges	Minimal		



## Investments

Council's investment activity attracts funds to provide for future development in the district. This is achieved by undertaking investment functions that are low risk and within areas of core council activities.

Council also uses BOPLASS to achieve joint buying power with other Council partners. BOPLASS is a company owned by nine councils (including Ōpōtiki DC) to promote joint procurement and shared services.



### Community outcome:



Development supports the community

### Period of benefit:



On-going

### Need created by:



District



Regional

ATTRIBUTABLE BENEFIT		ALLOCATION OF FUNDING		Separate funding	Rationale
Benefit group	Level of benefit <sup>1</sup>	Funding method	Level of funding <sup>2</sup>		
National	Low	No mechanism	None	Identifying separate funding provides accountability and transparency of Council's expenditure on this activity for both the community and BOPLASS partners.	Council's investments provide significant district benefit, as funds are invested for improvements in community services. A general rate or UAGC (or a combination) is therefore preferred.
Regional	Low	No mechanism	None		
District	High	Rates Fees and charges	Most Minimal		

1. High = 67-100% likely attributable benefit; Medium = 34-66% likely attributable benefit; Low = 0-33% likely attributable benefit.

2. All = 100%; Most = 75-99%; Moderate = 50-74%; Low = 25-49%; Minimal = 1-24%; None = 0%.



# Council Controlled Organisations (CCOs)

## Introduction

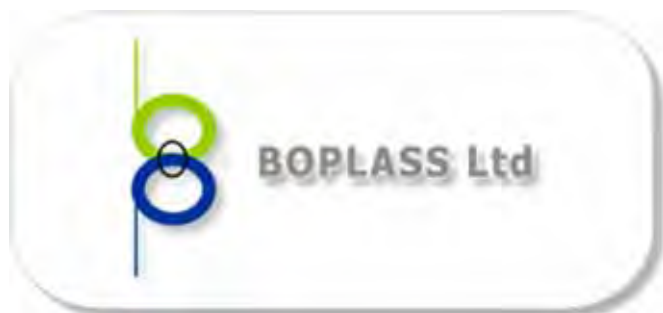
This section presents information required under the Local Government Act 2002 relating to any council-controlled organisation (CCO) in which Council is a shareholder. A CCO is a company or organisation in which a Council or Councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. CCOs are essentially any company with a majority Council shareholding, or a trust or similar organisation with a majority of Council-controlled votes or Council-appointed trustees.

In order to achieve its objectives, Ōpōtiki District Council is a shareholder in two CCOs – Bay of Plenty Local Authority Shared Services Limited (BOP LASS Ltd), which is jointly owned by all nine councils in the Bay of Plenty and Gisborne Regions, and Toi Economic Development Agency (Toi EDA), which with the Whakatane and Kawerau councils has joint control.

Council's total investment in Council Controlled Organisations and other entities is:

BOPLASS Shares	\$1,000
Horizon Energy shares	<u>\$2,000</u>
	<u>\$3,000</u>

## BOPLASS Ltd



BOPLASS Ltd was set up during 2007/08 to foster shared services between the participating councils. It provides an umbrella vehicle to investigate, procure,

develop and deliver shared services where a business case shows they can provide benefits.

Subsidiaries: Nil

Significant policies and objectives in regard to Ownership and Control  
Each of the following nine councils in the region holding a 11.11% share:

- Bay of Plenty Regional Council
- Kawerau District Council
- Ōpōtiki District Council
- Rotorua District Council
- Taupo District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Whakatane District Council
- Gisborne District Council.

BoPLASS Ltd conducts itself in accordance with its Constitution, its annual Statement of Intent agreed with shareholders and the provisions of the Companies Act 1993 and Local Government Act 2002. Unless otherwise agreed by the Board, each appointee is the current or acting Chief Executive of the council shareholders. In addition, the Board may appoint up to three professional directors to supplement the Directors/Chief Executives' expertise.

## Nature and Scope of Activities

The principle nature and scope of the activity of BoPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent Councils
- Facilitate shared services that benefit Councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value
- Pursue best practice in the management of all activities to obtain best value and minimise risk

- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, Council contributions, or Government funding where available
- Allow other Councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly
- Represent the collective views of its shareholders in matters with which it is associated.

Other shared services may be provided after the Board has considered each individual business case and formally agreed to take on and deliver (or host/procure etc) the shared service.

BoPLASS Ltd will also proactively explore opportunities to partner with other local authorities and shared services organisations within New Zealand where they are either developing or considering developing cost effective shared services and products that are of value to the Bay of Plenty councils.

#### **Key Performance Targets and Other Measures of Performance**

BOPLASS Ltd has achieved the initial performance targets. The following is the performance target for the next three years:

##### **Performance Targets:**

Investigate new joint procurement initiatives for goods and services for BOPLASS councils – Minimum of 4 per annum.

## TOI-EDA



Toi-EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by the three territorial authorities (Kawerau, Ōpōtiki and Whakatane) working together with local iwi.

Toi-EDA has a strong focus on its vision of enhancing the Eastern Bay of Plenty's economic growth and resultant wealth and jobs for its people. The Agency plays an important role in the Bay of Plenty regional partnership, Bay of Connections, both in terms of representing Eastern Bay of Plenty economic development interests, and in implementing relevant actions from the Regional Strategies.

Toi-EDA is a Charitable Trust, with six Trustees appointed from commercial, community and iwi backgrounds. The CEO's of the three Eastern Bay Councils also participate actively in Trust meetings.

Toi EDA is not considered by Council to be a Council Controlled Organisation as per the Local Government Act 2002.

### **Subsidiaries: Nil**

### **Significant Policies and Objectives in regard to ownership and control:**

Policies relating to the ownership and control of the Trust include the Trust Deed setting out the purpose of the Trust and matters relating to the appointment of Trustees and the business of the Trust. The Trust Deed states the settlers have no powers to give directions to or exercise control over the Trustees or any part of the Trust's activities.

### **Nature and Scope of Activities**

The principal nature and scope of the activity for the Toi-EDA is stated in the Trust Deed, which is to:

- Cultivate economic initiatives and foster growth for the benefit of Maori and the Eastern Bay of Plenty Community.
- Promote the economic, environmental, cultural and social wellbeing of Maori and the Eastern Bay of Plenty Community.
- Foster, develop and assist in the management of best practices and effective use of resources of the Eastern Bay of Plenty.
- Promote and nurture community-based, sustainable economic growth through projects to benefit the Maori and the Eastern Bay of Plenty Community.

The means by which these objectives will be pursued will be those agreed to by the Trustees consistent with the Trust Deed.

### **Key Performance Targets and Other Measures of Performance**

- Develop and implement a Strategy and Annual Work Plan that supports and develops key sectors in the Eastern Bay economy to grow employment and wealth Business growth (turnover, increased employees, new business)
- Represent the Eastern Bay in all relevant wider economic development activities, planning strategies and initiatives.

## Appendices

### Summary of Waste Management and Minimisation Plan

In 1998 Council adopted its Zero Waste Policy. This is a summary of the Council's 2018 Waste Management and Minimisation Plan (WMMP) under that Zero Waste Policy. The full plan is available on the Council website. There is no significant variation between the proposals in this LTP and the content in the full plan. Council will prepare and consult on a revised WMMP by the end of 2021.

Council's proposed strategy has taken into account the District's population, its size and make-up, its isolation and remote location of communities which need to be serviced, distance to landfills and markets for recyclable materials and the ability of the Council to provide an on-going sustainable and affordable service to the community. The strategy and action plan also takes into account the levels of achievement made in waste minimisation since the Woodlands Road landfill was closed in 2004.

Prior to the closure of the landfill Council was accepting around 10,000 tonnes annually. The Council and the community worked together to reduce waste to landfill year on year, achieving a more than 90% reduction by 2014 (865 tonnes for the year).

Since 2014, the annual tonnage has increased steadily and was back up to 1070 tonnes in 2016 (and 1800 tonnes by 2020). There has been some limited growth in population contributing to this, but it is unclear what the main reason is for this trend.

In 2016 the volume of recyclable materials was 1662 tonnes. The per capital waste disposed of to landfill from Ōpōtiki residents is 204kg per person. The national average is 780kg per person.

Council changed the kerbside collection services in 2019/20, moving to refuse collected in a 40L wheelie bin and recycling collected using 4x 40L bio-degradable bags. The kerbside service is provided in the Ōpōtiki Township and the Woodlands / Hukutaia area. Across the district, residual waste and recyclable materials is received

at Council's three Resource Recovery Centres located in Ōpōtiki, Waihou Bay and Te Kaha. Council will continue to dispose of residual waste to a consented landfill outside the district.

Council will work with other territorial and regional councils, private and community sectors, and central government to achieve the following shared goals and objectives:

Goal 1: A community committed to reducing, reusing, and recycling and minimising waste sent to landfill

- Provide sustainable services that are cost-effective to the community as a whole
- Improve collections and facilities so that more material, and a wider range of items, can be diverted from landfill
- Prioritise other waste reduction, reuse and recovery and recycling initiatives which align with other council objectives such as social and business development and environmental protection
- Council and community work together where possible to implement projects, to maximise understanding and appreciation of waste management and minimisation, and gain benefit from community knowledge and drive
- Promote, encourage, and emphasise reduction, reuse and recycling.

Goal 2: A community that considers, and where appropriate implements, new initiatives and innovative ways to assist in reducing, reusing and recycling wastes

- Process and manage wastes locally wherever feasible and cost-effective
- Investigate and implement new services, facilities, or other initiatives that will increase the amount of waste reduced, reused, or recycled
- Council will work closely with commercial entities to identify opportunities to better manage non-household waste streams.

Goal 3: Minimise environmental harm and protect public health

- Consider the environmental impact and public health implications of all waste management options and choose those which are cost-effective to the community, while also protecting environmental and public health.

The Waste Management and Minimisation Plan currently lacks certainty about the data available regarding waste quantities and types in the district, and therefore it is difficult to set meaningful targets.

Council is working to improve the data used for the 2021 update of the WMMP, and will set targets based on that information.

Council's WMMP sets out funding sources consisting of gate charges at the Resource Recovery Centres, targeted and general rates.

## Summary of Assessment of Water and Sewage Services

This is a summary of Council's Water Services and Sewage. For more in depth information the full Asset Management Plans and Sanitary Services Assessments can be viewed at the Council.

There is no significant variation between the proposals in this LTP and the content in the full plan.

### 1 Introduction

#### 1.1 The water and sanitary assessment process

We assessed the water services (drinking water, sewerage and stormwater) and sanitary services (public toilets, cemetery and crematoria, and solid waste) available in our district.

The focus of the assessment is on the identification of any adverse health impacts or environmental impacts arising from existing, and future demand for water and sanitary services, and proposals to address these. Where Council does not provide reticulated water services, then the assessment should consider the risk from private schemes and self-supplies.

An initial assessment was completed on 30 June 2005 in accordance with the Local Government Act 2002. Further information has been gathered in subsequent years

and a revised assessment was published in June 2012. Some of the issues identified then have been addressed but the majority are still relevant.

### 1.2 Communities assessed

For the purposes of this initial assessment the following communities have been used:

• Bryans Beach	• Tablelands
• Hawaii	• Te Kaha
• Kutarere	• Te Kopua
• Ohiwa	• Tirohanga and Tirohanga Valley
• Omaio	• Torere
• Omarumutu	• Waiaua
• Opape	• Waihau Bay
• Ōpōtiki	• Waioeka Village
• Paerata Ridge	• Whanarua Bay
• Roimata	• Whangaparaoa

The assessment has drawn upon available documentation (Asset Management Plans, LTP) and knowledge within Council and elsewhere to document the services provided by existing reticulation schemes.

### 1.3 Recommendations arising from the assessment

#### 1.3.1 Communities with Reticulated Water Services

The principal issue identified in regards to reticulated communities is that a number of the schemes are drawing water from groundwater sources or springs that are not proven as "secure" sources. These supplies therefore may not have a barrier to protozoa (Giardia and cryptosporidium) as required by the NZ Drinking Water Standards.

The recommendation for these supplies is therefore to:

- assess options for meeting protozoa barrier requirements; and
- prepare and implement Water Safety Plans for all supplies.

Most private supplies are identified as having no disinfection. Water Safety Plans should be prepared as a priority for these supplies by the private operators.

A number of upgrade and maintenance items for the Council owned schemes are identified in the Asset Management Plans and 30 Year Infrastructure Strategy. These are appropriate and should be implemented as programmed.

### **1.3.2 Communities without Reticulated Water Services**

A large number of rural dwellings and also a number of marae rely upon shallow bores, springs, stream sources or roof water. The risk assessment identifies the risks associated with these supplies.

Where a reticulated scheme exists it is recommended that connection to the reticulated scheme is the preferred option for unserviced properties.

However for a lot of the areas the location and low density of housing means a reticulated supply is not feasible. For these properties education of householders on appropriate care and maintenance of water supplies is recommended.

### **1.3.3 Communities with Reticulated Wastewater Services**

Council has carried out comprehensive planning to meet future demand within these scheme areas. The assessment has not identified any significant health or environmental issues associated with these schemes.

### **1.3.4 Communities without Reticulated Wastewater Services**

Outside of the reticulated scheme areas a large number of rural dwellings and marae rely upon onsite wastewater treatment and disposal. Generally this is by way of basic septic tank systems. The majority of communities within the district are serviced by septic tanks.

The assessment identifies the risks associated with on-site wastewater disposal during dry weather, wet weather or flood events.

For the majority of the rural areas reticulation is not likely to be feasible. For the unreticulated community, education of householders on appropriate care and maintenance of onsite disposal systems is recommended.

The sanitary status of on-site systems used in the unreticulated areas of the district, and the health implications arising from it, are not currently well defined. This is an information gap which is recommended to be filled for benefit of future assessments.

### **1.3.5 Communities with Reticulated Stormwater**

A number of upgrade and improvement measures for the reticulated stormwater schemes are programmed in the Asset Management Plans. These address known problems.

A related issue to stormwater is that of flood protection. The July 2004, 2010 and 2017 floods exposed deficiencies in relation to stormwater runoff control which are being addressed.

### **1.3.6 Communities without Reticulated Stormwater**

Health and environmental issues in the communities without reticulated stormwater are not believed to be widespread. Poor drainage around dwellings leading to damp houses and septic tank effluent field failures is known to be a problem in some rural areas. It is recommended that this issue be addressed through a community education programme, logically run in conjunction with that on water supply and septic tank maintenance.

### **1.3.7 Public Toilets**

Adequate public toilets exist. Additional facilities should be considered in response to proven community demand and resource capabilities. Potability of water supplies at rural toilets (not on Council reticulated water supply) should be reviewed.

### **1.3.8 Cemeteries and Crematoria**

There are no identified health issues associated with current cemeteries. There are no crematoria in the Ōpōtiki district.

### **1.3.9 Effluent Disposal Points**

There are identified health issues associated with effluent disposal points in the district and the existing facilities appear adequate for demand.

### **1.3.10 Solid Waste**

Refer to the previous section which summarises waste management and minimisation.

## **1.4 Recommendations arising from the assessment**

Consultation on the 2012 assessment and its findings was/is required, with a special consultative procedure, as per the LGA. Following consultation and consideration of submissions the assessment report, original 2005 assessment and subsequent 2012 assessment was finalised and then approved by Council.

## **1.5 Improvement plan for the assessment**

The assessment has drawn upon a large pool of information. Nonetheless there are a number of areas where specific information is limited. This does not diminish the value of the assessment. Identification of information gaps which need to be filled is an acceptable outcome from each new assessment.

Specific information gaps identified include:

- (i) Whether water sources for a number of communities can be classified as “secure” groundwaters as per the NZDWS. This is a high priority as there are potentially large cost implications associated with failure to attain this status
- (ii) Sanitary status (microbiological quality) and risk posed by use of shallow bores, springs and surface water sources in rural communities not on reticulation
- (iii) Extent of on-site disposal failures in unsewered areas
- (iv) Environmental effects resulting from on-site disposal failures in settlements (as opposed to isolated rural dwellings).



**Ōpōtiki District Council**  
STRONG COMMUNITY STRONG FUTURE

# 2021-51

# Infrastructure

# Strategy

June 2021

Objective file ID A231532

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## Document Control

Date	Version	Description	Prepared by:	Input from:	Reviewed by:
Dec 2020	1	Report for adoption by council	K Nagendran B Senior J Bird	I Castles A Kirikiri A Mark S Mathias	G McIntosh
Mar 2021	2	Report updated with changes requested by Audit, for re-adoption by council	N Hughes	D Clarke B Gray	G McIntosh
June 2021	3	Report updated to incorporate changes from consultation and last of Audit requests.	I Morton	P Bridgwater	G McIntosh

## Table of contents

<b>1</b>	<b>Introduction</b>	<b>7</b>
1.1	Purpose and scope	7
1.2	Document structure	7
1.3	Guiding principles for the infrastructure strategy	7
<b>2</b>	<b>Our strategic context</b>	<b>8</b>
2.1	Our district	8
2.2	The harbour project	9
2.3	National changes in the three waters sector	9
2.4	NZ is taking climate change more seriously	10
2.5	COVID	10
<b>3</b>	<b>Overview of our services and intentions</b>	<b>11</b>
3.1	Water supply	11
3.1.1	Where we are providing this service	11
3.1.2	Overview of our assets	13
3.1.3	What is important to our community	14
3.1.4	Our current situation and intentions for what is important	14
3.2	Wastewater	16
3.2.1	Where we are providing this service	16
3.2.2	Overview of our assets	17
3.2.3	What is important to our community	18
3.2.4	Our current situation and intentions for what is important	18
3.3	Stormwater	20
3.3.1	Where we are providing this service	20
3.3.2	Overview of our assets	22
3.3.3	What is important to our community	22
3.3.4	Our current situation and intentions for what is important	22
3.4	Transport	24
3.4.1	Overview of our assets	24
3.4.2	What is important to our community	25
3.4.3	Our current situation and intentions for what is important	25
<b>4</b>	<b>The challenges facing our infrastructure</b>	<b>26</b>
4.1	Natural hazards	26
4.1.1	Sea level rise	26
4.1.2	Ōpōtiki Flooding	26
4.1.3	Climate change	27
4.1.4	Earthquake and Liquefaction	27
4.2	NZ wide changes to the three waters industry	28
4.2.1	Our starting point:	28
4.2.2	The likely scenario:	28
4.3	Responding to community needs and expectations	29
4.3.1	Water Supply	30
4.3.2	Wastewater	33
4.3.3	Stormwater	33
4.3.4	Transport	39
4.4	Responding to growth	40
4.4.1	Water Supply	41
4.4.2	Wastewater	42
4.4.3	Stormwater	47

4.4.4	Transport	47
4.5	Replacing old assets	48
4.5.1	Water Supply	50
4.5.2	Wastewater	56
4.5.3	Stormwater	60
4.5.4	Transport	61
4.6	Financial affordability	61
4.7	Backlog of works and the 'Do-ability' of the works programme	62
<b>5</b>	<b>What we plan to do</b>	<b>63</b>
5.1	Summary of projects	63
5.2	Forecast expenditure	69
<b>6</b>	<b>Our assumptions</b>	<b>70</b>

## Executive summary

### Scope and purpose of the strategy

This strategy describes the key infrastructure-related challenges facing the Ōpōtiki District Council's water supply, stormwater, wastewater, and transport activities, over the next 30 years. It sets out what the options and implications are for responding to these challenges, and Council's preferred approach.

### Key challenges

The key challenges facing our infrastructure are:

- Natural hazards including climate change;
- Changes to the three waters industry;
- Responding to community needs and expectations;
- Responding to growth; and
- Replacing old assets (aging infrastructure).

### Strategic needs in each activity

#### *Water Supply*

Key needs facing our water supply infrastructure include:

- Responding to impacts of storms on stream water quality at Te Kaha;
- Providing additional capacity for growth in the Hukutaia area;
- Responding to changes in the three waters industry.

#### *Wastewater*

Key needs facing our wastewater infrastructure include:

- Extending the wastewater network to support growth in the Hukutaia area;
- Upgrading the existing wastewater treatment plant to cope with future flows;
- Reducing the amount of ground water and stormwater entering the wastewater network;

#### *Stormwater*

Key needs facing our stormwater infrastructure include:

- Providing new stormwater assets in Hukutaia to manage increased flows from future growth;
- Reducing the areas with unacceptable levels of nuisance or damaging flood risk.
- Compliance with outcomes from changes to the three waters industry.

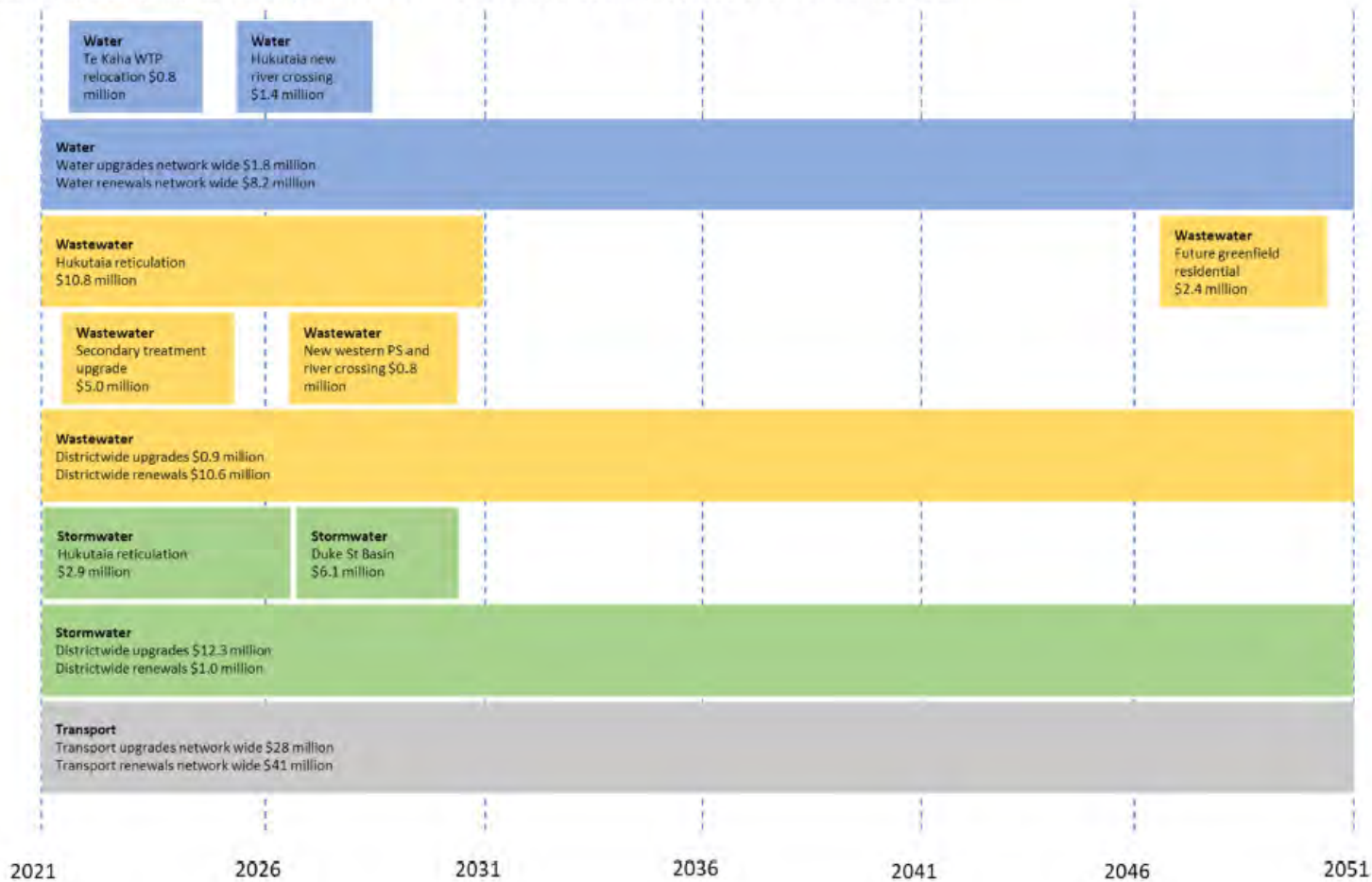
#### *Transport*

Key needs facing our transport infrastructure include:

- An expected long term increasing in the number of slips and washouts caused by more frequent rainfall events and flooding;
- Increased loading on the network as the population grows in the district.

### Proposed major infrastructure projects

The following figure highlights the major infrastructure projects that are proposed over the next 30 years.



## 1 Introduction

### 1.1 Purpose and scope

This Infrastructure Strategy describes the key infrastructure related challenges facing the Ōpōtiki District over the next 30 years, what the options and implications are for responding to these, and the Ōpōtiki District Council's preferred approach.

The strategy covers the Council's water supply, stormwater, wastewater, and transport activities. This strategy focuses on the wider big picture for Council and is supplemented by the 2021 asset management plans for each individual activity. These additional plans give a more comprehensive insight into the way in which Council manages the assets for each activity.

**Note: The financial forecasts in this document are uninflated unless stated otherwise.**

### 1.2 Document structure

This strategy has a two-part structure, shown below.



### 1.3 Guiding principles for the infrastructure strategy

ODC's vision is "Strong communities, Strong future". To support this vision, ODC has four strategic priorities, shown in the table below, along with the guiding principles used in the infrastructure strategy to support these priorities.

Council's strategic priorities	How this strategy supports the strategic priorities
Economic growth	Support industrial growth while working to minimise impacts of additional industry on infrastructure
Quality of life	Provide infrastructure to support residential growth while working to minimise the financial risk of extending services to far
Strong community spirit	Provide infrastructure that enables the community to come together and be connected
Environmental quality	Understand natural hazards and incorporating them into planning

# PART A: WHERE ARE WE NOW?

## 2 Our strategic context

The key big-picture elements that are shaping our approach to infrastructure are:

- The makeup of our district;
- The harbour development project;
- Changes in the three waters industry; and
- New Zealand is taking climate change more seriously

These are overviewed in the sections below.

### 2.1 Our district

The Ōpōtiki district is in the Eastern Bay of Plenty and extends from the Ōhiwa Harbour almost to East Cape. It incorporates the townships of Ōpōtiki and Te Kaha, along with a range of smaller settlements scattered throughout the district, with the majority along the coastline.

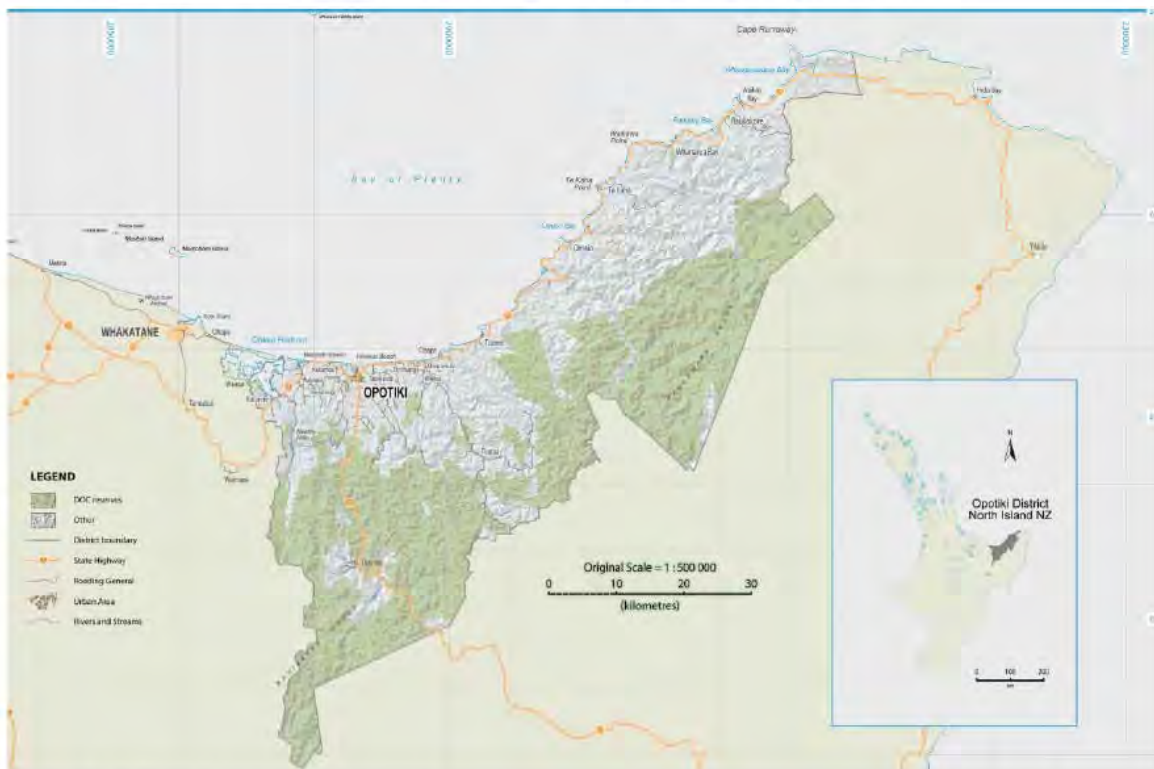


Figure 2-1: Map of Ōpōtiki District Council

The district encompasses 25% of the Bay of Plenty region. Approximately 50% of the Bay of Plenty coastline falls within the district, comprising 160 kilometres of coastline with an economic zone extending 12 kilometres out to sea.

Key industries in the area are agriculture and kiwifruit. Aqua culture (open-ocean mussel farms and associated processing) is expected to become a significant employer in the next five years, as well as a source of demand on the water and wastewater networks. New concrete and aggregate plants have also been established recently.

The district relies on the state highway network for connectivity to the wider region and beyond.

Although Ōpōtiki is an area with a rich natural environment and inspiring people, the district as a community faces many social and economic challenges. Approximately 70% of the district's land area is non-rateable. Close to 52% of the landmass is in Department of Conservation (DoC) estate, with a further 12% managed through Nga Whenua Rāhui, in association with DoC. Ōpōtiki has a high proportion of Māori land blocks, particularly east of Ōpōtiki township and there are 193 hectares in reserve land.

## 2.2 The harbour project

Re-establishing the harbour is a long-held community aspiration. The Ōpōtiki Harbour Development Project will provide access for larger boats by creating an entrance that is navigable in all but the worst conditions, enabling Ōpōtiki to become a service and processing base for aquaculture and other marine related industries.

Physical works on the Ōpōtiki Harbour Development Project commenced in June 2020 and are expected to be completed in 2024.

The project will provide a platform for sustainable economic growth by:

- Capitalising on opportunities from the existing 3,800 hectare marine farm offshore from Ōpōtiki.
- Enabling other aquaculture ventures and marine related development in the Eastern Bay of Plenty.
- Increasing overall social, economic and cultural wellbeing in Ōpōtiki and the wider Eastern Bay of Plenty.
- Enhancing recreation opportunities and public access to the coast.

An additional project for the private development of a new marina is in the late stages of investigation and approval. The timing is still to be confirmed but construction may occur in the next few years.

## 2.3 National changes in the three waters sector

The outbreak of *Campylobacter* in the Havelock North water supply highlighted a critical flaw in NZ's water supply management structure. An enquiry was launched due to the significant consequences of the outbreak. The enquiry provided numerous recommendations to central government to improve the treatment and supply of drinking water to communities.

Assessments of the state of three waters infrastructure in New Zealand estimate that the cost of upgrading water and wastewater infrastructure to address public health and environmental impacts is in the order of \$10 billion.

Central Government is currently leading a three-tranche process with the goal of establishing new regional or multi-regional entities to operate three waters infrastructure. The final form of the service delivery model is to be confirmed as part of this work.

As part of Tranche 1, Council has been granted \$3.2 million of funding for improving three waters services, to be spent by March 2022. Further funding may be available in mid 2022 and mid 2023.



## 2.4 NZ is taking climate change more seriously

The understanding of climate change and its potential impact on New Zealand has changed significantly in the last three years. Key documents marking this transition include:

- An LGNZ report estimating that \$14 billion of local government infrastructure is exposed to sea level rise
- The Ministry for the Environment publishing New Zealand's first Climate Change Risk Assessment
- The adoption of the Climate Change Response (Zero Carbon) Amendment Act 2019, which established a Climate Commission, set emissions targets, and enables mandatory reporting on emissions targets by utility operators

With this new understanding, councils are required to pay more attention to the impact of climate change on infrastructure.

## 2.5 COVID

The COVID19 pandemic has been the most globally disruptive disease since the 1918 Flu pandemic. It has dominated the thinking of New Zealanders for most of 2020 and is expected to continue into 2021 and beyond. The pandemic has not directly impacted our infrastructure service needs but has provided additional infrastructure funding to support economic activity and may mean more people moving to the district to take advantage of remote working.

### 3 Overview of our services and intentions

This section outlines key information about the core infrastructure Council operates, and our long-term intentions for the services we provide through them.

#### 3.1 Water supply

Council supplies drinking water to approximately 60% of the Ōpōtiki District population. Schemes service Ōpōtiki (including Hukutaia and the Waiotahi Drifts) as well as Te Kaha and Ōhiwa.

The water supply schemes are designed to provide for the environmentally safe collection, treatment and reticulation of potable water.

##### 3.1.1 Where we are providing this service

The water supply activity services approximately 5,750 of the Ōpōtiki District population in Te Kaha, Ōpōtiki, Hukutaia, Waiotahi Drifts and Ōhiwa.

The areas we currently provide water supply services are shown in the maps below.



Figure 3-1: Te Kaha water supply network



Figure 3-2: Ohiwa water supply network



Figure 3-3: Ōpōtiki water supply network

### 3.1.2 Overview of our assets

The Ōpōtiki scheme is relatively new (average age of most assets is less than 20 years) and already provides for growth. The Hukutaia area is aging (average age greater than 45 years) but is an ideal location for upgrade or renewal to provide for growth.

The Te Kaha scheme is halfway through its life (average age 30 years) with sections requiring remedial action and upgrade to maintain service pressures and provide for growth.

The Ōhiwa scheme reticulation is also relatively new (average pipe age 12 years) but required an upgrade of treatment facilities to ensure protection of public health. This upgrade was completed in 2019.

Table 3.1 provides an overview of the water supply assets for each scheme that are owned and maintained by the Council:

**Table 3.1: Water supply scheme overview**

Water scheme	Scheme overview	Replacement value (draft 2020)
Ōpōtiki / Hukutaia	<ul style="list-style-type: none"> <li>Population served: 4,482</li> <li>Number of connections: 2,175</li> <li>Demand average and peak: 2100 m<sup>3</sup>/d, 3000 m<sup>3</sup>/d</li> <li>2 water sources (bore capacity is 8,600 m<sup>3</sup>/d, consented for 4,925 m<sup>3</sup>/d, treatment capacity 3,600 m<sup>3</sup>/d)</li> <li>1 water treatment plant</li> <li>3 booster pump stations</li> <li>5 water storage sites (reservoirs and tanks) for a total of 4,500 m<sup>3</sup></li> <li>86.6 km of pipe</li> </ul>	\$33,900,000
Te Kaha	<ul style="list-style-type: none"> <li>Population served: 410</li> <li>Number of connections: 220</li> <li>Demand average and peak: 270 m<sup>3</sup>/d, 350 m<sup>3</sup>/d</li> <li>1 water source (infiltration well capacity is 2,000 m<sup>3</sup>/d, consented for 972 m<sup>3</sup>/d, treatment capacity 480 m<sup>3</sup>/d)</li> <li>1 water treatment plant</li> <li>1 booster pump station</li> <li>3 water storage sites (reservoirs and tanks) for a total of 410 m<sup>3</sup></li> <li>14.9 km of pipe</li> </ul>	\$6,200,000
Ohiwa	<ul style="list-style-type: none"> <li>Population served: 50 to 410 (seasonal)</li> <li>Number of connections: 17</li> <li>Demand average and peak: 7 m<sup>3</sup>/d</li> <li>1 water source (bore capacity is 300 m<sup>3</sup>/d, consented for 32 m<sup>3</sup>/d, treatment capacity 100 m<sup>3</sup>/d)</li> <li>1 water treatment plant</li> <li>1 water storage reservoir 260 m<sup>3</sup></li> <li>0.8 km of pipe</li> </ul>	\$400,000
TOTAL	<ul style="list-style-type: none"> <li>Population served: 4,942 – 5,302</li> <li>Number of connections: 2,412</li> </ul>	\$40,500,000

### 3.1.3 What is important to our community

To our community, the most important aspects of our water supply service are that:

- The water is safe to drink
- The supply is reliable
- The supply is available for new homes and businesses
- The supply supports firefighting

Overall, we are performing well against these important areas. Our long term intentions for these are discussed in the following section.

### 3.1.4 Our current situation and intentions for what is important

#### Safe to drink:

Council has modern treatment plants and robust systems, with a good track record in providing safe water. The work is planned to make it easier to treat water at Te Kaha during storm events. Overall, we are planning so that, 30 years from now, all council schemes will continue to be safe to drink and comply with the relevant drinking water standards.

The provision of safe drinking water is a legal responsibility of Council as a water supply provider. The outbreak of *Campylobacter* in the Havelock North water supply resulted in a national enquiry. Careful consideration has been given to the findings in the report produced from the enquiry and though Ōpōtiki Council's water supplies are, for the most part, of a very good standard some short comings were noted in relation to the changes and direction expected from central government.

All supplies have been assessed for public health risk. Treatment processes have improved in Te Kaha and Ōhiwa to ensure that not only bacteria but also protozoa are removed. These improvements were completed in 2019 and 2020, and all three supplies are now fully compliant.

Despite the upgrade the current Te Kaha intake has issues with contamination in heavy rain events. We intend to investigate an alternate groundwater source or modify the intake, to improve the protozoa removal to meet drinking water standards during these events.

As part of the regulatory reforms, Council may be required to take over a number of small, private water supplies. If this occurs, Council intends that these schemes will be operated to comply with all relevant legislation.

#### Reliable:

Council's water supplies are reliable but some of our assets are getting old, making them more prone to breaking. Overall, we are planning so that, 30 years from now, council water supplies will be more reliable than they are presently.

The Hukutaia area currently has storage capacity in the form of a reservoir on Crooked Rd. Council intends to provide either a reservoir upgrade (more resilience in the network with additional storage available on the Hukutaia side of the river), or a new main river crossing to Hukutaia and booster pump station to provide supply directly from the main Ōpōtiki reservoir or raw water from the bores if required in an emergency. These options will enable increased resilience with 24 hour storage capacity available to both Ōpōtiki township and Hukutaia.

Renewals are programmed on an ongoing basis to replace aging assets. A proactive renewals programme increases resilience in the network by reducing the number of breakages that occur and also the volume of water losses in the network.

**Available:**

Council currently provides drinking water to all new properties in areas serviced by our schemes. However, we are expecting more growth than before. Overall, we are planning so that, over the next 30 years, the Council's water supply continues to be available at the boundary of all new properties in planned growth areas. We are also planning to support water supply requirements of new industry in growth areas so long as they have minimised their needs as much as practical.

The key areas for growth are infill housing in the Ōpōtiki township and in Hukutaia. Council already provides water supply in these areas and does not anticipate any challenges in providing future connections.

The water abstraction consent for Te Kaha is due to expire in September 2021. A replacement water source is being investigated, with promising initial results from a test bore. Once the sustainable abstraction rate is confirmed for the new bore is confirmed, an application will be lodged with the Bay of Plenty Regional Council, either to renew the current consent (surface take) if the new bore is inadequate, or to secure a new consent for the bore as the main supply.

The abstraction consent for Ōpōtiki is due for renewal in 2045 so is within the 30 years of this plan. Current population predictions assuming continued economic development in the town, suggest that demand will be close to the abstraction consent at that time. If there is higher growth than predicted, or industrial demand is high, an earlier renewal will be sought to increase the take. The consent limit for abstraction is still well below the capacity of the bore and so an increase is unlikely to pose any environmental risk.

The current capacities of the water supplies for Ōpōtiki are adequate to meet current demand but over the next ten years the treatment capacity at Ōpōtiki will need to increase to match predicted growth (by 2027). After ten years increased storage capacity will be needed for prolonged periods of high demand (estimated to be by 2039). The current consent limits for the Ōpōtiki supply will need to be increased when the consent is renewed in 2045. Te Kaha water supply has been upgraded but further works are proposed in 2022 to meet demand.

The water supply for Ōhiwa is meeting current demands but may need to be increased for seasonal variations in demand or if the normally resident population increases. Further investigation is needed, and resource consent obtained if demand is likely to exceed consent limits.

The Ōpōtiki water supply has been designed so that the treatment capacity can be increased to cope with increased demand. There is currently one treatment "cell" at the plant with capacity for up to two additional "cells" to be added when required.

**Firefighting:**

Adequate volumes of water are stored and available for firefighting in Ōpōtiki, Hukutaia Waiotahi Drifts and Ōhiwa. However, additional storage is required in Te Kaha, and is currently being designed for construction in 2022.

Industrial properties need to make their own provision for any firefighting requirements they have over and above the requirements for residential areas.

### 3.2 Wastewater

The wastewater activity provides for the environmentally safe collection, treatment and disposal of the District’s sewage wastes. Council is involved in the collection, treatment and safe disposal of human and commercial/trade wastes which is essential for the protection of public health and environmental outcomes in urban areas.

Council is possibly unique in New Zealand, in that all of its treated effluent is discharged to land.

#### 3.2.1 Where we are providing this service

Council operates two schemes. One serves the township of Ōpōtiki and the Waiotahi Drifts, while the other serves a small subdivision at Waihau Bay, shown in the maps below. All other properties in the District are serviced by privately owned septic tank systems.

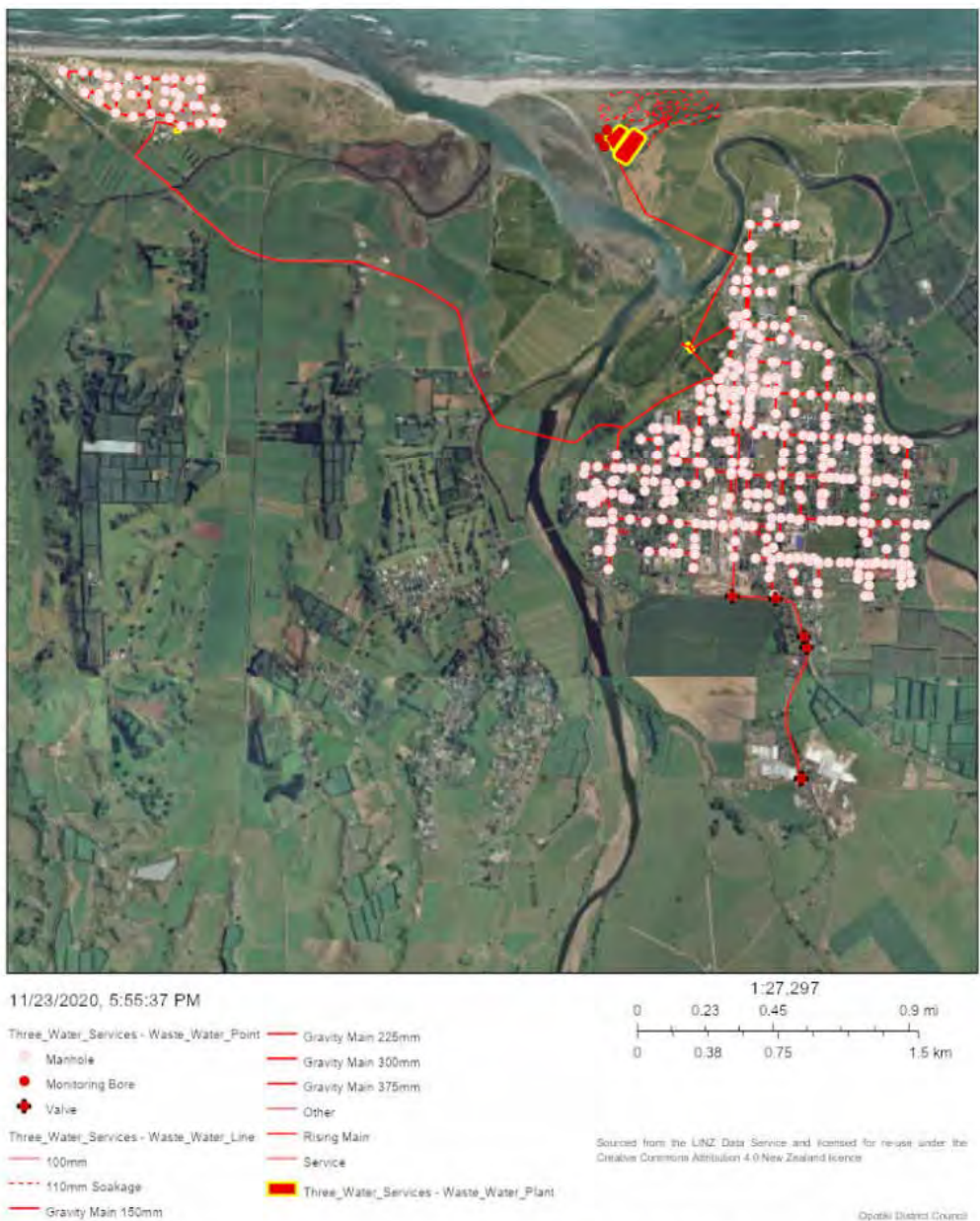


Figure 3-4: Wastewater Network extent for Ōpōtiki and the Waiotahi Drifts.



Figure 3-5 Wastewater network in Waihou Bay.

### 3.2.2 Overview of our assets

Council's wastewater network is made up of traditional gravity network and pumpstations.

ODC recently completed a sewer relining project that targeted the areas with the worst stormwater infiltration and groundwater inflow (I/I). This work was undertaken to reduce extremely high wet weather flows, to address two major issues:

- The overloading of the reticulation meant that some residents had trouble getting their toilets to flush properly, to the extent that council would hire porta-loos and set them up in affected areas; and
- The overloading of the treatment plant impacted council's ability to operate the plant successfully.

Ongoing monitoring is required to track the ongoing performance of the network and identify further leaks or residents reinstating illegal stormwater connections.



Table 3.2 provides an overview of the wastewater assets for each scheme that are owned and maintained by the Council:

**Table 3.2: Wastewater scheme overview**

Wastewater scheme	Scheme overview	Replacement value (draft 2020)
Ōpōtiki / Hukutaia	<ul style="list-style-type: none"> <li>Population served: ~3,780</li> <li>Number of connections: 1,416</li> <li>Demand flows: 1,039 m<sup>3</sup>/d dry weather, 1,590 m<sup>3</sup>/d average, 10,166 m<sup>3</sup>/d peak wet weather</li> <li>Peak capacity: Pump Stations 22,000 m<sup>3</sup>/d, Pond +5,000 m<sup>3</sup>/d, consented for 2,500 m<sup>3</sup>/d, Soakage 3,000 m<sup>3</sup>/d</li> <li>1 treatment plant (comprising Milli Screen, Imhoff Tank, 30,000 m<sup>3</sup> Oxidation Pond, 10,000 m<sup>3</sup> Overflow Pond, and 3 km Soakage Field)</li> <li>8 pump stations</li> <li>46.3 km of pipe</li> </ul>	\$22,600,000
Waihou Bay	<ul style="list-style-type: none"> <li>Population served: 10-30</li> <li>Number of connections: 26</li> <li>Demand flows: 1-5 m<sup>3</sup>/d</li> <li>Peak capacity: Pump Station 100 m<sup>3</sup>/d, consented for 23 m<sup>3</sup>/d, treatment 5 m<sup>3</sup>/d</li> <li>25 m soakage lines and 25 m<sup>3</sup> septic tank</li> <li>1 pump station</li> <li>0.4 km of pipe</li> </ul>	\$300,000
TOTAL	<ul style="list-style-type: none"> <li>Population served: ~3,800</li> <li>Number of connections: 1,442</li> </ul>	\$22,900,000

### 3.2.3 What is important to our community

To our community, the most important aspects of our water supply service are that:

- The wastewater system is **sanitary** (doesn't create public health issues)
- The system is **reliable** even in large storms
- The system is **available** for new homes and businesses
- The wastewater system minimises **environmental impacts**
- The wastewater system meets **cultural needs**

Overall, we are performing well against these important areas. Our long-term intentions for these are discussed in the following section.

### 3.2.4 Our current situation and intentions for what is important

#### Public health risk and reliability

Council's wastewater network performs well during dry weather. However, during large storm events, the network has not been able to cope with the amount of extra water in the network from leaks and illegal stormwater connections. We have already completed work to reduce the amount of

water getting into the network and also plan to increase capacity at key pumpstations. Overall, we are planning so that, 30 years from now, the council wastewater system will be safer and more reliable than it is now.

Our immediate focus is on continuing to reduce the infiltration and inflow of stormwater to the system. Extreme flows in the network during storm events are the greatest risk for public health from overflows from the wastewater network. And in very large events, some parts of the network become so full that properties can't flush their toilets.

No firm evidence of widespread public health risk has been found from the onsite septic systems in Hukutaia. However, further monitoring is planned in Year 1 of the LTP 2021-31 to better understand this risk.

We are also planning to upgrade the wastewater treatment plant and disposal field so that as flows increase due to population and industrial growth, this does not impact public health.

Renewals are programmed on an ongoing basis to replace aging assets. A proactive renewals programme increases resilience in the network by reducing the number of breakages that occur and also the volume of water that flow or infiltrates into the system during high rainfall events.

#### **Available:**

Currently, all infill housing in areas with existing wastewater services can connect to the network. We are planning to extend wastewater into Hukutaia, to support the area as a growth node. Overall, we are planning so that over the next 30 years, Council's wastewater system continues to be available at the boundary of all new properties in planned growth areas. We are also planning to support wastewater requirements of new industry in serviced areas so long as they have minimised their needs as much as practical.

Their largest planned growth areas are infill housing in the Ōpōtiki township and in Hukutaia.

We plan to support higher intensity development in Hukutaia by building a new wastewater network to connect the area to the existing treatment plant. This will be done in a staged approach, subject to actual demand. It is intended that stages will include provision to new and existing households.

Council plans to upgrade the wastewater treatment plant to provide the additional capacity required to support the availability to new properties and industrial customers.

The wastewater for Waihau Bay is meeting current demands. Seasonal and permanent population trends will be monitored but no growth or availability issues are currently forecast.

#### **Environment impact:**

Council has a good record of compliance with the resource consents for its wastewater services. This is helped by our ability to discharge all of our treated effluent to land instead of water. However, we are facing increased demands from growth and the renewal of our resource consent. Overall, we are planning so that, 30 years from now, we are addressing the impacts of growth to achieve the same level of environmental impact.

#### **Culture:**

Our current wastewater system was created before cultural needs were considered important. Fortunately, our current systems all dispose treated wastewater to land. As part of the renewal process for our existing consent renewal (expires 2024) and growth needs, we plan to work with iwi to understand cultural needs for the treatment plant. Overall, we are planning that 30 years from now, we will be better at meeting iwi cultural needs.

### 3.3 Stormwater

The stormwater activities within the district are the key approach for managing nuisance surface and also damaging flooding from stormwater that hasn't yet entered the local flood scheme. The stormwater networks has two primary components:

- a. Reticulation network, attenuation and pumping arrangements within the township to collect and dispose stormwater into the rivers.
- b. Overland flowpaths from the wider sub-catchments within and surrounding the township

A combination of the activities above ensures that habitable areas within Ōpōtiki are not inundated during storm events, and public infrastructure is still accessible during minor storm events.

#### 3.3.1 Where we are providing this service

Council's stormwater schemes service the Ōpōtiki township, Waiotahi and Hukutaia. Key infrastructure provisions include stormwater attenuation basins, pumps and reticulation networks (both piped and open drain). The extent of stormwater provision within Ōpōtiki is shown in the figures below.

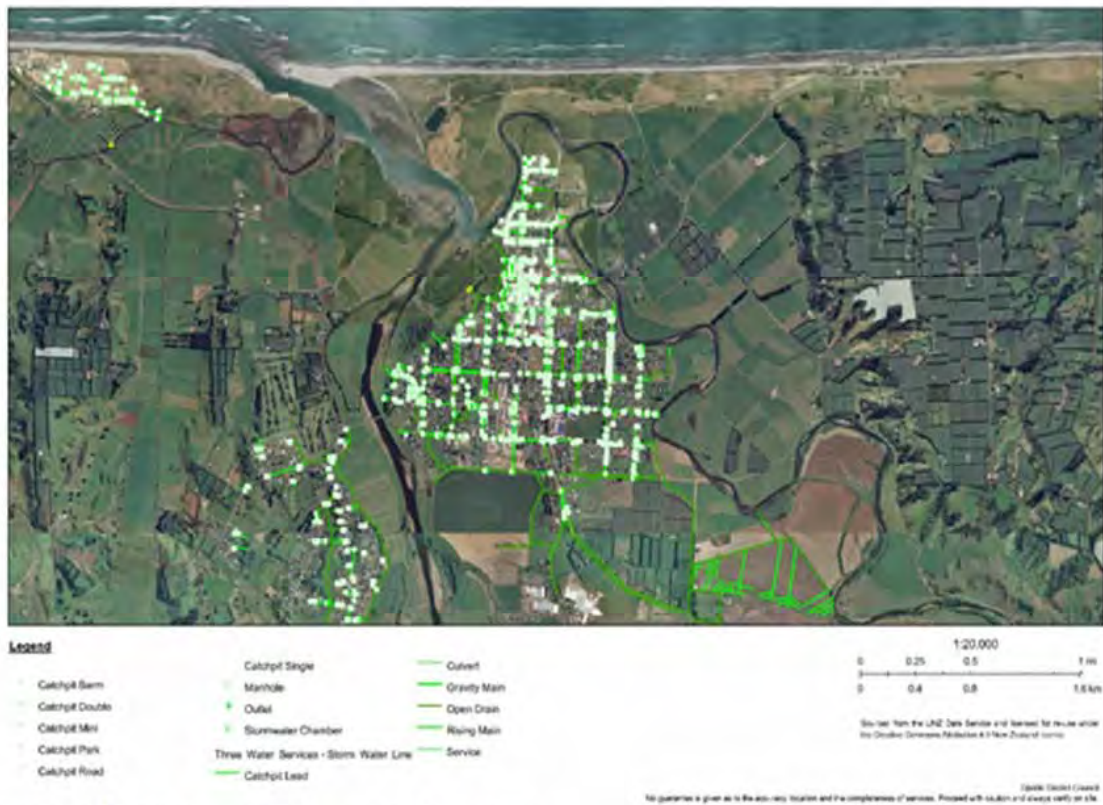


Figure 3-6: Ōpōtiki Township – Stormwater Provisions



Figure 3-7: Waiotahi – Stormwater Provisions



Figure 3-8: Hukutaia– Stormwater Provisions

### 3.3.2 Overview of our assets

The reticulated network across the township, including pump stations and attenuation basins, are under the responsibility of Ōpōtiki District Council. Council also have a duty to protect habitable buildings and key infrastructure from the effects of low level or nuisance flooding.

Stormwater modelling of the urban network has been undertaken, with allowance for effects of climate change and sea level rise. The model results have identified locations that require upgrades to the network, attenuation provisions and pump capacity across the township.

The stopbanks along both rivers around the township are part of the flood scheme operated by the Bay of Plenty Regional Council and aren't considered part of the stormwater scheme. The one exception to this is the Duke Street flood scheme pump station, which also pumps water from ODC's stormwater network during storms.

In addition to the below-ground and open drain reticulation network within the township, the road corridors act as conveyance routes for overland flow. This primarily occurs when the reticulation network is overwhelmed during large storm events. Stormwater attenuation basins and pump stations are located at a number of low points around the township, lifting stormwater into the Otara or Waioeka rivers. Some of the overland flow entering Ōpōtiki is from rural land upstream of the township. The District Council works with Bay of Plenty Regional Council to manage this flow.

**Table 3.3: Ōpōtiki Stormwater Assets - Overview**

Asset description	Quantity	Replacement value (draft 2020)
Piped drains	28.8km	\$24,600,000
Manholes and catchpits	688 no.	
Pump stations	12 no.	
Flood gates	21 no.	
Culverts, inlets and outlets	265 m	
Open drains	20 km	

### 3.3.3 What is important to our community

To our community, the most important aspects of stormwater activities are:

- That all properties can **dispose of their stormwater** adequately
- That **nuisance flooding** from stormwater is minimised
- That **damaging floods** from stormwater are minimised

Largely, we perform well against these important areas but we know that there are some parts of town with problems. Our long-term intentions for these are discussed in the following section.

### 3.3.4 Our current situation and intentions for what is important

Over the span of the previous Infrastructure Strategy, it was predicted that significant spikes in stormwater activity between 2018 and 2033, due to the requirement to provide additional reticulation capacity, new ponding basins, pump stations and other network upgrades. These upgrades were predicted as a measure to mitigate against an increase in intensity and magnitude of storms and other extreme weather events.

It is expected that this pattern will be continued for the time duration considered within the current Infrastructure Strategy and is therefore the intention of Council to address this spike in stormwater activity. The intentions to address the predicted surge in stormwater activity in context of key community outcomes are as follows:

### **Disposing of stormwater**

Most properties can get rid of their stormwater adequately, either by discharging it to kerb and channel or overland flow to a gully or drain. However, we know that some properties cannot do this well, shown by the persistent practice Council has found of some residents connecting downpipes to wastewater gully traps

Overall, Council is planning so that, over the next 30 years, stormwater disposal problems will have improved through ODC taking a prioritised approach to addressing them.

### **Address nuisance and damaging flooding**

While nuisance and damaging flooding are quite different in impact, the overall approach to each is similar, with projects for one also benefiting the other, so they are discussed together below.

Currently, neighbourhoods around the township experience localised areas of nuisance and damaging flooding for storm events between a 1 in 10 year and 1 in 50 year AEP. It is the aspiration of Council that over the next 30-year period, no habitable buildings within the township will be subject to flooding from a 1 in 50-year ARI event.

Urban stormwater modelling has been undertaken to identify locations where the reticulation network requires upgrading or extending to address existing issues. Pumping capacity and resilience (provision of back-ups and retrofitting) improvements have also been planned in the trunk parts of the network to address increased frequency and magnitude of large storm events.

Council has also planned for future demographic growth to be located away from vulnerable areas, into locations that are more sustainable, for instance with Hukutaia. Sustainably planned growth areas allow for more robust scoping and provision of stormwater assets without the requirement for frequent upgrades and renewals, which in turn provides reliable protection against issues such as nuisance flooding or floor level flooding for small magnitude storm events.

Renewals works are also programmed on an on-going basis to replace ageing assets and address any shortcomings. A proactive renewals programme increases resilience in the network by reducing the number of breakages that occur, thereby maintaining levels of service during and in the aftermath of large storm events.

Overland flow entering the township from the south is also of major concern, particularly during large storm events. To address this issue, ODC plans to work with Regional Council to mitigate against this overland flow, therefore minimising the volume of stormwater runoff entering the township from upstream catchments. The planned options here include provision of increased attenuation and/or the provision of stop banks with a suitable standard of protection for the township.

Additionally, as is the case with Hukutaia, future locations for demographic growth are to be planned away from the vulnerable areas within the township, thereby also locating infrastructure away from vulnerable areas. This increases the resilience and reliability of the stormwater infrastructure while mitigating against predicted climate change and sea level rises that may be more impactful within the vulnerable parts of the township.

### 3.4 Transport

The transport network is a significant and essential physical resource in the District contributing to the social and economic well-being of the community. The transport system within the District provides for access from across the district to the township at Ōpōtiki, and for primary producers to State Highways 35 and 2 for links to Whakatāne, Kawerau, and Tauranga. The roading network is essential to the continued growth and economic success of the Ōpōtiki District and must be managed, safely and efficiently.

#### 3.4.1 Overview of our assets

ODC's services include operation and maintenance of the current network and planning for future development. The Council manages transport planning, policy and networks through the transportation activity. This includes transport infrastructure such as roads, footpaths, cycleways, parking facilities and bridges, as well as traffic control mechanisms (such as signage, lighting, and road markings).

Table 3.4 provides an overview of the transport assets owned and maintained by the Council:

**Table 3.4: ODC Transport Assets Valuation (AON, 2020)**

Asset	Description	Quantity	Value
Carriageway	Roads owned and maintained by the Council, for use by motor vehicles and cycles	343 km	\$119,700,000
Drainage	Drainage assets include kerb and channels used to drain water from the carriageway during a rain event	17 km	\$6,600,000
Footpath	For use by pedestrians and other low-speed vehicles. Includes shared paths that may be used by cyclists	43 km	\$5,200,000
Railings	Guard rails	2 km	\$500,000
Stormwater Channel	Used to drain water from the carriageway into the stormwater system	48 km	\$3,200,000
Signs	Regulatory and informational signs to warn, inform and guide road users	1,242	\$400,000
Bridges	The Council maintains 64 bridges including culverts and underpasses	61	\$21,600,000
Streetlights	Street lighting assets include light fittings, brackets, and poles	408	\$1,800,000
Carparks	Off-street carparks owned and operated by the Council.	9 km <sup>2</sup>	

### 3.4.2 What is important to our community

The level of service (LOS) Council is aiming to provide through its service delivery is measured through the following five goals:

- Deaths and serious injuries reduced
- Route availability maintained
- Efficient delivery of maintenance and renewals
- Community satisfaction with council services is maintained or improved
- Economic growth of the district is maintained

Assessment of these goals is defined through key performance indicators (KPI), which enable Council to track their progress against the defined LOS.

### 3.4.3 Our current situation and intentions for what is important

Currently, the observed overall condition of the network is good and expected to last much longer than is typical in New Zealand, due to the low traffic volumes on most of the network. Based on the average age profile for high value network assets does not indicate an asset renewal deficit at present, however, the maintenance requirements for an ageing network is increasing over time.

Traffic volumes on the network have increased over the last 10 years at a faster rate than the general growth in traffic. This is a result of forestry maturation and horticulture development in the district, which is forecast to further increase in the coming years.

Overall, Council is planning so that 30 years from now, the levels of service that are important to the community have been maintained, through long term renewals and maintenance programmes. These manage renewals rates across the network and asset types while also balancing the ongoing maintenance costs.



# PART B: STRATEGY FOR THE FUTURE

## 4 The challenges facing our infrastructure

This section sets out the major challenges facing our infrastructure and the services they deliver. It covers:

- Natural hazards;
- Industry changes;
- Community needs and expectations;
- Growth; and
- Ageing assets

### 4.1 Natural hazards

Our district faces many natural hazard risks. Being a predominantly low-lying coastal area means that we have some existing and potential future challenges to manage as a result of our exposure to these natural hazards. The main hazards that we face in the district are outlined below.

Corresponding proposed programmes to address these are included as part of levels of service driven programmes in Section 4.3.

#### 4.1.1 Sea level rise

Our district has approximately 160 km of coastline. In many coastal areas the land is at, or only just above current mean sea levels. Sea levels are projected to rise by 0.21 m in 2040 and 0.67 m in 2090<sup>1</sup>. This will significantly impact our district particularly in the form of increased coastal erosion, coastal inundation, and higher groundwater elevations.

While there is unlikely to be a direct impact on water supply infrastructure, sea level rise will affect wastewater and stormwater networks. In the short term there will be increased risk of infiltration in the wastewater network with tidal and river levels influenced by sea level rise. Similarly, for the stormwater network these elevated tidal and river levels, along with general elevated groundwater levels will present a challenge for collection and disposal of stormwater. It is expected that the northern part of Ōpōtiki township will be at most risk, with dry weather flooding possible due to elevated groundwater levels in this part of the town.

For transport there is currently no direct issues associated with sea level rise for Councils' network. However, it is noted that this could become an issue over time with roads into some of the smaller coastal towns likely to be susceptible to inundation during king tide events. Additional work is required to forecast when rising groundwater levels might have an adverse impact on pavements.

#### 4.1.2 Ōpōtiki Flooding

As noted above our district and in particular our townships are located along the coastline. In addition to this many of our urban areas are adjacent to rivers and streams. Currently there are already known flooding issues and inflow into the wastewater network in the northeast part of Ōpōtiki township. With the projected effects of climate change likely to increase the frequency and magnitude of these issues, there are upgrades that will need to be made to our infrastructure.

Upgrades are required for all pump stations and some areas of stormwater reticulation within the Ōpōtiki township to keep up with the projected climate change and rising sea levels. The pump

<sup>1</sup> National Climate Change Risk Assessment for New Zealand – Snapshot. MfE 2020.

station infrastructure currently in place serves to discharge urban stormwater out of the township and into the downstream river or tidal environment. The township is surrounded by the Waioeka and Otara rivers, which have stopbanks to prevent fluvial flooding into Ōpōtiki. However, during extreme storm events, the elevated water levels in the two rivers, combined with overland flow from upstream catchments results in the township being inundated. The gravity-fed and pumped outlets into the rivers are blocked, resulting in surcharge of the reticulation network. There is a requirement to maintain or improve levels of service within the township to mitigate against this flooding mechanism.

Over the past decade the Ōpōtiki District has been subjected to numerous heavy rain events resulting in widespread surface and river flooding, together with major slips, that disrupt transportation connectivity to other districts and regions. These events have resulted in the additional costs to the Council in the form of emergency works. A resilient transport network is an important economic, social, and safety component, particularly as there are areas within the District where roading network routes are few or there are no alternatives.

#### **4.1.3 Climate change**

Our climate is warming which will result in rising sea levels, more frequent and severe extreme weather events and greater risk of increased flooding and drought/wildfire events. Temperatures are set to increase by a further 1°C by 2040 and 3°C by 2090<sup>2</sup>. This warming will likely be greatest in the northeast of New Zealand of which Ōpōtiki is situated.

These changes will exacerbate already present natural hazard risks of coastal inundation and flooding due to the effects of sea level rise as highlighted in Section 4.1.1 and 4.1.2.

An increasing frequency and magnitude of severe weather events means that Ōpōtiki will experience higher rainfall, flooding and future risk of increased landslips. This is a potential issue for transport infrastructure with the network comprising a large number of rural largely unsealed roads that would be more prone to damage. In addition, the projections of increased frequency of extreme or large magnitude storm events would require upgrades to the stormwater pump stations and stormwater reticulation over and above what has been previously highlighted, so as to ensure the level of service to the township is maintained, as a minimum requirement.

#### **4.1.4 Earthquake and Liquefaction**

As with much of New Zealand the Ōpōtiki district is susceptible to earthquakes. The Bay of Plenty region is located within the Taupo Volcanic Zone in which there are many known fault lines. Much of the region is coastal and low-lying and therefore also potentially susceptible to liquefaction. Liquefaction is a natural process where earthquake shaking increases the water pressure in the ground in some types of soil, resulting in temporary loss of soil strength. Soils that are susceptible to liquefaction require a certain level of earthquake shaking (duration and intensity of ground shaking) to cause them to liquefy.

While the risk of liquefaction has yet to be quantified in our district, from historical regional earthquake events it is likely that damage caused by liquefaction is a risk to our infrastructure. This is particularly important for horizontal infrastructure such as water mains, pump stations and rising mains, and gravity mains.

<sup>2</sup> National Climate Change Risk Assessment for New Zealand – Snapshot. MfE 2020.

## 4.2 NZ wide changes to the three waters industry

As described in Section 2.3, Central government have instigated major changes to the delivery and regulation of three waters services in New Zealand. The government has established a new water supply regulator, Taumata Arowai, and tougher requirements for the treatment of water, to reduce health risks to the public, are likely to come into force.

The government is working to change the way water services are delivered. They have indicated that they are seeking to aggregate services to at least the regional level.

The review process is expected to run through to 2021. Many of the details around implementation are still to be determined, with some of them being left to local councils to agree amongst themselves.

The emphasis is currently on water supply, but all three waters are in scope for the service delivery changes.

Involvement in the aggregation is optional. The government is expected to encourage councils and their communities to agree to the aggregation by providing extra funding to those councils that do join. For example, in July 2020, the government announced \$750 million in funding for those councils that participate in an initial stage of the review to collect information.

### 4.2.1 Our starting point:

The current state of play for Councils' three waters service delivery is as follows:

- ODC is responsible for delivery of public water, wastewater, and stormwater within agreed service areas in the district. ODC is not responsible or involved in the operation or supervision of any private supplies, for example maraes, schools, or shared farm supplies.
- ODC is aware that the water treatment systems it currently has will not meet all of the new drinking water regulations.
- Our wastewater system discharges to land, not water, unlike most councils in New Zealand.
- Our stormwater system discharges to nearby river systems and is not currently having any major impact on the environment
- ODC is a relatively small council within the region. As a result ODC will need to work with the other small councils to have an influence in the decisions that are made.

### 4.2.2 The likely scenario:

It is likely that the following is to happen as a result of these changes:

- The new drinking water regulations come into force as planned.
- Government continues with the drive to establish regional three waters services as planned and that this comes into effect from mid-2024.
- Iwi have increased partnership role in the management of three waters.
- We anticipate a period of intense regional collaboration to establish the details of the new service.
- We think this will involve a regionally coordinated delivery of three waters services, with operations staff based within their existing communities.
- In addition to the new drinking water requirements, we think that new requirements will also be developed for wastewater and stormwater systems. We think this will happen within 10 years.

### What else could happen:

The things we are uncertain about include:

- That, for whatever reason, the aggregation does not go ahead as planned.
- That the services are aggregated into an organisation that is larger than our region. Fundamentally this does not significantly change the expected impacts.
- How water services will be funded in the new organisation. For example, will councils still fund the services through rates, or will customers be billed directly? Should council still be budgeting for this service?
- There could be significant levels of central government or other funding that makes service and infrastructure improvements more affordable to our community.

### Our response:

The likely impacts and response to these as a result of these changes include:

- Minor upgrades to our water supply systems (in the short term) to ensure we comply will all of the new rules and regulations. We may also need to train our staff further or have extra staff to operate and maintain new equipment and plant that is required to achieve compliance with the changes. At this stage it is assumed that these additional costs will be carried by ODC (even though amalgamation into a regional water service provider is likely).
- Consult with our community and make a decision about whether or not to commit to developing and joining a new regional service.
- If we make the decision to join, then we will need to work with other councils to ensure our communities interests are represented as the new organisation is developed.
- Upgrade our wastewater systems to meet new rules noting that what these requirements are still highly uncertain
- Upgrade our stormwater systems to meet new rules noting that what these requirements are still highly uncertain
- The options for responding to the issues and scenarios that come from changes in three waters legislation are outlined in the levels of service project tables in Section 4.3.

## 4.3 Responding to community needs and expectations

We provide services for the benefit of our community. As a Council we undertake a consultation process with stakeholders and the community to achieve alignment between what can be realistically delivered as a service and what our communities' needs and expectations are. This engagement is important to ensure all aspects that may affect infrastructure development are considered.

Council consults with external stakeholders and customers such as our domestic, commercial and industrial users through 'Pop up shops', customer surveys and direct discussions with community members. A strategy day was also held with community leaders, Iwi, Bay of Plenty Regional Council and Central Government. The strategy day provided a forum for all stakeholders to present various strategic issues, discuss solutions and arrive at a holistic plan for the future.

Internal stakeholders including elected officials, asset managers, planners and finance have also contributed to the development of this strategy. Elected officials have been involved at every step to guide the decision making process, planners have contributed through the operative district plan and asset managers have provided the key consideration of the assets themselves.

We are expecting minimal change to the levels of service provided by Council in response to community needs and expectations. Our community consultation throughout this LTP process and previous community engagement indicate that there is little change desired.

These levels of service are outlined in the respective three waters and transport sections on *What is important to our community* (Sections 3.1.3, 3.2.3, 3.3.3, and 0). The main driver of level of service changes is expected to come from government-initiated changes to the three waters industry, as discussed in the previous section.

When it comes to the levels of service we provide to the community, Council's strategic approach for infrastructure is to:

- Ensure that legislative and regulatory requirements are met
- Provide a service in alignment with community needs and expectations taking into account what is realistically affordable

#### **4.3.1 Water Supply**

The key water supply infrastructure options for achieving and maintaining our desired levels of service over the next 30 years are outlined in the tables below:

<p><b>ISSUE:</b> Ōpōtiki water treatment upgrade and network pressure monitoring and condition assessments</p> <p>The Ōpōtiki treatment plant does not currently provide UV treatment. To comply with likely changes to the drinking water standards a new UV treatment system is required to be compliant. In addition, pressure monitoring of the reticulation network and well as annual condition and performance assessments are required to enable the desired levels of service to be achieved.</p>	
<p><b>Key Investment decisions:</b> The project is considered critical as a water supply provider to meet regulatory and public health requirements.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Install a new UV treatment system and undertake pressure monitoring and regular condition and performance assessments.</p> <p>Ōpōtiki Water Treatment UV \$150,000   2021/22</p> <p>Condition and Performance Assessments Ōpōtiki Water \$150,000   2021 – 2051</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p> <p>Pressure monitoring equipment &amp; Ricardo \$40,000   2022/23</p>	<p><b>OPTION 2</b></p> <p>Continue existing operation.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Upgrading the treatment plant to include UV treatment will mean the water supply will be compliant with future anticipated regulatory changes.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Not upgrading the treatment will likely mean that the Ōpōtiki water supply is not compliant with future drinking water standards. This exposes the public to health risk that are considered unacceptable. Not undertaking condition and performance assessments and pressure monitoring will mean that level of service issues may be missed, leading to increased risk of failure.</p>
<p><b>UNCERTAINTY:</b> There is low uncertainty with this project as all early indications and preliminary guidance from central government is for the changes to drinking water standards to come into force. In addition, the condition and performance assessments and pressure monitoring projects are standard industry practices.</p>	

<p><b>ISSUE:</b> Reticulation replacement to support growth projects</p> <p>Water supply reticulation and increased capacity is required within Ōpōtiki to support the planned growth in the region. The upper end of the Hukutaia water supply area has capacity constraints which requires a replacement upgrade of Dip Road main.</p>	
<p><b>Key Investment decisions:</b> The projects are significant to facilitate growth within Ōpōtiki while aligning with key strategic values.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Opotiki water – reticulation improvements \$165,000   2021/22</p> <p>Dip Rd Replacement 2km \$350,000   2021/22</p>	<p><b>OPTION 2</b></p> <p>Defer replacement and extension of reticulation network.</p>

<p><b>IMPLICATIONS - Option 1</b></p> <p>Replacing and extending the reticulation as described will provide infrastructure to allow projected growth to occur. Should growth not occur as projected, this would result in increased cost to the existing rate payers.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Electing to defer or not replace and extend the network in areas where projected growth is to occur creates the risk that capacity will not be available should growth occur. Either the developments will opt to go elsewhere or the provided service will be lower than desired.</p>
<p><b>UNCERTAINTY:</b> There is a medium level of uncertainty surrounding the timing and staging of these works as projected growth trends may vary with actual growth.</p>	

<p><b>ISSUE:</b> Te Kaha Reticulation and Treatment Upgrades</p> <p>The existing Te Kaha treatment plant does not meet water quality standards for protozoal removal during heavy rain events. The treatment plant and reservoir therefore need to be upgraded or relocated to a new water source. Investigations are under way to determine if there is a suitable bore located on Copenhagen Road. In addition to this, there are sections of Te Kaha reticulation network that are undersized and need to be upgraded to meet the desired levels of service.</p>	
<p><b>Key Investment decisions:</b> Long term viability of a water source and provision of treated water for Te Kaha settlement. This significant investment will enable the treatment plant to be compliant with likely changes to NZ drinking water standards.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Treatment plant relocation and new reservoir, and reticulation upgrades.</p> <p>Te Kaha New Water source \$190,000   2021/22</p> <p>Pressure monitoring equipment &amp; Ricardo \$20,000   2021/22</p> <p>Treatment Plant Relocation and new reservoir \$840,000   2022/23</p> <p>Te Kaha Booster to Obrien’s 1.4km \$290,000   2024/25</p> <p>Copenhagen Loop 50-100 uPVC 1.1km \$230,000   2028/29</p>	<p><b>OPTION 2</b></p> <p>New settlement banks at existing treatment plant location and new reservoir, and reticulation upgrades.</p> <p>Pressure monitoring equipment &amp; Ricardo \$20,000   2022/23</p> <p>New Settlement banks and reservoir upgrade \$840,000   2021/22</p> <p>Te Kaha Booster to Obrien’s 1.4km \$290,000   2024/25</p> <p>Copenhagen Loop 50-100 uPVC 1.1km \$230,000   2028/29</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Depending on the outcome of the bore feasibility investigations this option has the potential to provide a more robust long term solution for Te Kaha. Council treatment plant and assets would be wholly located on Council owned land compared to the current arrangement.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>This option costs slightly more than the alternative. There are also possible operational expense implication in the form of increasing land lease costs going forward.</p>
<p><b>UNCERTAINTY:</b> The uncertainty of requiring an upgrade or relocation of the treatment plant is considered low given the high likelihood that signalled changes to drinking water standards will occur in the industry. The uncertainty therefore lies in the outcome of the feasibility study into whether there is a suitable bore location available as a new water source. In addition, if this is not the case, then there is uncertainty in the long term performance of a new settlement bank at the existing treatment plant location.</p>	

### 4.3.2

#### 4.3.2 Wastewater

All our major LOS programmes have primary drivers relating to growth or renewals. The main LOS improvement is the extension of Wastewater services to the existing properties at Hukutaia/Woodlands. The main driver for this is promoting growth in a more resilient area therefore this project is discussed in the growth section. Additionally, the secondary WWTP upgrades will improve the efficiency of the treatment plant while increasing the capacity.

Minor projects include:

- A rising main extension at pump station two to help address overflow risk in Richard Street. Cost estimated at \$198,000 to be undertaken in the next two years;

#### 4.3.3 Stormwater

The key stormwater infrastructure options for achieving and maintaining our desired levels of service over the next 30 years are outlined in the table below:

<p><b>ISSUE:</b> Ōpōtiki Hydraulic Capacity and Reticulation Upgrades</p> <p>Stormwater reticulation and capacity upgrades are required across the township to keep up with projected climate change and sea level rise scenarios. The township is surrounded by the Waioeka and Otara rivers, which have stopbanks to prevent fluvial flooding into Ōpōtiki. However, during extreme storm events, the elevated water levels in the two rivers, combined with overland flow from rural land to the south of Ōpōtiki results in the township being inundated. There is a requirement to maintain or improve levels of service within the township to mitigate this flooding.</p> <p>District-wide urban stormwater modelling has been used to develop the upgrades identified in the options below, across a range of storm return period scenarios.</p> <p><b>Key Investment decisions:</b> These upgrades are seen as a key investment decision, with a number of projects proposed in a staged manner to address the key strategic objective of improving/maintaining levels of service with increased risk from natural hazards.</p>		
<p><b>OPTION 1 (Preferred)</b></p> <p>Upgrade stormwater reticulation alongside pump station and storage basin upgrades to address the issue holistically.</p> <p>Cost and timeframes: Brabant Street drain upgrades: \$200,000   2023/24</p> <p>New Richard Street Gravity main: \$235,000   2022/23</p> <p>New John Street mains: \$560,000   2026-2028</p> <p>King Street culvert: \$50,000   2022/23</p> <p>Stormwater Reticulation extensions/upgrades \$4,529,482   2021/22</p>	<p><b>OPTION 2</b></p> <p>Complete stormwater upgrades within the initial 3 year period, as these upgrades have the most developed design to inform them.</p> <p>Cost and timeframes: Brabant Street drain upgrades: \$200,000   2023/24</p> <p>New Richard Street Gravity main: \$235,000   2023/24</p> <p>King Street culvert: \$50,000   2023/24</p>	<p><b>OPTION 3</b></p> <p>Maintain status quo on provision of levels of service.</p>



Stormwater Channel works \$109,827   2021/22		
Stormwater Pump Stations \$219,655   2021/22		
Stormwater - Ricardo at Critical Pump Stations \$65,896   2021/22		
Comprehensive Discharge Resource Consent \$56,000   2022/23		
<b>IMPLICATIONS - Option 1</b> Reduced risk of flood hazard for the Ōpōtiki township. Regulatory compliance for stormwater discharges on the Ōpōtiki scheme.	<b>IMPLICATIONS - Option 2</b> Option 2 would require a lower initial outlay of capital, but lesser priority upgrades may worsen in time and could cost more than the planned capital sum. This may also limit growth across the township.	<b>IMPLICATIONS - Option 3</b> Deferring all upgrades across the township would increase risk to public and infrastructure, while worsening or deteriorating over time.
<b>UNCERTAINTY:</b> The level of uncertainty for the requirement of stormwater upgrades is considered to be low – given the confidence in projections of climate change and sea level rise. The list of upgrades identified have also been through a combination of anecdotal evidence and district-wide modelling. It should be noted that the stormwater modelling does not capture minor or localised issues, and rather focuses on major issues like overland flowpaths and flooding due to tidal and fluvial water levels.		

<b>ISSUE:</b> Ōpōtiki pump station upgrades Upgrades are required for all pump stations within the Ōpōtiki township to keep up with the projected climate change and rising sea levels. The pump station infrastructure currently in place serves to discharge urban stormwater out of the township and into the downstream river or tidal environment. During extreme storm events, elevated water levels in the two rivers combined with overland flow from upstream catchments results in the township being inundated. Projections of increased frequency of extreme or large magnitude storm events would require upgrades to the pump stations to ensure the level of service to the township is maintained, as a minimum requirement.		
<b>Key Investment decisions:</b> The project is seen as significant to facilitate growth within Ōpōtiki while aligning with key strategic values.		
<b>OPTION 1 (Preferred)</b> Upgrade pump stations across the township alongside upgrading of reticulation networks and storage basins to address the issue holistically.	<b>OPTION 2</b> Prioritise higher criticality locations to upgrade pump stations, and address flooding issues across the township in an ad-hoc manner.	<b>OPTION 3</b> Maintain status quo on level of service provisions.
Cost and time frames: Church Street South pump station and pipe upgrade	Cost and time frames: Church Street South pump station and pipe upgrade	

<p>\$550,000   2029/30</p> <p>Memorial Park pump station \$30,000   2022/23 \$260,000   2031/32</p> <p>Stewart/Wellington Street Pump station \$100,000   2032/33</p> <p>Wellington/Brabant St pump station \$200,600   2022/23</p>	<p>\$550,000   2029/30</p> <p>Wellington/Brabant Street \$200,600   2021/22</p>	
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing and upgrading the entirety of the planned works within Hukutaia is dependent on the proposed growth in the region to actually happen. Should growth not occur as projected, this would result in increased cost to the existing rate payers.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>While prioritising higher criticality locations for pump station upgrades would provide a saving on cost, there is a risk that climate change will elevate low risk locations to higher priorities in the future. This may also limit growth across the township, while reducing levels of service.</p>	<p><b>IMPLICATIONS - Option 3</b></p> <p>Deferring all upgrades across the township would increase risk to public and infrastructure, while worsening or deteriorating over time.</p>
<p><b>UNCERTAINTY:</b> The level of uncertainty for the requirement of pump station upgrades is considered to be low – given the confidence in projections of climate change and sea level rise. The list of upgrades identified have also been through a combination of anecdotal evidence and district-wide modelling. It should be noted that the stormwater modelling does not capture minor or localised issues, and rather focuses on major issues like overland flowpaths and flooding due to tidal and fluvial water levels.</p>		

<p><b>ISSUE:</b> Ōpōtiki stormwater basin upgrades</p> <p>Ōpōtiki's major sub-catchments are served by downstream stormwater ponds/basins, with the design intent to attenuate flows for all storm events including and above a 1 in 50 year ARI storm event. The stormwater basins are serviced by pump stations, discharging to either the coast, the Waioeka or Otara rivers. With intensification of stormwater runoff through climate change, and with increases in sea level affecting the downstream water levels, the existing basin areas require upgrading. New stormwater basins are also required to address significant risks such as floor level flooding for existing properties.</p>		
<p><b>Key Investment decisions:</b> The project is seen as significant to facilitate growth within Ōpōtiki while aligning with key strategic values.</p>		
<p><b>OPTION 1 (Preferred)</b></p> <p>Upgrade pump stations across the township alongside upgrading of reticulation networks and storage basins to address the issue holistically.</p> <p>Cost and timeframes: Elliot/Goring Street Basin:</p>	<p><b>OPTION 2</b></p> <p>Prioritize higher criticality catchments within which to upgrade stormwater storage basins and extend lower criticality catchments to a later date.</p> <p>Wellington/Union Street Basin: \$274,779   2021/22</p>	<p><b>OPTION 3</b></p> <p>Don't install new ponding areas, provide ad-hoc upgrades to ponding areas.</p>

<p>\$20,000   2030/31 \$150,000   2032/3</p> <p>Memorial Park storage Basin: \$270,000   2028– 2030</p> <p>Wellington/Union Street Basin: \$274,779   2022/23 \$20,000   2030/31 \$150,000   2031/32</p> <p>Malcolm Street Basin: \$20,000   2030/31 \$150,000   2031/32</p> <p>Duke Street Basin: \$6,130,000   2027-2030</p>	<p>\$20,000   2030/31 \$150,000   2031/32</p>	
<p><b>IMPLICATIONS - Option 1</b></p> <p>Developing new ponding areas and upgrading existing basins establishes a good base of infrastructure while facilitating growth and building resilience against climate change and sea level rises.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>While prioritising higher criticality locations for storage basin upgrades would provide a saving on cost, there is a risk that climate change will elevate low risk locations to higher priorities in the future. This may also limit growth across the township, while reducing levels of service.</p>	<p><b>IMPLICATIONS - Option 3</b></p> <p>Deferring all upgrades across the township would increase risk to public and infrastructure, while worsening or deteriorating over time.</p>
<p><b>UNCERTAINTY:</b> The level of uncertainty for the requirement of stormwater storage basins upgrades is considered to be low – given the confidence in projections of climate change and sea level rise. The list of upgrades identified have also been through a combination of anecdotal evidence and district-wide modelling. It should be noted that the stormwater modelling does not capture minor or localised issues, and rather focuses on major issues like overland flowpaths and flooding due to tidal and fluvial water levels.</p>		

<p><b>ISSUE:</b> Tarawa Creek catchment improvement works</p> <p>The proposed works package within the Tarawa Creek catchment include upgrades to the stormwater storage area, increasing the pumping capacity within the stormwater storage and increasing conveyance capacity within the reticulation mains within the sub-catchment. The Tarawa Creek catchment is approximately 60% of the township and is therefore the most critical part of the township for stormwater flood risk mitigation. Recent investigations have identified Volkner’s Island – the downstream part of the sub-catchment where stormwater storage is proposed – as a historical landfill area. This has subsequently increased the cost estimate for stormwater works in the area to manage the risk of contamination and stop bank stability amongst other considerations. The historic landfill is currently a source of leaching into the Waioeka River and Tarawa Creek.</p> <p><b>Key Investment decisions:</b> The project is seen as significant to facilitate growth within Ōpōtiki while aligning with key strategic values. The projects listed also address key stormwater issues in vulnerable areas.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Complete the full set of improvement works including the storage basin (in a staged manner), additional pump station and stormwater reticulation in the upstream network.</p> <p>Cost and timeframes: Tarawa Creek flood water storage area:</p>	<p><b>OPTION 2</b></p> <p>Complete parts of the proposed package of improvement works that may alleviate flooding to people and property from the township and complete the stormwater storage basins at a later date, with improved understanding of the risk of excavating a historic landfill area.</p>

<p>\$100,000   2023/24 \$1,000,000   2025/26</p> <p>Tarawa Creek Pump Station \$500,000   2021/22</p> <p>Upgrade to Richard St Gravity Main \$1,325,715   2021/22</p> <p>Tarawa Open Drain \$1,098,273   2021/22</p> <p>Second pump at Tarawa Creek \$380,000   2022/23</p> <p>Tarawa Creek Storage – Stage 2 \$2,100,000   2025-2027</p>	<p>Cost and timeframes: Tarawa Creek flood water storage area: \$100,000   2023/24 \$1,000,000   2025/26</p> <p>Tarawa Creek Pump Station \$500,000   2021/22</p> <p>Upgrade to Richard St Gravity Main \$1,325,715   2021/22</p> <p>Tarawa Open Drain \$1,098,273   2021/22</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>The planned improvement works would require remediation of the historic landfill and would therefore address the source of leachate contamination into the river environment. Stability of stop banks for the proposed storage area would also require further investigation and mitigation measures where required. This would increase the costs associated with implementing Option 1.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Deferring part of the proposed improvement works package would result in flooding to people and property within the sub-catchment. Deferring upgrades to the storage areas would limit growth within the sub-catchment and the potential to upgrade upstream reticulation and pump station infrastructure.</p>
<p><b>UNCERTAINTY:</b> The level of uncertainty for the requirement of stormwater storage upgrades is low, given the anecdotal evidence of flooding within the Tarawa Creek sub-catchment. The projected increase in sea level rise and climate change also has a low uncertainty.</p>	

<p><b>ISSUE:</b> Duke Street works (partnership with Bay Of Plenty Regional Council)</p> <p>Significant overland flowpaths are present from stormwater sub-catchments upstream of the Ōpōtiki township (from the south), and contribute to significant urban flooding within the township, and in the Tarawa Creek sub-catchment in particular. Discussions have been carried out with Bay of Plenty Regional Council to address this issue. The delineation of responsibility for mitigation of this flooding primarily lies with Regional Council. However, there are elements within the mitigation measures that are within ODC's domain. The scale of upgrades within ODC's domain is comparatively minor, but these works are included in the District Council's LTP given its significance to the township.</p> <p>Further discussions have been held with Bay of Plenty Regional Council to check overlap for budget allowances made within the Regional Council LTP for 2021-2051.</p>	
<p><b>Key Investment decisions:</b></p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Construct stop bank along Duke Street in partnership with Bay of Plenty Regional Council.</p> <p>Cost and timeframes: \$50,000   2022/23</p>	<p><b>OPTION 2</b></p> <p>Investigate alternate methods to manage the overland flow entering the Ōpōtiki township from upstream stormwater catchments to the south.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>The option to construct a stop bank has been investigated by ODC and is a suitable option to address the issue of flooding from overland flow paths. The overall benefits of the project are considered to outweigh the costs, which would primarily be the financial contribution by ODC towards the wider flood mitigation scheme.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Consideration of alternate options may result in the planned expenditure being insufficient or unnecessary. Additionally, changes to the timeframe may prolong the issue of flooding within the township and affect any planned growth.</p>
<p><b>UNCERTAINTY:</b> The source of flooding has been established through stormwater modelling and in partnership with Regional Council and has a low level of uncertainty. The intensification of overland flow volumes due to climate change is also considered to have a low level of uncertainty.</p>	

#### 4.3.4 Transport

The key transport infrastructure options for achieving and maintaining our desired levels of service over the next 30 years are outlined in the table below:

<p><b>ISSUE:</b> Ongoing urban street upgrades</p> <p>Capital improvements up to the value of \$2,000,000 for any individual project will be procured through the Low Cost Low risk programme. This includes projects related to the following activity classes:</p> <p>Road to zero</p> <p>Walking and cycling improvements</p> <p>Local road improvements</p> <p><b>Key Investment decisions:</b> The project is seen as necessary to maintain levels of service and reduce system vulnerabilities throughout the network.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Seal Extensions \$ 5,800,000   2021/51 (but subject to applicants providing 60% funding, as per the extension policy)</p> <p>Minor improvements – low cost low risk \$ 19,109,376   2021/51</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p> <p><b>IMPLICATIONS - Option 1</b></p> <p>Safety improvements, new infrastructure like kerb and channel, cycleways and footpaths will all be funded through the LCLR programme. New bridges and seal extensions are also covered under this category up to the \$2,000,000 threshold.</p>	<p><b>OPTION 2</b></p> <p>Maintain status quo on provision of levels of service.</p> <p><b>IMPLICATIONS - Option 2</b></p> <p>Deferring all upgrades across the network would increase risk to public and infrastructure, while worsening or deteriorating the network over time.</p>
<p><b>UNCERTAINTY:</b> There is a low level of uncertainty relating to the LCLR programme as generally, most of ODC's transport projects fall within the \$2,000,000 threshold and the specified activity classes (and therefore have funding available).</p>	

#### 4.4 Responding to growth

After many years of gradual population decline, we are now in a period of growth. We currently project that our present population of approximately 10,000 people will grow to 12,000 people around 2035, and then remain stable after that. This is shown in Figure 4-1 below.

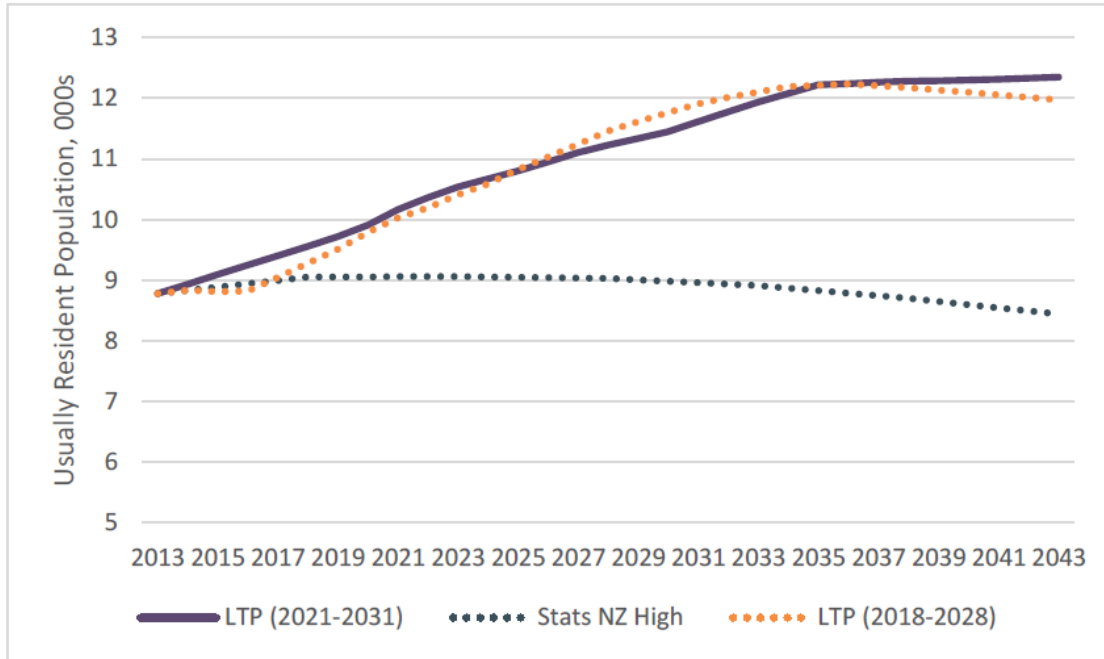


Figure 4-1: Long term growth projections for Ōpōtiki District (Source: Martin Jenkins, 19 Sept 2020)

The growth we are forecasting is primarily driven by economic activity. We currently experience a large influx of seasonal workers for the kiwifruit season, perhaps around 1,000 people. The aquaculture and kiwifruit industries have largely complimentary working seasons, creating the opportunity for staff requirements to grow together, creating a year round workforce, and further service industries to support them.

Council supports this growth. It increases the quality of services that council can provide and supports the wellbeing of the community through additional employment.

Infrastructure plays an important role in supporting this growth. Industry requires infrastructure that can meet its business needs. Likewise, large scale residential growth is more attractive to developers when serviced by infrastructure because the subdivisions can have a higher yield from smaller lot sizes.

There are significant uncertainties with this growth that council must consider:

- The rate of growth has significant uncertainty because our primary growth driver, economic activity, is harder to forecast than growth from births and deaths. This means the actual rate of growth is uncertain and could well occur more quickly or more slowly than we have forecast.
- The location of the growth also matters as this impacts where we need to extend or upgrade networks. We have assumed that the primary areas for residential growth will be new subdivisions in Hukutaia and infill housing in Ōpōtiki (plus smaller development at The Drifts and also some unserved locations). However, we know that where this growth occurs is subject to land owner initiative and capacity, and it could occur in alternate locations, for example papa kāinga housing on iwi land.

Our approach to this uncertainty in rate and location is to monitor indicators such as subdivision and building consents, industry enquiries, school rolls, and the census. If these indicate that actual growth is significantly different from our forecast, we will adjust the timing and/or location of the infrastructure projects needed to support growth.

Decisions about growth-driven infrastructure create risks for the community. Providing for growth that has not yet happened exposes the community to the risk of investing in infrastructure that is not ultimately required because the growth is less than expected. Alternatively, failing to provide infrastructure that is needed for growth could prevent the community from growing to its full potential.

When it comes to growth, Council's strategic approach for infrastructure is to:

- Ensure there is spare capacity available to support growth that could occur in the near term
- Encourage efficient use of infrastructure (for example concentrating growth infrastructure into specific areas) to achieve best value.
- Requiring industry to take reasonable steps to minimise impacts on infrastructure

#### 4.4.1 Water Supply

The key water supply infrastructure options for supporting growth over the next 30 years are outlined in the table below:

<p><b>ISSUE:</b> New main river crossing to Hukutaia and booster pump station</p> <p>The Crooked Rd reservoir is poorly located for operational access. The rising/falling main to the reservoir lies in low lying wetland terrain and AC material, increasing the risk of failure. An alternative network configuration is to provide a new river crossing directly feeding Hukutaia from the water treatment plant. The upper Hukutaia area of the network would be served by a new booster pump station. The existing Crooked Rd reservoir would be decommissioned along with the section of the rising/falling main no longer in use. This would enable continued growth in the Hukutaia area.</p>	
<p><b>Key Investment decisions:</b> The project is seen as significant to facilitate growth within Ōpōtiki while aligning with key strategic values.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>New water main river crossing to Hukutaia with new booster PS to service upper Hukutaia area.</p> <p>Hukutaia Rd rising main and reservoir upgrade \$ 1,400,000   2025/26</p>	<p><b>OPTION 2</b></p> <p>Refer to Section 4.3.1 for proposed levels of service driven alternative project - Stoney Creek Rd new main (river crossing) and Booster Station.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Providing another river crossing will increase network resilience. This is offset by the fact that there will not be a reservoir located on the northwest side of Waioeka River. The existing treatment plant bores and reservoir have capacity to provide the storage requirements. There is a significant cost implication to ratepayers that needs to be considered.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Refer to Section 4.3.1 for proposed levels of service driven alternative project - Stoney Creek Rd new main (river crossing) and Booster Station.</p>
<p><b>UNCERTAINTY:</b> There is medium uncertainty in the appropriateness and feasibility of the two options considered. Further investigation and analysis will be required to determine the final network configuration. However, the requirement for an upgrade is considered low uncertainty due to the Hukutaia being the main area for future growth to occur.</p>	



<p><b>ISSUE:</b> Reticulation replacement and upgrades to unlock growth</p> <p>Water supply reticulation and increased capacity is required within Ōpōtiki to support the planned growth in the region. The upper end of the Hukutaia water supply area has capacity constraints which requires a replacement upgrade of Dip Road main. The Harbour development requires an extension of the reticulation network to the boundary of the proposed development to facilitate this growth area. The proposed growth area adjacent to Duke Street requires a new main to feed from the Ōpōtiki treatment plant.</p> <p><b>Key Investment decisions:</b> The projects are significant to facilitate growth within Ōpōtiki while aligning with key strategic values.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Replace and extension of reticulation network to open up areas for growth.</p> <p>Duke Street feed \$ 320,000   2026/27</p> <p>Reticulation upgrade to suit Harbour development \$ 140,000   2027/28</p>	<p><b>OPTION 2</b></p> <p>Defer replacement and extension of reticulation network.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Replacing and extending the reticulation as described will provide infrastructure to allow projected growth to occur. Should growth not occur as projected, this would result in increased cost to the existing rate payers.</p> <p><b>UNCERTAINTY:</b> There is a medium level of uncertainty surrounding the timing and staging of these works as projected growth trends may vary with actual growth.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Electing to defer or not replace and extend the network in areas where projected growth is to occur creates the risk that capacity will not be available should growth occur. Either the developments will opt to go elsewhere or the provided service will be lower than desired.</p>
<p><b>ISSUE:</b> Secondary Trident Filter</p> <p>To support the overall growth of Ōpōtiki a new secondary filter will be required to meet future demand.</p> <p><b>Key Investment decisions:</b> The project is significant to facilitate growth within Ōpōtiki while aligning with key strategic values.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Secondary Trident Filter \$ 60,000   2037/38</p>	<p><b>OPTION 2</b></p> <p>Continue existing operation.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Installing a secondary trident filter will mean that enough water can be supplied to the required drinking water standards to service future growth areas when they are developed.</p> <p><b>UNCERTAINTY:</b> There is a medium level of uncertainty surrounding the timing of these works as projected growth trends may vary with actual growth.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Not upgrading to include a secondary filter will mean that the quality of water supplied will not be achieved if growth is to occur as projected. This will limit future growth areas from developing.</p>

#### 4.4.2 Wastewater

The key wastewater infrastructure options for supporting growth over the next 30 years are outlined in the tables below. In addition, a minor project will be undertaken in conjunction with parks to

upgrade the wastewater disposal fields of the public toilets in the district as part of planning for tourism growth. This is expected to cost \$219,655 and be undertaken in 2021/22.

<p><b>ISSUE:</b> The Ōpōtiki District population connected to the wastewater system is set to increase in the long-term. This includes Hukataia, Woodlands, The Drifts subdivisions (Stage 2), catchment infill, proposed marina development and potential additional flow and load associated with industry.</p> <p>In 2025 a new resource consent will be required. As part of the consent renewal capacity, environmental effects and treatment quality issues need to be included so that the WWTP is able to continue to operate and meet the growing demand.</p>		
<p><b>Key Investment decisions:</b> The project is seen significant to facilitate growth within Ōpōtiki while aligning with key strategic values such as reducing risk from climate change by promoting development less susceptible areas and providing for new residential and industrial development opportunities.</p>		
<p><b>OPTION 1 –secondary treatment upgrades (Preferred)</b></p> <p>Relocate the current screening and primary treatment from the township to the treatment ponds. Upgrade the capacity through extending the existing ponds and allow for a secondary mechanical treatment facility.</p> <p>This option allows for major upgrades and capacity increases. It addresses upgrade of the inlet assets which are coming to the end of their useful life.</p> <p>Cost and timeframes: Secondary treatment upgrade \$ 4,950,000   2022-2025</p>		<p><b>OPTION 2 – no upgrades</b></p> <p>Delay the capacity increase and rely on the I&amp;I works to reduce the issues</p> <p>This option does not allow for any upgrades and capacity increases. It does not address upgrades of the inlet assets which are coming to the end of their useful life.</p>
<p><b>IMPLICATIONS - Option 1</b> it is likely that future consents will need an increased level of treatment. This option also allows for a greater increase in capacity if required. Allowing for this spending will however prevent funds being allocated to other projects.</p>		<p><b>IMPLICATIONS - Option 2</b> In the short term, I/I reduction may not create the required capacity. In the long-term dry weather flows may have capacity issues. This option does not address any treatment quality issues</p>
<p><b>UNCERTAINTY:</b> Timing and nature of industry standards and regulatory changes. The current trends in wastewater treatment standards are for more stringent requirements. While it is likely that the next consent for the wastewater treatment plant will require upgrades the level of these upgrades could be higher than expected</p> <p>There is also future uncertainty over the suitability of the current site due to climate change. We are currently considering that over the next 30 years the site will continue to be suitable, however, sustainable future intensification of the site will be considered with each major upgrade.</p>		

<p><b>ISSUE:</b> The Hukutaia and Woodlands areas presents an ideal area for future growth due to its proximity to existing treatment facilities, the capacity of the area for infill and greenfield development, its elevation above the effects of climate change and the presence of an existing water supply scheme which is due for renewal in line with growth timeframes.</p> <p>The Hukutaia area currently does not have any wastewater infrastructure. Intensification of residential development is hampered by the number and space required for onsite septic systems. Provision of a centralised wastewater reticulation system will allow reduced lot size and reduce the impact of onsite wastewater disposal to health and the environment.</p>
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<p>There is currently only one river crossing for wastewater coming from the west of the Waioeka River. This rising main discharges into the Ōpōtiki township system. It is expected that if growth from Hukutaia is realised the existing rising main and network will suffer capacity issues. Providing a second crossing and pump station near the proposed marina will increase the resilience of the network west of the Waioeka River, reduce demand on the Ōpōtiki township system and allow for growth from the Hukutaia/woodlands, Marina and Waiotahe Drifts areas.</p>		
<p><b>Key Investment decisions:</b> The key decision is the extent of works and the staging of the new system. A balance must be sought between creating a network to promote new development and the affordability implications of connecting existing properties to a centralised system. Development potential includes both infill from existing properties subdividing as well as new greenfield development. The type of system and technology whether low pressure sewer system, gravity, hybrid and other also needs to be considered.</p>		
<p><b>OPTION 1</b></p> <p>Provide for all forecasted growth and provision of centralised wastewater services in a single phase of works. Expansion of network will require existing properties to connect within a given time frame.</p> <p>This includes the area south of the Ōpōtiki golf course down to the southernmost intersection of Grant Rd and Woodland Rd.</p> <p>Future development of the wastewater network south of this is not expected until the long term (20+years).</p>	<p><b>OPTION 2 (Preferred)</b></p> <p>The minimum core enabling works (trunk mains, pump station and rising mains) are installed to enable greenfield growth. Extension to existing residents is deferred to year 8 of the LTP.</p> <p>Early provision of wastewater to existing properties may be considered on a sub-catchment basis of requested.</p>	<p><b>OPTION 3</b></p> <p>Continue with individual onsite wastewater systems in the Hukutaia area.</p> <p>Any Infill or new development is restricted by current planning and consent restrictions.</p>
<p><b>Common Elements to OPTION 1 and 2</b></p> <p>Year 1 is used to confirm the preferred technology options, the development intentions of key property owners, and the likely market demand for the lots to be created.</p> <p>A new pump station and river crossing is proposed for when Hukutaia has a significant proportion of future flows connected to the existing system. This pump station is expected to also allow flows from Waiotahe Drifts the proposed Marina development. Two river crossings will allow for increased resilience and maintenance options.</p> <p>Both these options allow for a third stage of growth to the south of the existing properties in the long term.</p>		
<p><b>Option summary</b></p> <p>Provide for greenfield and infill growth and provision of wastewater services to existing properties in one stage.</p> <p><b>Cost and timeframes:</b></p> <p>Hukutaia Growth - Option 1 \$13,600,000   2021/22 – 2026/27</p>	<p><b>Preferred Option summary</b></p> <p>Provide core enabling infrastructure for area and enabling infrastructure for greenfield development. Defer provision of wastewater services to existing properties in a second stage.</p> <p><b>Cost and timeframes:</b></p>	<p><b>Option summary</b></p> <p>No council activity or spending on wastewater in the area</p>

<p>Future Greenfield Reticulation Development \$ 4,800,000   2043/44 – 2044/45</p>	<p>Hukutaia Growth - Option 2 \$10,800,000   2021-3031</p> <p>Future Greenfield Residential Development \$ 2,400,000   2046-2048</p>	
<p><b>IMPLICATIONS - Option 1</b></p> <p>Residents will be required to join the scheme within a given time and additional wastewater charges will be added to the existing residents.</p> <p>Existing properties will become more suitable for subdivision and intensification creating economies of scale in all service provision to the area.</p> <p>The scheme mechanics should not present significant difficulties in design.</p> <p>Providing the whole scheme should provide economies of scale and a sufficient rating base to prevent overburdening the general wastewater rating base for Ōpōtiki township.</p> <p>This option is the most capitally intensive option requiring more upfront capital expenditure.</p> <p>The new river crossing will give capacity relief and increased resilience to the existing network immediately, however, if the actual benefit is significant still needs to be investigated.</p>	<p><b>IMPLICATIONS - Option 2 (Preferred)</b></p> <p>The main implication over option 1 is that the existing residents will not be required to connect to the network until much later, deferring any issues of affordability until external funding can be secured. Existing residents will be able to plan and adjust for the upcoming change to centralised service.</p> <p>Infill development is unlikely to be allowed until service is provided.</p> <p>There is the potential that later phases are not developed within the medium term requiring the district rating base to support the scheme.</p> <p>Staging allows use of the existing river crossing in the short term. Uncertainty in the timing of the Marina development may require the new western pump station to be brought forward.</p>	<p><b>IMPLICATIONS - Option 3</b></p> <p>There are few no alternative areas that provide the same affordability and resolution of strategic issues as the Hukutaia area.</p> <p>Residential growth in the district will continue to be ad-hoc and constrained. Additional septic systems will degrade the environment and consent for individual systems may become more difficult.</p> <p>There will be more pressure for infill in Ōpōtiki town which is not as climate resilient as the Hukutaia area.</p>
<p><b>UNCERTAINTY:</b> There is low uncertainty surrounding the necessity and location of extension due to the certainty of climate change and the viability of the area.</p> <p>There is a medium level of uncertainty surrounding the timing and staging of these works as growth trends may vary and the timing of renewal of water supply reticulation may change as condition information improves.</p> <p>There is uncertainty around the existing resident’s willingness to uptake the scheme.</p> <p>There is uncertainty on the optimum technology to use, grade and inundation restriction on suitability of gravity near the east of the scheme indicate a hybrid gravity and low-pressure sewer systems may be required.</p>		

**ISSUE:** The industrial area to the South of Ōpōtiki has been zoned in the District Plan for further growth. An initial stage to extend wastewater to existing kiwifruit processing facilities has been completed. Projects to further extend the reticulation have been included in this strategy to A. respond to industrial development interest and B. to expand the rating database by incorporating some of the residential properties in the area. The Stoney Creek Rd project is likely to proceed as the primary driving factor is incorporation of the

residential area, but the Otara Rd and Factory Rd extension may be postponed or completed in stages in direct response to industrial development proposals.	
<b>Key Investment decisions:</b> The project is seen as significant to facilitate growth within Ōpōtiki while aligning with key strategic values.	
<p><b>OPTION 1 – Delay upgrades until industry is in development (Preferred)</b></p> <p>There is no current known industrial development requiring additional capacity in the industrial areas to the south of Ōpōtiki township. However, in the future this is likely to be the site of industrial growth. It is expected that these industries will relate to primary industries and could have significant water and wastewater demand. Option 1 therefore allows for funding of these new developments as they become known and the demand is negotiated with Council</p> <p>Factory Road Wastewater Extension stage 2 \$ 260,000   2024-2027</p> <p>Southern (Otara Rd) Extension stage 2 \$ 630,000   2031/32</p>	<p><b>OPTION 2 – upgrade in advance of requirements</b></p> <p>Upgrading in advance of industrial demand may promote development but will require costs to be incurred before the demand is known and could be inefficient given there are new technologies allowing industry to manage their trade waste.</p>
<p><b>IMPLICATIONS - Option 1</b> A reactive approach to industry development is likely to provide a best fit to the needs of the new development without burdening the existing rate base with the cost in advance of the need.</p>	<p><b>IMPLICATIONS - Option 2</b> Residential growth will continue to be ad-hoc and constrained.</p>
<b>UNCERTAINTY:</b> There is considerable uncertainty in the timing and nature of industry that may require upgrades to the network. The location is also not certain as the proposed marina development could influence future areas for industrial development and growth.	

### 4.4.3 Stormwater

The key stormwater infrastructure options for supporting growth over the next 30 years are outlined in the table below:

<p><b>ISSUE:</b> Hukutaia stormwater reticulation</p> <p>Stormwater reticulation and increased capacity is required within Hukutaia to support the planned growth in the region.</p> <p>The Hukutaia region is an optimum location for growth, and providing reticulation in this region is in line with key strategic issues that have been identified within this Infrastructure Strategy, with regards to encouraging development in areas that are minimally impacted by climate change and rising sea levels.</p>		
<p><b>Key Investment decisions:</b> The project is seen as significant to facilitate growth within Ōpōtiki while aligning with key strategic values. The key decision across the options provided below is regarding the level of infrastructure support provisions for planned growth in Hukutaia.</p>		
<p><b>OPTION 1 (Preferred)</b></p> <p>Upgrade the existing open channel network. (to service greenfield and infill development)</p> <p>Hukutaia Growth - Option 1.</p> <p>Cost and timeframes: \$ 2,930,000   2021-2027</p>	<p><b>OPTION 2</b></p> <p>Staged upgrades to existing open channel network driven by planned growth. (to service greenfield development, with staged upgrades for infill development)</p> <p>Cost and timeframes: \$ 1,230,000   2021/22 – 2023/24 \$ 2,000,000   2024/25 – 2031/32</p>	<p><b>OPTION 3</b></p> <p>Rely on private developer led provisions for stormwater reticulation and treatment, with robust regulatory guidance on mitigating for intensified stormwater runoff.</p> <p>Cost and timeframes: Unknown expenditure   2021/22 - 2031/32</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing and upgrading the entirety of the planned works within Hukutaia is dependant on the proposed growth in the region to actually happen. Should growth not occur as projected, this would result in increased cost to the existing rate payers.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>While staging the reticulation upgrades would provide a saving on cost in the near future, the downstream stormwater storage basin would require construction to its full capacity. Benefits of economics of scale would be lost if the work is staged.</p>	<p><b>IMPLICATIONS - Option 3</b></p> <p>The lack of a robust code of practice could lead to inconsistent provisions and levels of service, therefore resulting in pocket issues arising across the region.</p>
<p><b>UNCERTAINTY:</b> There is a medium level of uncertainty surrounding the timing and staging of these works as projected growth trends may vary with actual growth. However, the uncertainty around this region being a necessity to facilitate growth within Ōpōtiki is low.</p>		

### 4.4.4 Transport

The transport programmes that will contribute to growth are primarily driven by either levels of service or renewals issues. Therefore, there are no specific growth driven issues or implications with corresponding projects.

### 4.5 Replacing old assets

Replacing (or renewing) existing assets as they come to the end of their useful lives is part of lifecycle management of infrastructure assets. Replacing an asset could be required as the condition of the asset has deteriorated; it is performing poorly; or it becomes redundant for other reasons.

Council’s strategic approach to infrastructure renewals is to:

- Undertake renewals programmes driven primarily by life expectancy of the assets contained in AssetFinda. From this data renewals profiles are generated which informs the renewals programming
- Use the criticality of the assets to inform the renewals programmes
- Run to failure of non-critical assets
- Plan the renewal of assets in conjunction with upgrades and new assets projects where possible

Council’s renewal programme is based on asset information contained in the AssetFinda database for the district. There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. A ‘smoothed’ renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.

The figures below outline the condition of Council’s three waters assets. The large proportion of wastewater assets in poor condition includes the pipes that were relined but their status has not yet been updated in the asset database. Staff experience and judgement is used to infer risk and prioritisation of renewals from what is understood of asset condition and criticality.

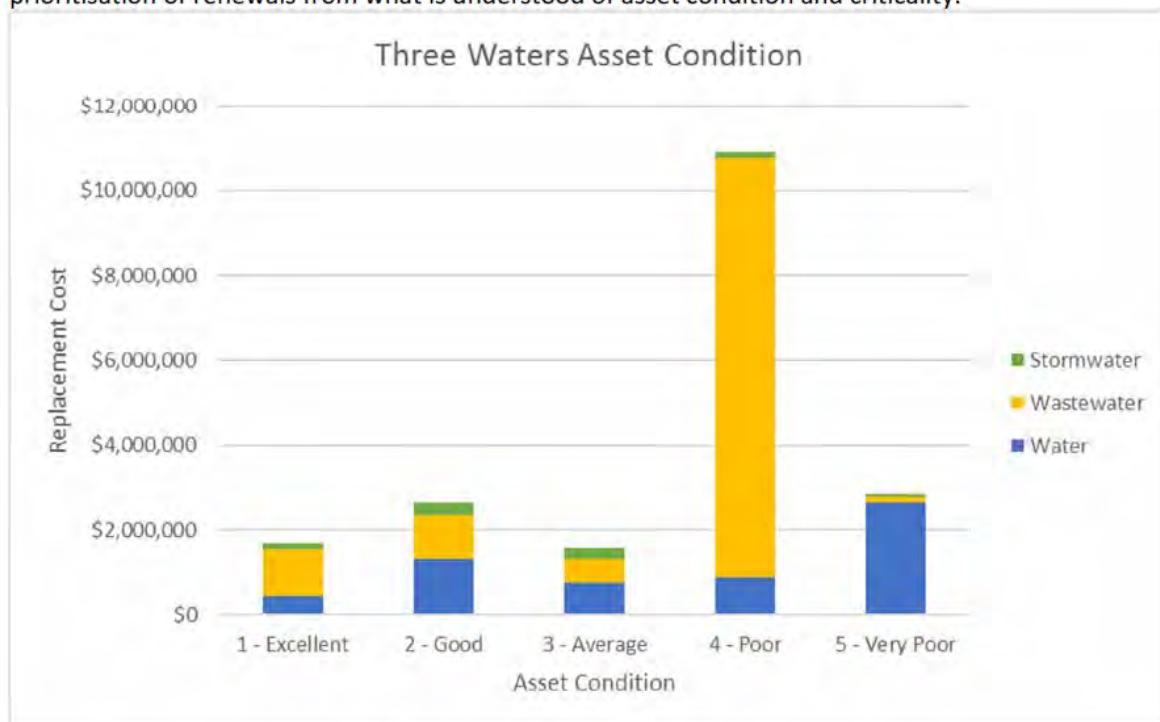


Figure 4-2: The asset condition profile of ODC’s three waters assets

The condition and performance of our most critical assets is summarised in the table below. Council has developed criticality criteria for pipes but the criticality of sites (for example, pumpstations and treatment) is considered based on staff experience, due to the relatively simple nature of the schemes.

Asset group with high criticality	Condition	Performance
Water treatment plants	Very good. Our plants are relatively new, although shorter lived assets will need replacing in the next 30 years. The key assets are not complex so they are monitored using visual inspection.	Spare production capacity. UV units planned to improve treatment performance
Ōpōtiki water trunk mains	Poor. Pipe is brittle and subject to periodic failure.	The trunk pipes have spare capacity for peak demand
Ōpōtiki wastewater treatment plant	Poor to good. Pond liner in good condition, disposal field assets deteriorate due to UV exposure. Monitored by visual inspection.	Meets consent conditions for current performance, limited capacity for growth
Wastewater pumpstation 1 (PS1)	Very poor to good. The wetwell concrete is monitored using density testing. Other components are inspected visually. The chamber roof is planned for replacement based on the condition assessment findings.	Good capacity for all but extreme weather events, when wet weather flows exceed capacity.
Wastewater trunk main from PS1 to treatment plant	Condition uncertain but pipe is well through expected life. Condition assessment by laboratory analysis is planned to inform replacement decision as part of upgrade project.	Pipe is rated for low pressure flows. This limits options for increasing flowrate from the pump station.
Bridges	Average. Condition monitored using a rolling inspection by external experts.	Bridges meet current safety standards and levels of service requirements

A significant proportion of the replacement cost of the three waters assets over the next 30 years are either very high or high criticality. This reinforces the importance of undertaking proactive planning towards, and timely renewal, of assets.

A significant portion of the transport carriageway network has a remaining useful life (RUL) of less than four years – which will require immediate intervention without incurring more expensive rehabilitation works in the future. However, it should be noted that the RUL figure in RAMM<sup>3</sup> data is a conservative estimate, recorded at the time of sealing. A condition survey will be required to confirm the accuracy of the RUL estimate.

For transport there are 15 bridges that have a RUL of less than 30 years according to the information currently in RAMM. A number of these bridges have had major renewals undertaken and degraded bridge components replaced in the 2020/21 year. Therefore, there are no longer any replacements required within the next 10-year period, however there will still be a need to maintain structural component renewals to manage risk and maintain levels of service.

<sup>3</sup> Asset management software from ODC to maintain transport records



### 4.5.1 Water Supply

The key water supply infrastructure options for renewals over the next 30 years are outlined in the table below:

<p><b>ISSUE:</b> Ōpōtiki, Te Kaha and Ōhiwa Treatment and Reticulation Renewals</p> <p>The Ōpōtiki water supply scheme is relatively new with the major portion servicing the township installed in the 90's and the Waiotahi Drifts area installed in the 2000's. The Hukutaia area is reaching the end of its design life and is addressed in another table below by a specific set of projects for this issue. Renewals identified through predictive modelling for the most part include point and plant assets such as hydrants and pumps.</p> <p>The majority of the Te Kaha scheme was installed in the 50's and 60's and as such some portions of the reticulation are reaching the end of their design lives. These renewals are not predicted to be significant and for the most part will be renewed alongside upgrades to provide for growth and maintaining service pressures. The Te Kaha treatment plant is new and renewals are not expected in the 30 year term. The Ōhiwa reticulation is relatively new. Renewals mainly consist of aging treatment components.</p>	
<p><b>Key Investment decisions:</b> This project is seen as significant to maintaining levels of service in the water supply areas while aligning with key strategic values.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Renew ageing assets as identified by asset management</p> <p>Ōpōtiki Water Treatment UV \$280,000   2021 – 2051</p> <p>Ōhiwa Water - Reticulation Renewals \$18,000   2021 – 2051</p> <p>Ōhiwa Water - Treatment Renewals \$45,000   2021 – 2051</p> <p>Hukutaia Reticulation Replacement and Upgrade \$900,000   2021 – 2051</p> <p>Ōpōtiki Water - Treatment Renewals \$1,500,000   2021 – 2051</p> <p>Te Kaha Water - Reticulation Renewals \$810,000   2021 – 2051</p> <p>Te Kaha Water - Treatment Renewals \$540,000   2021 – 2051</p> <p>Key investment decisions will be undertaken through the Annual Planning process for these budgets.</p>	<p><b>OPTION 2</b></p> <p>Run assets to failure.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ODC, which ensures future renewal</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Letting assets run till failure has the potential to delay expenditure however in the long term costs will remain the same. Choosing not to renew assets based on</p>

works are carried out in the most efficient and affordable manner.	predictive modelling will elevate the risk to public health and decline in service pressures
<b>UNCERTAINTY:</b> There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within AssetFinda. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.	
<p><b>ISSUE:</b> Hukutaia Reticulation Renewals</p> <p>The Hukutaia area is reaching the end of its design life. The reticulation around this area was not renewed at the same time as the Ōpōtiki township and is 1950's &amp; 60's asbestos cement (AC). AC pipe has a reduced estimated life of 60 years based on national findings. The majority of the reticulation will be replaced alongside upgrades to provide for growth and levels of service. The projects outlined below are for renewal of the remaining sections of AC pipe on Grant Rd, Hukutaia Rd and Woodlands Rd. The final project covers further general renewals over and above the specific projects identified. If the Hukutaia Rd Rising Main and Reservoir Upgrade project is chosen then the Hukutaia Rd Main Renewal will not be required.</p> <p>The need for renewals and the timing is based on the following key strategic issues</p> <p>Growth – The Hukutaia area is ideal for infill and the existing AC lacks capacity for the increased pressures required</p> <p>Climate Change – Hukutaia is located on high ground</p> <p>Life Cycle Management – The Hukutaia reticulation is due for renewal in the next 10 years and could line up with the extension of the wastewater scheme.</p>	
<b>Key Investment decisions:</b> This project is seen as significant to maintaining levels of service in Hukutaia while aligning with key strategic values.	
<p><b>OPTION 1 (Preferred)</b></p> <p>Renew ageing assets as identified by asset management</p> <p>Grant Rd 150 AC 1km \$250,000   2025/26</p> <p>Hukutaia Rd Main Renewal \$320,000   2026/27</p> <p>Woodlands Reticulation Renewal \$240,000   2027/28</p> <p>Hukutaia Reticulation Replacement and Upgrade \$900,000   2021 – 2051</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p>	<p><b>OPTION 2</b></p> <p>Run assets to failure.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ODC, which ensures future renewal works are carried out in the most efficient and affordable manner.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Letting assets run till failure has the potential to delay expenditure however in the long term costs will remain the same. Choosing not to renew assets based on predictive modelling will elevate the risk to public health and decline in service pressures</p>
<b>UNCERTAINTY:</b> There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within AssetFinda. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.	

<p><b>ISSUE:</b> Ōpōtiki WTP Renewals</p> <p>There are several key components at the Ōpōtiki WTP that require replacing over the 30 year planning horizon. These are critical components to the water treatment process.</p>	
<p><b>Key Investment decisions:</b> These assets are part of a critical process in treatment of the water supply. Therefore, the project is seen as necessary to maintain status quo and replace ageing assets, and to provide the minimum level of service required.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Renew ageing assets as identified by asset management</p> <p>Ōpōtiki Water - Treatment Plant Renewals \$469,000   2021 – 2051</p> <p>Key investment decisions will be undertaken through the Annual Planning process for these budgets.</p> <p>Ōpōtiki Reservoir Lining \$200,000   2028/29</p>	<p><b>OPTION 2</b></p> <p>Run assets to failure.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ODC, which ensures future renewal works are carried out in the most efficient and affordable manner.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Letting assets run till failure has the potential to delay expenditure however in the long term costs will remain the same. Choosing not to renew assets based on predictive modelling is a significant risk to public health as these assets are part of a critical public health process (water treatment).</p>
<p><b>UNCERTAINTY:</b> There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within AssetFinda. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.</p>	

<p><b>ISSUE:</b> Booster Station Renewals</p> <p>Key component renewals for Otara and Hukutaia Booster Stations. Both of these pump stations service the majority of the wider Ōpōtiki water supply area.</p>	
<p><b>Key Investment decisions:</b> The project is seen as necessary to maintain status quo and replace ageing assets, so as to provide the minimum level of service required.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Renew ageing assets as identified by asset management</p> <p>Hukutaia Booster Station Electrical Control \$69,000   2021 – 2051</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p> <p>Otara Booster Pump \$182,540   2021 – 2051</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p>	<p><b>OPTION 2</b></p> <p>Run assets to failure.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ODC, which ensures future renewal works are carried out in the most efficient and affordable manner.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Letting assets run till failure has the potential to delay expenditure however in the long term costs will remain the same. Choosing not to renew assets based on predictive modelling is a significant risk to public health as these assets are part of a critical public health process (water treatment).</p>
<p><b>UNCERTAINTY:</b> There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within AssetFinda. A ‘smoothed’ renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.</p>	

<p><b>ISSUE:</b> Ōpōtiki, Te Kaha and Ōhiwa Valves, Hydrants and Meters</p> <p>Valves, hydrants and meters make up the majority of water supply point assets. These assets have shorter lifespans than pipeline assets and therefore have a separate renewals programme.</p>	
<p><b>Key Investment decisions:</b> The project is seen as necessary to maintain status quo and replace ageing assets, so as to provide the minimum level of service required.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Renew ageing assets as identified by asset management</p> <p>Hukutaia Valves and Hydrants \$90,000   2021 – 2051</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p> <p>Ōpōtiki Valves, Hydrants and Meters \$460,000   2021 – 2051</p>	<p><b>OPTION 2</b></p> <p>Run assets to failure.</p>

Key investment decisions will be undertaken through the Annual Planning process for this budget.  Te Kahai Valves, Hydrants and Meters \$273,500   2021 – 2051 Key investment decisions will be undertaken through the Annual Planning process for this budget.	
<b>IMPLICATIONS - Option 1</b> Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ODC, which ensures future renewal works are carried out in the most efficient and affordable manner.	<b>IMPLICATIONS - Option 2</b> Letting assets run till failure has the potential to delay expenditure but incurs increasing maintenance costs and service disruptions.
<b>UNCERTAINTY:</b> There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within AssetFinda. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.	

<b>ISSUE:</b> Abstraction Consent Renewals The abstraction consents Ōpōtiki are renewed every 20 to 30 years based on conditions imposed at the time of granting of the consents.	
<b>Key Investment decisions:</b> This project is critical for continuation of water supply abstraction at source.	
<b>OPTION 1 (Preferred)</b> Renewal of Te Kaha abstraction consent \$30,000   2021/22	<b>OPTION 2</b> Operate the scheme without an abstraction consent
<b>IMPLICATIONS – Option 1</b> ODC is compliant with regional council requirements for the Te Kaha water scheme.	<b>IMPLICATIONS - Option 2</b> ODC faces abatement notices and prosecution for failing to comply with legislation and planning requirements.
<b>UNCERTAINTY:</b> There is a negligible to low uncertainty for these renewals as the current consents are due to expire in 2021.	

<b>ISSUE:</b> Hukutaia Rd Rising Main and Reservoir Upgrade The Crooked Rd reservoir is poorly located to continue to provide the desired level of service. The rising/falling main to the reservoir lies in low lying wetland terrain and AC material, increasing the risk of failure.	
<b>Key Investment decisions:</b> The renewal project is seen as significant to maintaining levels of service in Hukutaia while aligning with key strategic values.	
<b>OPTION 1 (Preferred)</b> Renew and upgrade the existing rising/falling main to the reservoir and decommission and install new larger reservoir at existing Crooked Rd location. Hukutaia Rd Rising Main and Reservoir Upgrade	<b>OPTION 2</b> Refer to Section 4.4.1 for proposed growth driven alternative project - Stoney Creek Rd new main (river crossing) and Booster Station.

\$1,590,000   2025	
<b>IMPLICATIONS - Option 1</b> The rising/falling main will be future proofed by upgrading to a new pipe. The larger reservoir will provide greater resilience and storage capacity. There is a significant funding requirement that will have cost implications to ratepayers. Undertaking this option also means that the separate renewal project for Hukutaia Rd rising main would no longer be required.	<b>IMPLICATIONS - Option 2</b> Refer to Section 4.4.1 for proposed growth driven alternative project - Stoney Creek Rd new main (river crossing) and Booster Station.
<b>UNCERTAINTY:</b> There is medium uncertainty in the appropriateness and feasibility of the two options considered. Further investigation and analysis will be required. However, the requirement for an upgrade is considered low uncertainty due to the Hukutaia Rd rising main coming to the end of its useful life.	

### 4.5.2 Wastewater

The key wastewater infrastructure options for renewals over the next 30 years are outlined in the table below:

<p><b>ISSUE:</b> The Ōpōtiki District population connected to the wastewater system is set to increase in the long-term. This includes Hukutaia, Woodlands, The Drifts subdivisions (Stage 2), catchment infill, proposed marina development and potential additional flow and load associated with industry.</p> <p>In 2025 a new resource consent will be required. As part of the consent renewal capacity, environmental effects and treatment quality issues need to be included so that the WWTP is able to continue to operate and meet the growing demand.</p>		
<p><b>Key Investment decisions:</b> The project is seen as necessary for to maintain status quo, replace ageing assets and to provide the minimum level of service required. It is also significant to facilitate growth within Ōpōtiki while aligning with key strategic values such as reducing risk from climate change by promoting development less susceptible areas and providing for new residential and industrial development opportunities.</p>		
<p><b>OPTION 1 – short term upgrades and allow for secondary treatment upgrades (Preferred)</b></p> <p>Relocate the current screening and primary treatment from the township to the treatment ponds. Upgrade the capacity through extending the existing ponds and allow for a secondary mechanical treatment facility.</p> <p>This option allows for major upgrades and capacity increases. It addresses upgrade of the inlet assets which are coming to the end of their useful life.</p> <p>Cost and timeframes:</p> <p>Wastewater Treatment Plant Inlet works (Relocate primary treatment to pond site)                  \$ 2,257,237   2021-2023</p> <p>WWTP Consent                  \$ 150,000   2022-2025</p> <p>Ōpōtiki soakage line renewal                  \$ 350,000   2023-2025</p>	<p><b>OPTION 2 – inlet upgrades only</b></p> <p>Relocate the current screening and primary treatment from the township to the treatment ponds. Upgrade the capacity through extending the existing ponds rather than a mechanical treatment facility.</p> <p>This option allows for minor upgrades and capacity increases. It addresses upgrade of the inlet assets which are coming to the end of their useful life.</p>	<p><b>OPTION 3 – no upgrades</b></p> <p>Delay the capacity increase and rely on the I&amp;I works to reduce the issues</p> <p>This option does not allow for any upgrades and capacity increases. It does not address upgrades of the inlet assets which are coming to the end of their useful life.</p>

Waihau Bay Wastewater disposal field \$ 54,914   2021/22		
<b>IMPLICATIONS - Option 1</b> It is likely that future consents will need an increased level of treatment. This option also allows for a greater increase in capacity if required. Allowing for this spending will however prevent funds being allocated to other projects.	<b>IMPLICATIONS - Option 2.</b> Because this option only allows for the known regulations rather than the expected increases there is a risk that funds are not available at the point the consent is renewed.	<b>IMPLICATIONS - Option 3</b> In the short term, I/I reduction may not create the required capacity. In the long-term dry weather flows may have capacity issues. This option does not address any treatment quality issues
<p><b>UNCERTAINTY:</b> Timing and nature of industry standards and regulatory changes. The current trends in wastewater treatment standards are for more stringent requirements. While it is likely that the next consent for the wastewater treatment plant will require upgrades the level of these upgrades could be higher than expected</p> <p>There is also future uncertainty over the suitability of the current site due to climate change. We are currently considering that over the next 30 years the site will continue to be suitable, however, sustainable future intensification of the site will be considered with each major upgrade.</p>		

<p><b>ISSUE:</b> Reticulation Rehabilitation</p> <p>The Ōpōtiki Wastewater reticulation currently suffers from inflow and infiltration (I&amp;I) due to complications arising from:</p> <ul style="list-style-type: none"> <li>• poor installation practice in the 1950's</li> <li>• use of oval seconds pipe</li> <li>• installation difficulties caused by ground water and soil strata</li> </ul> <p>Levels of service are difficult to maintain in heavy weather events when reticulation becomes overloaded. From symptomatic assessment of I&amp;I, pipe displacement, degradation, slumping etc appear to widespread offering poor resilience and little to no room for growth.</p> <p>A 3 year investigation into the extent, severity and localisation of I&amp;I has been completed and a preferred remediation option has been resolved by Council. Rehabilitation was found to be the preferred option due to the balance of cost versus benefit and the extension of life of the reticulation. By rehabilitating the existing reticulation,</p>		
<p><b>Key Investment decisions:</b> The project is seen as necessary for to maintain status quo and replace ageing assets, to provide the minimum level of service required.</p>		
<p><b>OPTION 1 rehabilitation (Preferred)</b></p> <p>Wastewater Reticulation Rehabilitation includes the continued refurbishment of the network conditional on the review of the current performance of the existing rehabilitated network. This option also allows for investigation and remediation of any issues identified within the network including raising gully traps, decommissioning redundant lines and smoke testing.</p> <p>\$ 5,100,000   2021-2029</p>	<p><b>OPTION 2 full replacement</b></p> <p>Full replacement of assets that have potential for high I&amp;I is anticipated to result in modern materials placed through trenching rather than the refurbishment which is being undertaken without the need for digging up the surfaces above the existing pipes.</p>	<p><b>OPTION 3 do nothing</b></p> <p>Allow assets to run to end of nominal asset life, without addressing the current condition that is allowing wet weather flows into the system and reducing network capacity.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing ageing assets combined with improved data collection</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>This option is more expensive than option 1 and due to the implications</p>	<p><b>IMPLICATIONS - Option 3</b></p> <p>Allowing assets to run to failure can delay imminent expenditures but</p>

provides a more robust renewals profile to ODC, which ensures future renewal works are carried out in the most efficient and affordable manner.	of climate change the full useful life of the assets may not be realised creating a potential inefficiency in council spending	would elevate risk to public services and is likely to require increased spend in the future to address large scale replacements.
<p><b>UNCERTAINTY:</b> There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within AssetFinda. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.</p>		



<p><b>ISSUE:</b> Ōpōtiki Reticulation &amp; WWTP Renewals</p> <p>Reticulation upgrades across Ōpōtiki township include pipelines, pump stations, manholes to capture and convey wastewater across Ōpōtiki township and to the WWTP.</p>	
<p><b>Key Investment decisions:</b> The project is seen as necessary for to maintain status quo and replace ageing assets, to provide the minimum level of service required.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Renew ageing assets as identified by asset management</p> <p>Cost and timeframes:</p> <p>Wastewater Reticulation Renewals Ōpōtiki \$ 1,800,000   2021/22 – 2051/52</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p> <p>Wastewater Reticulation Renewals Waihou Bay \$ 150,000   2021/22 – 2051/52</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p> <p>Wastewater Treatment Renewals Ōpōtiki \$ 1,680,000   2021/22 – 2051/52</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p> <p>Wastewater Treatment Renewals Waihou Bay \$ 30,000   2021/22 – 2051/52</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p>	<p><b>OPTION 2</b></p> <p>Allow assets to run to end of life.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ODC, which ensures future renewal works are carried out in the most efficient and affordable manner.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Allowing assets to run to failure can delay imminent expenditures but would elevate risk to public services and is likely to require increased spend in the future to address large scale replacements.</p>
<p><b>UNCERTAINTY:</b> There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within AssetFinda. A ‘smoothed’ renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.</p>	

### 4.5.3 Stormwater

The key stormwater infrastructure options for renewals over the next 30 years are outlined in the table below:

<p><b>ISSUE:</b> Ōpōtiki Hydraulic Capacity and Reticulation Renewals</p> <p>Hydraulic capacity and reticulation upgrades across Ōpōtiki township include pipelines, pump stations, culverts to capture and convey stormwater runoff from sub-catchments across Ōpōtiki township. Multiple areas within the township are approximately half-way through their design life, whilst other parts of the network servicing the township have short design lives. The assets that are past the half-way point of its design life are also of varying criticalities, as modelled using AssetFinda. Asset renewals also include flood gates along the two major rivers surrounding the township.</p> <p><b>Key Investment decisions:</b> The project is seen as necessary for to maintain status quo and replace ageing assets, to provide the minimum level of service required.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Renew ageing assets as identified by asset management modelling.</p> <p>Stormwater Reticulation Replacements                  \$ 1,015,000   2021/22 – 2051/52</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p> <p>Additionally, the following renewals projects are planned for 2021/21 as part of the Delivery Plan grant funding:</p> <ul style="list-style-type: none"> <li>• Stormwater plant replacement: \$1,700</li> <li>• Stormwater Flood gate Replacement \$32,948</li> </ul>	<p><b>OPTION 2</b></p> <p>Allow assets to run to end of life.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ODC, which ensures future renewal works are carried out in the most efficient and affordable manner.</p> <p><b>UNCERTAINTY:</b> There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within AssetFinda. A ‘smoothed’ renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Allowing assets to run to failure can delay imminent expenditures but would elevate risk to public services and is likely to require increased spend in the future to address large scale replacements.</p>

#### 4.5.4 Transport

The key transport infrastructure options for renewals over the next 30 years are outlined in the table below:

<p><b>ISSUE:</b> Operations and maintenance of the district network to required level of service</p> <p>The maintenance spend over the past five years has been increasing in line with development and traffic growth on the network, in addition to costs relating to an ageing network. A significant portion of the roading and drainage network is showing a remaining design life of less than four years, requiring immediate intervention.</p>	
<p><b>Key Investment decisions:</b> The project is seen as necessary to maintain status quo and replace ageing assets and to provide the minimum level of service required.</p>	
<p><b>OPTION 1 (Preferred)</b></p> <p>Renewing ageing assets as identified by asset management</p> <p>Road renewals: \$ 82,752,520   2021/51</p> <p>Key investment decisions will be undertaken through the Annual Planning process for this budget.</p>	<p><b>OPTION 2</b></p> <p>Allow assets to run to end of life.</p>
<p><b>IMPLICATIONS - Option 1</b></p> <p>Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ODC, which ensures future renewal works are carried out in the most efficient and affordable manner.</p>	<p><b>IMPLICATIONS - Option 2</b></p> <p>Allowing assets to run to failure can delay imminent expenditures but would elevate risk to public services and is likely to require increased spend in the future to address large scale replacements.</p>
<p><b>UNCERTAINTY:</b> There is a low to medium level of uncertainty around the maintenance and renewals profile, due to the completeness of the database. Accurate records of maintenance spending for many transport assets have only been kept since the last few years therefore it is difficult to identify long-term trends in this data.</p>	

#### 4.6 Financial affordability

Financial affordability relates to the hard choices that need to be thought about when choosing infrastructure capital investment. These are the decisions that need to be made for Council to meet its obligations on debt interest payments, to remain solvent, to balance the cost to ratepayers and the levels of service to be provided to the community. These decisions require compromise between the planned or desired capital expenditure and what is realistically affordable for Council.

Council's approach to maintaining financial affordability for infrastructure is to:

- Manage overall debt levels to a targeted range of operating income
- 'Distribute' renewals capital expenditure over time by prioritising critical assets

Affordability was a key theme in feedback received during consultation on the Hukutaia growth projects. In response to this feedback, Council deferred projects to connect existing households to a new wastewater service until year 10 of the 2021 LTP, to allow confirmation of external funding and development of financial measures to manage affordability, without completely removing the work from the 10-year programme.

#### 4.7 Backlog of works and the 'Do-ability' of the works programme

Council has not spent significant proportions of its capital budgets over recent years. This backlog of work has been incorporated into the planned works covered in this strategy.

The planned works outlined in the early years of this strategy represent a significant step change in the capital expenditure for council. This is due to the injection of stimulus funds from central government, debt funded wastewater growth infrastructure, and debt funded levels of service projects for stormwater.

The three waters stimulus grant is required to be completed by March 2022. To support this deliver a contract programme manager was brought in to support the team to (i) baseline scopes for all 17 projects, (ii) create a schedule for deliver, including critical path, (iii) identify resource requirements to deliver this programme, and (iv) identify potential delivery risks. All this work was completed in May 2021 and to date delivery has been tracking against progress, with weekly team meetings to update and review schedule, monthly exception reporting to the GM Engineering. In addition there is an active risk management process underway to ensure the mitigation actions are being tracked by the team, and this is reviewed monthly.

It is proposed to roll out this process to all the capital works programme for year 1 of the LTP through Jun / Jul 2021, thus ensuring better visibility of progress and understand early on any constraint.

Two key risks have been identified (as at May/June 2021) are (i) Availability of contractors/consultants/materials, (ii) Resource consent delays. Clear mitigation actions are in place to address these risks, and new risks will be identified and prioritised as we progress through delivery..

## 5 What we plan to do

### 5.1 Summary of projects

The following tables summarise the preferred project options (with uninflated values) that Council will undertake over the next 30 years.

#### Water Supply

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
<b>LOS</b>				
Pressure monitoring equipment & Ricardo	\$ 40,000	\$ 40,000	\$ -	\$ -
Te Kaha Booster to OBrien's 1.4km	\$ 290,000	\$ -	\$ 290,000	\$ -
Ōpōtiki Water Treatment UV	\$ 150,000	\$ 150,000	\$ -	\$ -
Ōpōtiki Water Treatment UV	\$ 280,000	\$ 20,000	\$ 60,000	\$ 200,000
Copenhagen Loop	\$ 230,000	\$ -	\$ 230,000	\$ -
Te Kaha Water - Pressure Monitoring Equipment	\$ 20,000	\$ 20,000	\$ -	\$ -
Te Kaha Water - Treatment Plant Relocation	\$ 840,000	\$ 840,000	\$ -	\$ -
Te Kaha Water - New Water Source	\$ 190,000	\$ 190,000	\$ -	\$ -
Ōpōtiki Water - Reticulation Improvements	\$ 165,000	\$ 165,000	\$ -	\$ -
Ōpōtiki Water - Condition & Performance Assessment	\$ 150,000	\$ 15,000	\$ 35,000	\$ 100,000
New Settlement banks and reservoir upgrade	\$ 890,000	\$ 890,000	\$ -	\$ -
Stoney Creek Rd new main (river crossing) and Booster Station	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -
3 Waters Reform - Collect Asset Information	\$ 36,000	\$ 36,000	\$ -	\$ -
3 Waters Reform - Condition Assessment	\$ 36,000	\$ 36,000	\$ -	\$ -
<b>Growth</b>				
Secondary Trident Filter	\$ 60,000	\$ -	\$ -	\$ 60,000
Ōpōtiki Water - Duke Street Feed	\$ 320,000	\$ -	\$ 320,000	\$ -

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
Ōpōtiki Water - Reticulation Upgrades for Harbour	\$ 140,000	\$ -	\$ 140,000	\$ -
<b>Renewals</b>				
Dip Rd Replacement 2km	\$ 350,000	\$ 350,000	\$ -	\$ -
Hukutaia Rd Main Renewal	\$ 320,000	\$ -	\$ 320,000	\$ -
Te Kaha Water - Valves, Hydrants, Meters, Pumps	\$ 273,500	\$ 30,000	\$ 51,500	\$ 192,000
Te Kaha Water - Treatment Renewals	\$ 540,000	\$ 54,000	\$ 126,000	\$ 360,000
Te Kaha Water - Reticulation Renewals	\$ 810,000	\$ 60,000	\$ 350,000	\$ 400,000
Ōpōtiki Water - Consent Renewals	\$ 30,000	\$ 30,000	\$ -	\$ -
Hukutaia Valves and Hydrants	\$ 90,000	\$ 15,000	\$ 45,000	\$ 30,000
Ōpōtiki Water - Reservoir Lining	\$ 200,000	\$ -	\$ 200,000	\$ -
Ōpōtiki Water - Valves, Hydrants and Meters	\$ 460,000	\$ 40,000	\$ 80,000	\$ 340,000
Otara Booster Station Renewals and Pumps	\$ 182,540	\$ 60,660	\$ 11,220	\$ 110,660
Woodlands Reticulation Renewal	\$ 240,000	\$ -	\$ 240,000	\$ -
Hukutaia Reticulation Replacement and Upgrade	\$ 900,000	\$ 90,000	\$ 210,000	\$ 600,000
Ōpōtiki Water - Reticulation Renewals	\$ 1,800,000	\$ 180,000	\$ 420,000	\$ 1,200,000
Ōpōtiki Water - Treatment Renewals	\$ 1,500,000	\$ 150,000	\$ 350,000	\$ 1,000,000
Grant Road Reticulation Renewal	\$ 250,000	\$ -	\$ 250,000	\$ -
Hukutaia Rd Rising Main and Reservoir Upgrade	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -
Ōpōtiki Water - Treatment Plant Renewals	\$ 469,000	\$ 118,000	\$ 52,000	\$ 299,000
Hukutaia Booster Station Electrical Control	\$ 69,000	\$ 10,000	\$ 16,000	\$ 43,000
Ōhiwa Water - Treatment Renewals	\$ 45,000	\$ 4,500	\$ 10,500	\$ 30,000
Ōhiwa Water - Reticulation Renewals	\$ 18,000	\$ 10,000	\$ 5,000	\$ 3,000

## Wastewater

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
<b>LOS</b>				
Motorhome Association dump station in Ōpōtiki	\$ 20,000	\$ -	\$ 20,000	\$ -
Pump Station 2 Rising main extension	\$ 219,655	\$ 219,655	\$ -	\$ -
<b>Growth</b>				
Southern (Otara Rd) Extension Stage 2	\$ 630,000	\$ -	\$ -	\$ 630,000
Factory Rd Wastewater Extension Stage 2	\$ 260,000	\$ -	\$ 260,000	\$ -
Public toilet WW disposal field upgrade	\$ 219,655	\$ 219,655	\$ -	\$ -
Secondary treatment upgrade	\$ 4,950,000	\$ 450,000	\$ 4,500,000	\$ -
Hukutaia New Reticulation	\$ 10,800,000	\$ 2,400,000	\$ 8,400,000	\$ -
Hukutaia Future Greenfield Development	\$ 2,400,000	\$ -	\$ -	\$ 2,400,000
<b>Renewals</b>				
Soakage lines renewal	\$ 350,000	\$ 50,000	\$ 300,000	\$ -
Wastewater Reticulation Renewals Waihou Bay	\$ 150,000	\$ 15,000	\$ 35,000	\$ 100,000
Wastewater Reticulation Renewals Ōpōtiki	\$ 1,800,000	\$ 180,000	\$ 420,000	\$ 1,200,000
Wastewater Treatment Renewals Ōpōtiki	\$ 1,680,000	\$ 120,000	\$ 280,000	\$ 1,280,000
Wastewater Reticulation Rehabilitation	\$ 5,100,000	\$ 100,000	\$ 5,000,000	\$ -
Wastewater Treatment Renewals Waihou Bay	\$ 30,000	\$ 3,000	\$ 7,000	\$ 20,000
WWTP Consent	\$ 150,000	\$ 75,000	\$ 75,000	\$ -
Wastewater Treatment Plant Inlet works	\$ 2,257,237	\$ 2,257,237	\$ -	\$ -
Waihou Bay Wastewater disposal field	\$ 54,914	\$ 54,914	\$ -	\$ -

## Stormwater

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
<b>LOS</b>				
Brabant St Drain Upgrade	\$ 200,000	\$ 200,000	\$ -	\$ -
Church St South Pump Station and Pipe Upgrade	\$ 550,000	\$ -	\$ 550,000	\$ -
Comprehensive Discharge Resource Consent	\$ 56,000	\$ 56,000	\$ -	\$ -
Duke St Basin	\$ 6,130,000	\$ -	\$ 6,130,000	\$ -
Duke St Stop Bank	\$ 50,000	\$ 50,000	\$ -	\$ -
Elliot/Goring St Basin	\$ 170,000	\$ -	\$ 20,000	\$ 150,000
Malcolm St Basin	\$ 170,000	\$ -	\$ 20,000	\$ 150,000
Memorial Park Pump Station	\$ 290,000	\$ 30,000	\$ -	\$ 260,000
New Richard St Gravity Main	\$ 235,000	\$ 235,000	\$ -	\$ -
New St John St Gravity Main	\$ 560,000	\$ -	\$ 560,000	\$ -
Second Pump at Tarawa Creek	\$ 380,000	\$ 380,000	\$ -	\$ -
Stewart/Wellington St Pump Station	\$ 100,000	\$ -	\$ -	\$ 100,000
Tarawa Creek Flood Water Storage Area	\$ 1,100,000	\$ 100,000	\$ 1,000,000	\$ -
Tarawa Creek Pump Station	\$ 500,000	\$ 500,000	\$ -	\$ -
Upgrade to Richard St Gravity Main	\$ 1,325,715	\$ 1,325,715	\$ -	\$ -
Wellington/Brabant St Pump Station	\$ 200,600	\$ 200,600	\$ -	\$ -
Wellington/Union St Storage Basin	\$ 444,779	\$ 274,779	\$ 20,000	\$ 150,000
Memorial Park Storage Basin	\$ 270,000	\$ -	\$ 270,000	\$ -
Tarawa Creek Storage - Stage 2	\$ 2,100,000	\$ -	\$ 2,100,000	\$ -
Stormwater - Ricardo at Critical Pump Stations	\$ 65,896	\$ 65,896	\$ -	\$ -
Tarawa Open Drain	\$ 1,098,273	\$ 1,098,273	\$ -	\$ -
Stormwater Pump Stations	\$ 219,655	\$ 219,655	\$ -	\$ -
Stormwater Channel works	\$ 109,827	\$ 109,827	\$ -	\$ -



Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
Stormwater Reticulation extensions/upgrades	\$ 4,529,482	\$ 329,482	\$ 200,000	\$ 4,000,000
Stormwater - King Street Culvert	\$ 50,000	\$ 50,000	\$ -	\$ -
<b>Growth</b>				
Hukutaia Growth	\$ 2,930,000	\$ 1,130,000	\$ 1,800,000	\$ -
<b>Renewals</b>				
Stormwater - Reticulation Replacements	\$ 1,015,000	\$ 70,000	\$ 245,000	\$ 700,000
Stormwater - Plant Replacement	\$ 1,701	\$ 1,701	\$ -	\$ -
Flood Gates Replacement	\$ 32,948	\$ 32,948	\$ -	\$ -

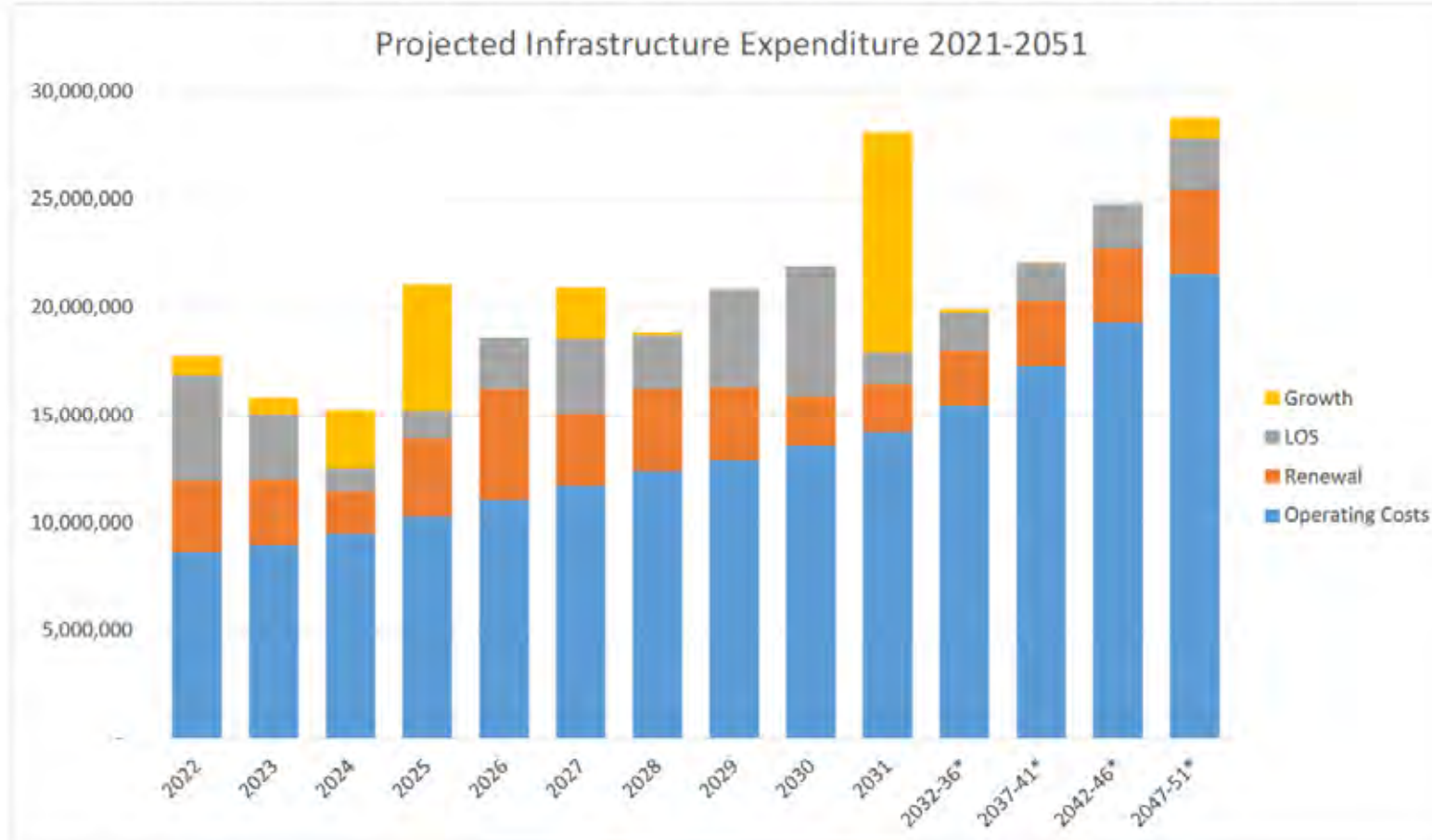
### Transport

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
<b>LOS</b>				
Minor Improvements - Low Cost Low Risk	\$ 19,109,376	\$ 1,559,376	\$ 4,550,000	\$ 13,000,000
Seal extensions	\$ 5,800,000	\$ 400,000	\$ 1,400,000	\$ 4,000,000
<b>Renewals</b>				
Drainage Renewals	\$ 3,884,155	\$ 340,841	\$ 876,874	\$ 2,666,440
Sealed Road Resurfacing	\$ 12,869,120	\$ 1,529,142	\$ 2,948,778	\$ 8,391,200
Unsealed Road Metalling	\$ 4,815,684	\$ 495,684	\$ 1,120,000	\$ 3,200,000
Emergency Reinstatement	\$ 5,280,000	\$ 258,000	\$ 1,302,000	\$ 3,720,000
Traffic Services Renewal	\$ 1,264,117	\$ 130,117	\$ 294,000	\$ 840,000
Structures Components Replacement	\$ 1,006,709	\$ 144,059	\$ 223,650	\$ 639,000
Sealed Pavement Rehabilitation	\$ 9,856,475	\$ 801,765	\$ 2,398,210	\$ 6,656,500
Council site access roads	\$ 450,000	\$ 45,000	\$ 105,000	\$ 300,000
CBD Kerb & Channel	\$ 960,000	\$ 96,000	\$ 224,000	\$ 640,000

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
Footpath renewals	\$ 990,000	\$ 99,000	\$ 231,000	\$ 660,000

## 5.2 Forecast expenditure

The combined expenditure forecast for the three waters and transport activities are shown in the figure below. Values are inflated.



\* Multi-year bars are the 5-year average expenditure

## 6 Our assumptions

The assumptions that have been made in preparing this Infrastructure Strategy are outlined below.

- The condition of the assets is based on the information contained within the ODC AssetFinda database. It is assumed that deterioration and replacement of assets follows the predicted renewals profiles.
- Note the following assumptions have been made as part of the build-up of estimated capital costs for projects:
  - Rates are based on national rates and not Bay of Plenty regional rates except where supplied by Council
  - Costs do not take into account site specific conditions
  - We have assumed straight forward design and consenting allowances
  - The costs do not currently have staff costs allowed for
  - The costs have been prepared on a programme portfolio basis and are not based on detailed project schedules
- Growth projections for the region have been adopted to estimate changes in demand for each of the activities. The growth projections have been supplied by Council and prepared by Martin Jenkins. Changes to these base projections will have a significant effect on the timing of when different infrastructure investment needs to be made.
- This strategy is produced under the assumption that the Three waters industry changes come into force as outlined in Section 0. However, the wider planning approach has been to make our decisions as if ODC would continue to retain control.
- Any further legislative changes would not have a significant impact on infrastructure development and delivery over and above the impending changes to Three Waters service delivery (for e.g. RMA reforms).
- Long term renewals planning has assumed no widespread destruction of assets will occur, such as a natural hazard event like an earthquake. This has not affected preparedness considerations for the same.
- There is sufficient contractor and consultant capacity to deliver the capital programmes in the planned timeframes, with mitigation measures in place to provide early heads up to the sector of planned projects.
- Any new resource consents for the activities are renewed with similar conditions to those currently held.
- Material shortages (as a result of Covid 19) will be able to be managed to minimise schedule risk.
- NPS for Freshwater management 2020 requires regional councils to put in place water quality / quantity limits across the region by 2024. ODC will engage in this limit setting process for the Opotiki District to understand if there needs to be any changes to our infrastructure approach to support these limits.

## The Role of Council

The role of Council is to promote the social, economic, environmental and cultural wellbeing of the community that it serves.

A Mayor and Councillors are elected to the Council by the community every three years. These members of the Council are usually chosen because they understand what the community wants and they are good at making things happen. This is the **political arm** of local government.

The political arm of a local authority is one of the main sources of communication between the community and Council. It sets the policies and direction of Council, makes bylaws and has a regulatory role, determines the expenditure and funding requirements of Council, monitors the performance of the organisation, represents the interests of Ōpōtiki District outside the area, and employs the Chief Executive who in turn employs all other staff.

The Mayor is elected by the district as a whole and has additional responsibilities including presiding over Council meetings, promoting and representing the interests of the community, acting as the ceremonial head of Council, and providing leadership and feedback to other elected members.

The scope of activities that a council is involved in is large. Often issues are highly technical or complex, so the Council appoints a chief executive who in turn appoints a range of skilled staff to carry out the activities the council undertakes on behalf of the community. This is the **organisational arm** of local government.

In effect the Council employs someone with a “tool box” who allocates the tools to specific projects, keeps the tool-box appropriately stocked and the tools sharp and in good condition. They work together to plan and help to make the community outcomes a reality.

The organisational arm, through the Chief Executive, implements the decisions of Council, provides advice to Council on managing the activities of the organisation effectively and efficiently, plans and provides accurate reports on the financial and service performance of Council, employs staff and provides leadership.

Ōpōtiki District Council currently has six councillors elected from three wards and a mayor elected from the whole district. A Coast Community Board consisting of five members represents the area from Hawaii to Torere. Meetings currently take place on a six weekly cycle.



## Elected Members 2019-2022

### **Mayor**

Lyn Riesterer  
Ward - District  
PH 07 315 3030  
Mobile 021 160 2040  
[lynr@odc.govt.nz](mailto:lynr@odc.govt.nz)

### **Deputy Mayor**

Shona Browne  
Ward - Ōpōtiki  
Mobile 027 477 3761  
[shonab@odc.govt.nz](mailto:shonab@odc.govt.nz)

### **Councillor**

Barry Howe  
Ward - Ōpōtiki  
PH 07 315 6003 (home)  
PH 07 315 6335 (work)  
Mobile 027 315 6345  
[bazzshazz@xtra.co.nz](mailto:bazzshazz@xtra.co.nz)

### **Councillor**

Steve Nelson  
Ward - Ōpōtiki  
Mobile 027 637 0549  
[steven@odc.govt.nz](mailto:steven@odc.govt.nz)

### **Councillor**

Debi Hocart  
Ward - Waioeka/Waiotahe  
Mobile 027 209 6002  
[debih@odc.govt.nz](mailto:debih@odc.govt.nz)

### **Councillor**

David Moore  
Ward - Waioeka/Waiotahe  
Mobile 027 244 2628  
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### **Councillor**

Louis Rāpihana  
Ward - Coast  
Mobile 027 354 4483  
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# Coast Community Board Members

**Chairperson Louis Rāpihana**

[louisr@odc.govt.nz](mailto:louisr@odc.govt.nz)

**Deputy Chairperson Allen Waenga**

PH 07 3155516

Mobile 0211232513

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**Michael (Spike) Collier**

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**Gail Keepa**

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**Tiaki (Jack) Parata**

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# Ōpōtiki District Council Organisational Structure

	<p><b>Chief Executive Officer</b> <b>Aileen Lawrie</b></p>	<p>The chief executive appoints a range of skilled staff to carry out the activities the council undertakes on behalf of the community.</p> <p>This is the organisational arm of local government.</p> <p>Through the chief executive they implement the decisions of Council, provide advice to Council on managing the activities of the organisation effectively and efficiently, plan and provide accurate reports of the financial and service performance of Council and employ and provide leadership.</p>		
	<p><b>Engineering and Services Group Manager</b> <b>Stace Lewer</b></p>	<p>Consultancy BU Solid Waste Roothing Rural Fire Sewerage Stormwater</p>	<p>Water Supply Parks Reserves Airport Cemetery</p>	
	<p><b>Planning and Regulatory Group Manager</b> <b>Gerard McCormack</b></p>	<p>Animal Control Building Control Bylaw Compliance Civil Defence Emergency Management</p>	<p>Environmental Health Liquor Licensing Noise Control Resource Management Planning</p>	
	<p><b>Finance and Corporate Services Group Manager</b> <b>Vacant</b></p>	<p>Cash Receipting Debtors/Creditors Financial Reporting Investments Insurance Payroll Public Debt Water Billing</p>	<p>Rates Communications Customer Services Creative New Zealand Governance Support Property Library</p>	<p>Tourism Promotions Economic Development Events i-SITE Information Centre Sports Co-ordination</p>





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