



Opotiki District Council 2018-2028 Long Term Plan

Te Huarahi Whakamua mo Te Rohe o Opotiki



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Message from the Mayor and CEO

We are pleased to present our Long Term Plan (LTP) for the 2018-2028 period.

The plan outlines our projects, finances and indicative rating for the coming ten year period. We have looked out further with a 30 year infrastructure plan and we take an even longer term view when we plan to build our assets. Our infrastructure strategy review has a heightened emphasis on dealing with the impacts of climate change, with a number of large projects proposed to reduce localised flooding levels in the Ōpōtiki township. We have many years to deal with the effects of climate change but the coming 10 years will see a number of important planning and infrastructure decisions that will need to be made to lessen the social and financial impacts of adapting to changing climate.

Council is generally continuing with its previous strategy to financially position itself to be able to deliver the infrastructure and services needed to support growth, and in this LTP period begins to make long term investments in essential infrastructure. We continue to be optimistic about the economic prospects for our district – the growth of industries around aquaculture, kiwifruit, tourism, Manuka products and apiculture give us reason to view the future with excitement, tempered by the knowledge that there is much work ahead. The prospect of further internet and cellular coverage roll out also provides exciting opportunities to capitalise on.

Our debt remains low with spending only on essential infrastructure or where grant funding is leveraged. We continue to maintain your \$200 plus million of infrastructure assets – roads, sewers, water pipes etc. and upgrade these as the need arises. Operating these assets and delivering these services comes at a cost, and council endeavours to meet compliance standards and service requirements while managing its finances prudently.

Government imposed increases in compliance standards, and increased community expectations, continue to drive rates increases, and we expect this trend to continue.

With the large projects facing Council we recognise the need to lift our capability and capacity over time to ensure we can meet the challenges ahead.

We start this LTP period with some uncertainty around the harbour development proposal, while we have an aquaculture industry upsizing in area, production and assets. We are working with government to review the design of the harbour, with some wider ownership options in consideration. While this means a delay, it means we can investigate more sustainable options, minimising risk for ratepayers. The outcomes of the previous work with government proves considerable scope for a wide range of sustainable aquaculture options and mother marine industries.

The wastewater upgrade is proceeding at pace and under budget. The rehabilitation of the Ōpōtiki township system should be completed over the next two years, and we are signalling that the next Long Term Plan will provide for the reticulation of the Hikutaia area to provide for growth away from the flood plain and to mitigate potential environmental effects.

Council continues to fundraise for Te Tāhuhu ō Te Rangi technology library and looks forward to positive outcomes from its funding bids to Ministry of Business Innovation and Employment (MBIE) for an extension to the Motu trails, in collaboration with our iwi, Department of Conservation (DOC) and our neighbouring council.

We have decided to make some changes to the way we deliver our kerbside waste collection service by providing 40 litre wheelie bins for household waste and biodegradable plastic bags for recycling. This should eliminate the past instances of dog strike and provide increased recycling capacity. In year one of this LTP Council will plan the transition to the new system, to take effect on 1 July 2019.

We were very pleased to hear that the New Zealand Transport Agency (NZTA) has increased its funding assistance rate to the Ōpōtiki District to take effect on 1 July 2018. As a result of the increase we have decided to increase our funding of the roading activity and over the three year period this will see improvements in the quality of roads, footpaths, kerb and channelling and allow us to make an investment into improving our data on our bridges which will allow us to optimise our future decision making.

In this LTP we have also refocussed our attention on our gardens and open spaces including litter and hope the community will soon see improvements that engender pride in our district. As a council and community we face the future with enthusiasm.



Mayor John Forbes

A handwritten signature in black ink that reads "John Forbes".



CEO Aileen Lawrie

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



Opape. Looking east.

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 a month, 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 five key issues that were consulted on were:

- Wastewater – Reticulation of the Hikutaia/Woodlands area
- Waste Management – options for the urban recycling and refuse collections
- Stormwater – We proposed a number of projects to reduce flooding from climate change and asked the community which ones we should do.
- Tourism Facilities – proposal to allocate budget to enable access to co-funding for new reserves facilities
- Mōtū Trails – proposal to allocate budget to enable access to co-funding for cycle trail extensions.

Council also asked for feedback on a number of other matters including the Rose Garden Reserve upgrade concept plan, what Council could do at the public wharf to accommodate users, wider harbour opportunities, the possibility of Council funding a dangerous dog neutering programme, what services Council could provide to coast communities and what, if anything, Council could do to assist owners of Earthquake Prone Buildings.

Results of the consultation and submission process found that the majority of the public agreed with all of Council's stated preferred options for the issues. Council did not list a preference for the Waste Management key issue.

There were some excellent submissions on the proposal to reticulate Hikutaia and Council heard compelling arguments both for and against. We decided to maintain

our approach of waiting until we see signs of growth before reticulating and we signal that it is likely to proceed in 2026.

Council had consulted about whether to continue road sealing, as it has been faced with reduced government funding and sealing roads with less usage could result in the government not funding maintenance or re-seals. Submissions were split on the issue, and Council decided to defer the matter to allow a better understanding of the impacts of reduced central government funding and the road classification being developed.

Following a large response from the community on our kerbside collection service, we have decided to move to 40 litre wheelie bins for refuse and to biodegradable recycling bags. While we were attracted to the idea of recycling bins, the additional handling costs would have seen a rate rise we considered to be too high. The new bins and bags should help stop the problems with dog strike, will allow for increased recycling capacity, and will decrease the need for non-recyclable one use supermarket bags.

Recently our community has had a number of rain events that have reminded us that climate change is upon us. In our consultation document we laid out various options to mitigate flooding in the Ōpōtiki township and following decisions we have decided to plan to keep pace and get ahead of climate change impacts. These projects will be in the later part of the 10 year period of the plan, as there is much investigation, modelling and consents to gain, to do the required work.

Central government has a number of funding opportunities for tourism infrastructure, and our district is seeing increasing numbers of tourists. We have decided to budget the co-funding required to access a number of these funds, and hope to see some successful funding bids for Motu trails extensions and for public facilities in our reserves.

Decisions were also made to allocate funding to continue dog neutering (previously government funded), the driver licensing programme, and additional funding was allocated to the Coast Community Board in recognition of their successful administration of this fund over previous years. The Rose garden reserve was

allocated \$250k for an upgrade but council agreed that the scooter track should be relocated to another location.

During the consultation period government announced they would not fund the harbour at the cost of \$145M but would continue to work with us to look at options. Council reviewed the available reports from MBIE, conducted its own review, and heard from the community both in the wake of the government media statement and through submissions. Several things prompt us to continue with the harbour process and to maintain the same LTP position as in 2012 and 2015 LTP's as set out in the Planning Assumptions on page 35:

- Work is yet to be completed on lower cost options and on geotechnical conditions that may influence design and price
- The indication from government they are prepared to consider different ownership models
- There are a number of treaty of Waitangi settlements in progress that are considering sea space as a potential redress measure.

Council has therefore agreed to maintain the harbour as a project in the 2018-2028 Long term Plan. We have moved it out a year (i.e. to 2019) but otherwise retained the same position of a \$5.4M loan with the remainder of the capital cost of the harbour to be met from other sources. The loan will only be drawn down if we are successful in securing that additional funding.

Significant decisions of others that happened during the consultation period were:

- The decision by the Bay of Plenty Regional Council (BOPRC) to fund more of the regions civil defence costs, meaning we could reduce ours
- New Zealand Transport Agency (NZTA) decision to increase its funding to our district meaning we have been able to increase the funding across the roading activity and into the reserves and open spaces (including litter) activities.

These decisions have meant we have been able to increase our budgets in roading, reserves and open spaces but have managed to decrease our rates rise from 4.8% to 4%.



Cover of the Opotiki District 2018-2028 Long Term Plan consultation document.





Part One – Council Priorities and Direction

Te Wahanga Tuarua

Financial strategy and planning assumptions

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 four 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:

- The strengthening of Council’s balance sheet through the reduction of debt
- Identification and improvements to key infrastructure issues so that the community is in a good position to cater for future growth opportunities,
- Making best use of shared services, partnerships and external funding opportunities in pursuit of the affordability principle whilst at the same time investing in assets that promote community well-being and prepare the community for future growth
- Working closely with key stakeholders and partners in the developing Aquaculture Industry to help them realise their vision which is in alignment and complementary to Council’s own vision for the District (including work over a fifteen year period scoping, investigating and gaining consent for twin training walls. Approximately 48% of this work has been funded by grants from organisations with aligned objectives)
- 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 2015-25 Long Term Plan and provides an understanding of progress made to date.

2015-25 Long Term Plan Project:	Description:	Progress to Date:
Library Upgrade \$3.3m	Redevelopment of the Library, dependent on external funding. Planned for 2015/16.	Difficulties in obtaining funding have delayed this project. The first million of the required funding has been raised so far, and the final million looks promising. The “middle million” is proving more difficult.
Harbour Transformation Project \$52m	Development of a navigable harbour entrance to enable growth in the district and aquaculture. Planned for 2019/20.	Government’s validation phase has shown benefits 3-5 times greater than originally envisaged. Government has rejected high cost proposal and work on a reduced cost version is ongoing.
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 has been devised, saving approximately \$5 million. We have spent just over \$1 million to date on the rehabilitation and have made significant progress and additional cost savings.

In addition to the above planned projects, Council has continued to develop the Mōtū Trails Cycleway (with minor amounts of grant funding) and to develop the thinking and partnerships for eastwards extension of the asset. This is likely to become a reality in the 2018 LTP period.

The Eastern BOP Cycle Strategy was developed in partnership with other agencies and proposed a Trail linking Ōpōtiki to Whakatāne. Some budget was provided by Council to progress this proposal. Subsequently MBIE announced funding to extend and enhance Great Rides. Council is currently developing an application using the

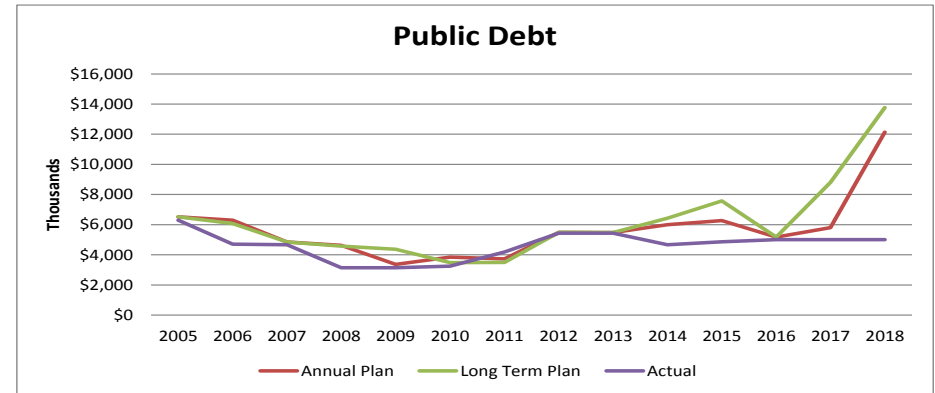
existing budget to leverage MBIE funding and achieve the Ōpōtiki to Whakatāne Trail. The proposal is to extend Mōtū Trails along Waiōtahe Beach to Ōhiwa and from there Whakatāne District Council will construct a Trail from Ōhope and Whakatāne. Other proposals to enhance Mōtū Trails will form part of the application taking Mōtū Trails 'from good to great'.

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

- Stage 1 Performance Assessment – Monitoring and analysis of system flows, ground water levels and rainfall to determine the magnitude and source of inflow & infiltration (I&I).
- Stage 2 Condition Assessment – CCTV and laser inspection of sewer mains to determine the extent of degradation and true remaining life of the reticulation.

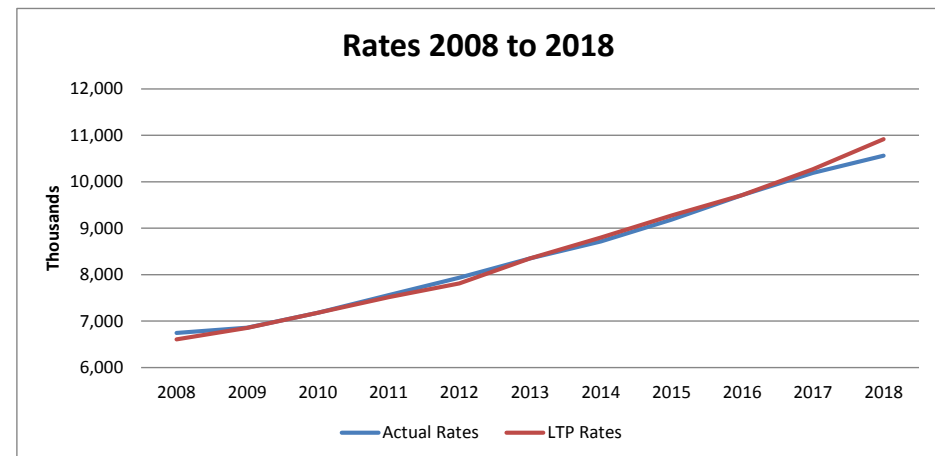
All stages are now complete as well as a Find and Fix project that was added to the original project programme, and extending CCTV condition assessment over the entire reticulation network. Council now has considerable knowledge about the state of the asset.

The next graph 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 2018.

Ratio:	Policy Limit:	Expected Outcome 30 June 2018:
Net Debt/ Equity	$\leq 10\%$	0.92%
Net Interest Expense/Total Revenue	$\leq 10\%$	0.92%
Net Interest Expense/Rates Revenue	$\leq 15\%$	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.



Mōtū Trails, dunes trails, Ōpōtiki – Photo – Eastern Bay Aerial Imaging.

Future Priorities and Direction

The 2018-28 Long Term Plan

The 2018-28 Long Term Plan (LTP) shifts from the strategic theme of passive financial consolidation consistent over the last few LTPs to proactive project management. This is because the Ōpōtiki wastewater network and the harbour development projects will begin in the first three years covered by the 2018-28 LTP, requiring a considerable amount of capital expenditure. Adopting a project management focus will ensure Council is able to respond to needs of the community for growth whilst still managing finances, rates increases and debt prudently, to ensure everything we are planning to do and achieve is affordable.

Harbour Transformation Project

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

In 2001 Sealord, in conjunction with Whakatōhea iwi, lodged a consent application to establish a marine farm in 4750 ha of water space offshore from Ōpōtiki. Consent for the Whakatōhea aquaculture venture was finally secured for a reduced area of 3800 ha in late 2009, after appeals to the Environment Court and the High Court from out of region fisheries interests. Trials lines were established in 2010, and a commercial company created in 2014. The farm has now reached break even stage and has 200 lines in the water and it owns and operates the North Quest, NZ's largest mussel harvesting vessel. Two commercial harvests show that the Open Ocean mussels are of superior quality to other farming areas in New Zealand. Further growth of the venture will be constrained without the development of an all-weather, all tide port at Ōpōtiki.

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

- feasibility study (2002)

- scoping and benefit assessment (2005)
- detailed investigation (2006-2008)
- consent process for the harbour entrance (2008-2009)
- detailed project planning for development of the 2012-2022 LTP (2011-2012)
- \$18 million granted by Bay of Plenty Regional Council through the Regional Infrastructure Fund (2013)
- Additional \$2 million granted by Bay of Plenty Regional Council from long term plan processes (2013/14)
- Workforce development study (2014)
- District Plan review process began, including zoning for industrial land (2014)
- Report on likely harbour users (2015)
- Better Business Case submitted to Central Government (2015)
- \$4m grant from government in late 2015 to provide funding for 18 workstreams in a 2 year validation process in a partnership between BOPRC, ODC, government and Whakatōhea
- Final Business case submitted to government and BOPRC in 2017.

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

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

Subsequent reports show 3 to 5 times the potential. Recently the Whakatōhea Settlement Trust have signed an agreement in Principle with the Crown to settle

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

Given the positive social and economic benefits for the Ōpōtiki District Community, the Eastern Bay of Plenty, the region and New Zealand as a whole, this project requires a partnership approach. Ōpōtiki District Council has worked with a range of partners in advancing this project and has identified the Bay of Plenty Regional Council and Central Government as key stakeholders and funding partners in the physical redevelopment of the Harbour. Council has sought funding assistance for the project from these partners.

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

Wastewater

In 2017 Council decided on a rehabilitation option and budgeted \$4.1 M for the 17-18 year. This LTP period will see the completion of that work, and in the later years we make provision for further growth of the town in the Woodlands/Hikutai area. While detailed investigation is yet to occur, financial capacity is provided for that extension to the wastewater system.

Stormwater

Over previous LTP periods Council has been carrying out investigation into the state of the stormwater system in the Ōpōtiki township, including carrying out modelling

about the future impacts of Climate change. Studies show that significant impacts can be expected from rainfall alone, within the town. A number of mitigation projects are proposed in the course of this LTP, and further out.

The Ōpōtiki Stormwater scheme suffers from poor performance. This means the Township suffers from poor delivery of service in events with greater than 1 in 10 year probability. In the 2013/14 year, a preliminary model was produced for the Ōpōtiki Township catchments identifying a lack of capacity in critical and ancillary assets. In response, planned improvements for the 2015/25 LTP term include an increase in storage area for quicker relief from stormwater of residential and commercial property, as well as new and upgraded trunk lines and pump stations to facilitate transportation and disposal of stormwater from the upper portions of the catchment. As the works are completed and new knowledge of future weather and groundwater effects (climate change) is obtained, the stormwater model will be developed further. Upgrades to critical assets within and beyond the time frame of the LTP term will be refined and less critical assets will be designed and replaced fit for purpose, as they reach the end of their useful lives.

Other Key Projects

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

Capital Expenditure by Activity	Budget 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
Community Development	20	20	21	-	-	-	-	-	-	-
Community Facilities	4,682	6,462	3,098	90	1,299	1,151	3,531	52	125	318
Economic Development	-	17,186	18,438	18,880	-	-	-	-	-	-
Land Transport	2,141	2,376	2,257	1,545	1,611	1,751	1,887	1,868	1,714	1,766
Regulation & Safety	113	-	21	-	-	-	-	-	-	-
Solid Waste Management	107	20	-	-	-	-	-	-	-	-
Stormwater	3,000	72	802	199	2,238	332	1,602	279	1,017	157
Support Services	864	541	358	386	355	318	358	353	354	452
Wastewater	5,768	4,436	281	126	130	133	269	4,031	4,165	4,281
Water Supplies	1,095	174	629	161	164	450	659	1,257	974	1,202
	17,789	31,287	25,905	21,387	5,797	4,135	8,306	7,841	8,349	8,176

Cycle Way

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

Property

Library Redevelopment

The redevelopment of the Ōpōtiki Library is a long time aspiration of the community and has been consulted on in various Long Term and Annual plans. The project was scheduled for years 2 and 3 of the LTP although is heavily dependent on securing external funding. It was anticipated that the funding would have been secured before now but to date \$1million has been raised or pledged representing almost a third of the project cost. Funding has been achieved through local fundraising and the support of regional funding agencies. An application to Lotteries will be lodged when closer to two thirds of funding is secured. Efforts to raise the 'middle million' are progressing.

Wharfage

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

We have included \$3 million of budget in the latter part of the LTP once the harbour has been completed and the aquaculture industry is booming to allow for Council to make inroads into the CBD development. This may involve conceptually turning the town CBD around to face the water. Both this project and the previous wharf project will be in subsequent LTP's so will be available for consultation a number of times before any commitment is made. At this stage we are signalling the direction.

Land Transport

The projects in the land transport activity allow Council to maintain the roading network to the current standards. It is apparent that NZTA do not want to fund seal extension work now or in the future. This leaves Councils and ratepayers with the burden of funding these types of works themselves. Roading classification measures have been applied to most Local Authority roads by NZTA, and it's the ones that are higher up the ranks in terms of traffic counts that get the bulk of the funding.

During the preparation of this Long Term Plan NZTA advised that they will contribute a higher percentage of funding to our roading activity. We have therefore increased our budgets across the activity. The funding assistance rate is now 75% effective 1 July 2018.

Water Supplies

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

With additions to treatment and reticulation capacity not required for growth till beyond the term of the LTP, the only significant activities for the Ōpōtiki township are to address issues of resilience. The Otara Rd trunk main and raw water line are the most critical of these vulnerabilities. The Otara Rd trunk main has no back up in the event of its failure and the raw water line is not able to fully restore reservoir recovery. In the event of a disaster these assets present a high risk to delivery of service so upgrades to these assets have been planned for Year 1 of the LTP. The Hikutaia reticulation was not renewed along with the Ōpōtiki Township and is nearing the end of its useful life. It will require partial replacement within the term of this LTP. The limitations of this scheme mean there is less ability to provide for growth or meet desired levels of service in certain locations. Therefore a connection to the Ōpōtiki scheme, new pump station, new rising main and new loop mains were carried out over the last three years. This has enabled response to growth, better service delivery and meant we were able to replace the old Hikutaia reservoir and Crooked Rd rising main. We will need to renew the reticulation at some point in the near future. We have tentatively included this in the plan for investigation in 2025. The Te Kaha scheme has recently undergone consideration for expansion in response to public consultation and coast community board interest. Both a northern extension to the Kereru River and a southern extension to Hariki Beach have been worked on over the last few years.

Financial Strategy

Ōpōtiki District Council's Financial Strategy is an essential element in the 2018-2028 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 2018-2028 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 in to a way forward over the life of this LTP. It paints a picture of how Council has had a long term 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.

Council plans to take advantage of that opportunity by way of investment in the Harbour Transformation Project and the Ōpōtiki Wastewater Reticulation Network within the life of this LTP. By the end of this Long Term Plan Council would like to see the issues around the Ōpōtiki Wastewater Reticulation Network resolved 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 in to 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 2,182 people (2.1% per annum), and 1,200 households by 2028. We don't expect any significant change in land use over the term of this LTP, we do however expect to see continued growth in kiwifruit development, particularly up the coast. 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 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.

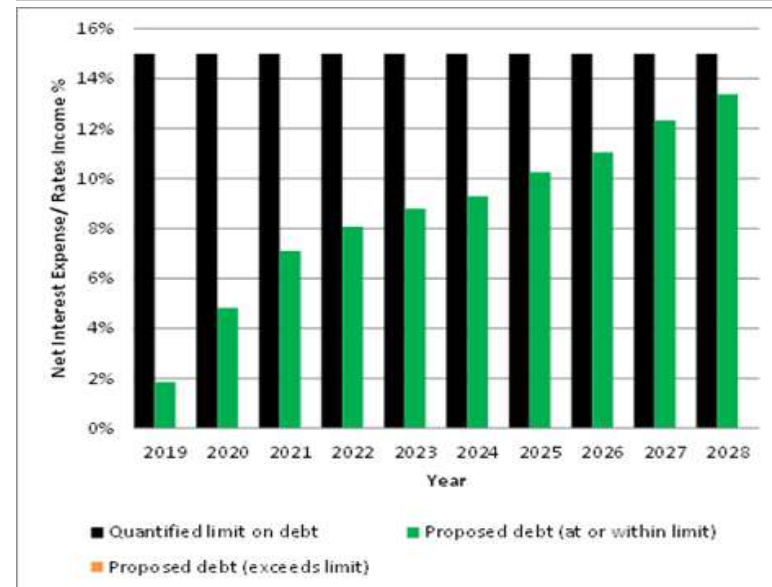
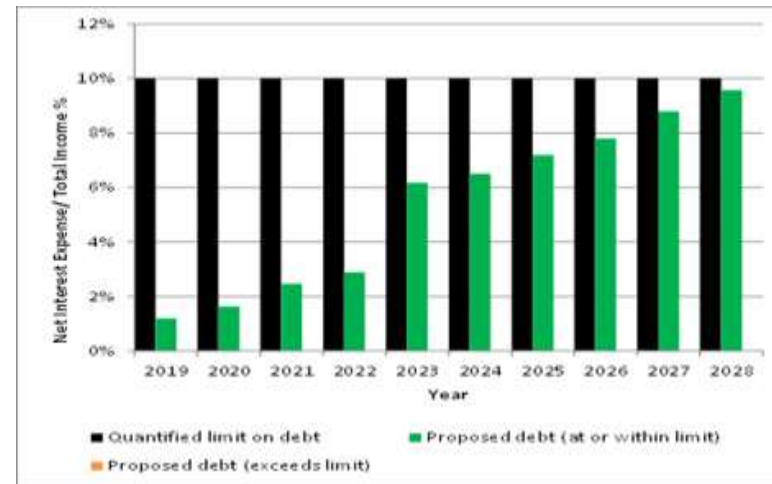
Borrowings

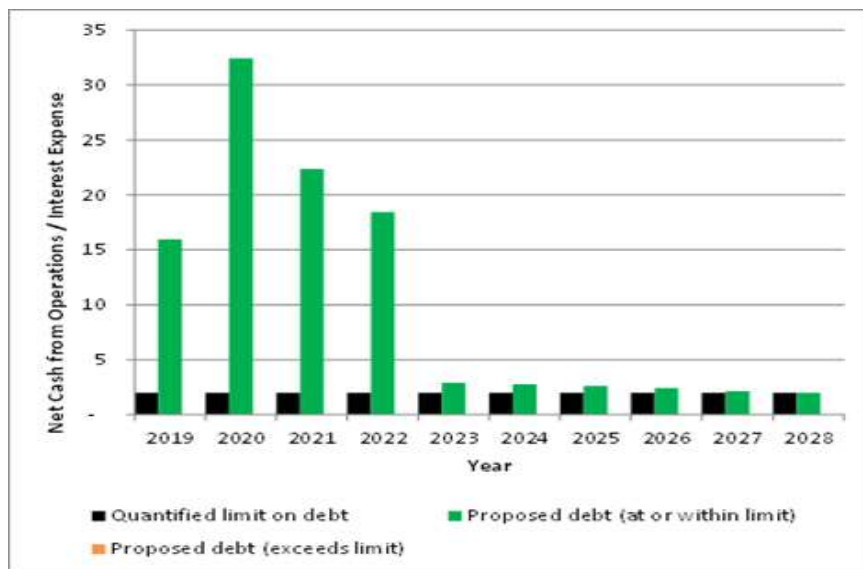
Council intends to increase borrowing over the life of this LTP, mainly for the two strategic projects discussed above, the Ōpōtiki Harbour Transformation Project and Ōpōtiki Township Wastewater Reticulation renewal, but also to fund a response to growth. Council has been reducing debt over time in order 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 Liability Management Policy:

Borrowing Limits:

- Net interest expense/total revenue $\leq 10\%$
- Net interest expense/rates revenue $\leq 15\%$
- Net cash flows from operating/interest expense ≥ 2





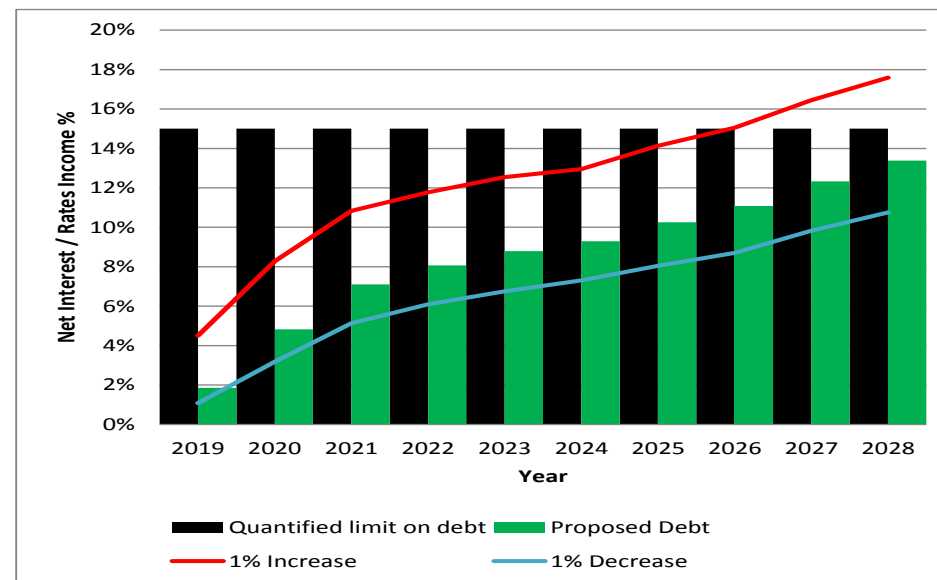
The graphs on the previous page and above outline how Council expects to perform against all of the borrowing limits specified. Right through the LTP Council falls within the limits set in the financial strategy. Council will use debt to finance long term projects and capital expenditure. The large scale projects and other smaller projects mean that gross debt levels will increase from the current \$5 million to \$53 million out to the end of the 10 year plan.

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 2021-2031 Long Term Plan. At that time a better understanding of the growth associated with the increased economic activity and the harbour build will be better understood.

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 increase or decrease over the term of this LTP Council will we still remain within the limits set. The graph to the right illustrates

the impact of a 1% increase and decrease on interest rates. Where an increase sees the limit breached from 2026 onwards.

However this needs to be tempered by the fact that Council would need to rate for the interest rate increase and that 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.

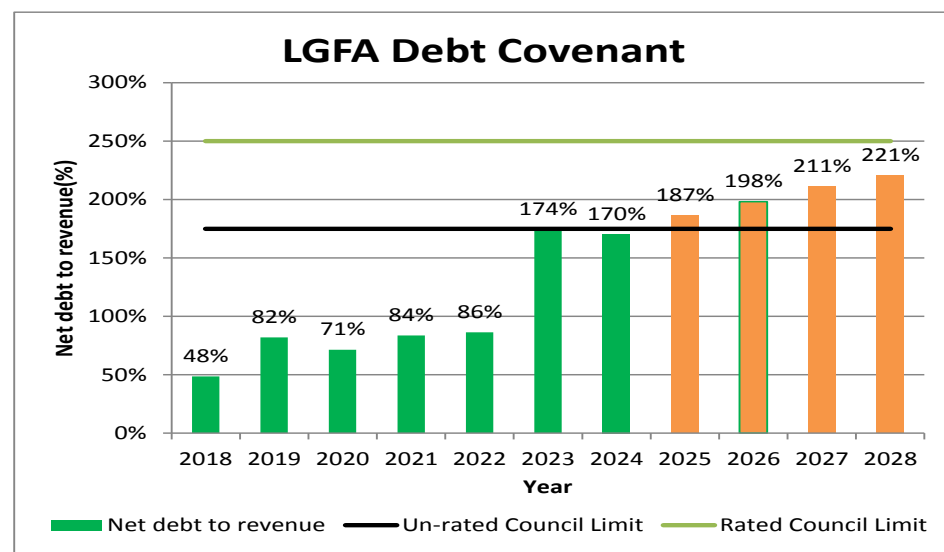
- Guaranteeing and shareholder Councils can borrow up to a maximum of 175% net debt to revenue before they have to obtain a credit rating.
- A maximum limit for all borrowers of 250% net debt to revenue.

In 2020 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.

The graph below illustrates that Council breaches the 175% limit in 2025, at which point we would be required to have a credit rating from an appropriate credit agency like S&P.

Throughout all years of the LTP Council remains below the 250% maximum limit.

As council is breaching the 175% net debt to revenue limits in years 7-10 it was prudent to confirm with the LGFA that they are comfortable with the breaches if Council meets the proposed conditions from the LGFA and this was confirmed.



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 our Treasury

Risk Management Policy. However, we have minimal levels of cash investments as our focus is on minimising debt.

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.

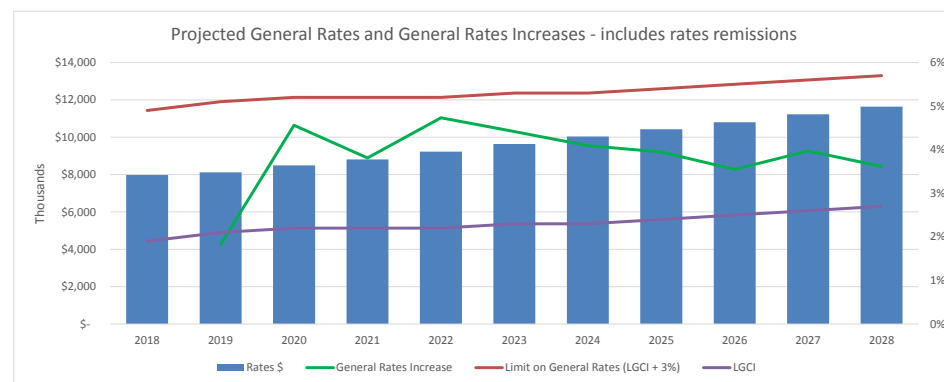
At the time of disposal, we will determine the most appropriate use of sale proceeds.

Rate Income

Currently 63% of Council’s income is derived from rates as it does not have alternative revenue streams such as investments. Council proposes to limit annual general rate increases to the Local Government Cost Index (LGCI) plus approximately 3%. Individual rate increases for ratepayers may be higher or lower than that average, but the overall increase in general rates revenue will be kept within a total annual increase of this limit. The self-imposed cap provides certainty to the community around future rates increases. This also enables Council to have the flexibility that should a particular group of ratepayers want additional services, Council can cater for this need through a targeted rate to that group. By capping the level of general rate increases this leaves targeted rates separate to enable funding of services for those that want additional services. Council thinks that this flexibility is important given the growth prospects currently out in the community. One of the outcomes of the strategy day we had with businesses in the district was 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 next graph shows Total Forecast Rate Revenue over the life of the LTP against the self-imposed cap on rate increases. The Total Forecast Rate Revenue represents Council’s agreed quantified limit on rates.

General 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.

Council is required to set a cap on total rates, which means to retain a cap on general rates we would need to also set a self-imposed cap on targeted rates. This is very difficult given the low starting point for targeted rates. We therefore need to set a high cap so that we don’t breach our own limits. We have set a cap limiting increases in targeted rates to 10%. This is to ensure that the proposed increase in year 1 of the LTP is within the limit.

Although 10% seems extremely high, in reality the starting point is very low, and we have not historically pursued the utilisation of targeted rates. Prior focus of Council was also on debt reduction, consolidation, and no changes to levels of service. It has been often said that “our ratepayers have gone without” in doing so. Continuation of this strategy set in the last LTP separating out general rates increases from targeted rates attempts to address this.

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

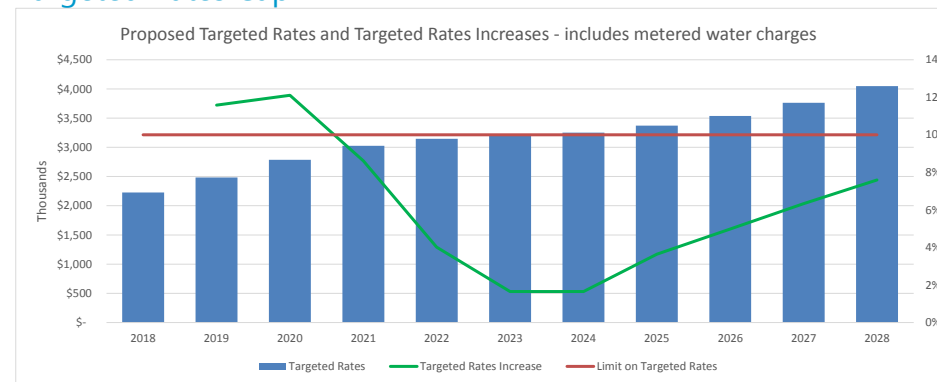
lower rates than inflation, whilst still retaining a focus on affordability to the ratepayer, and Council is very aware of this.

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 below.

Council breaches this self-imposed cap in year 1 and 2 of the LTP due to the significant increase in subsidy funding from NZTA and the fact the roading activity is funded completely by general rate and not targeted rates. This has meant that the increase in subsidy is offset by a reduction in general rates, whilst targeted rates remain the same.

There are also a number of target rate funded projects happening currently and in the first few years of the LTP, these are the wastewater renewal project, and changes to solid waste collection planned for year 2 of the LTP. Once these have been completed the increases fall back within the limit proposed.

Targeted Rates Cap



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 this 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 we are proposing to reduce it further to around 19%.

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 for the Waioeka/Otara River Scheme. It is the highest targeted rate in the Bay of Plenty. This rate is proposed to increase significantly again this year.

Our proposal to reduce the UAGC will only go part way to offsetting the increase of this Regional Council rate, but we consider it a small gesture that we consider the total rating impact on our community, including Regional Council rates, and not just our own. The proposed reduction will be about \$54 per property, down from \$470 to \$416.

Population Growth

Council engaged Martin Jenkins to develop population estimates for the next 10 years based on statistics NZ data as a baseline, and taking into account growth in a number of key industries within the district.

The outcome was a prediction that the population of the district would increase by 2.1 percent per annum to 2028, which is an increase of 2,182 people. We also expect this to have an impact on the number of rating units across the district as well, with a forecast 1.6 percent per annum to reach 7,476 rating units by 2028.

Growth provides benefits to the district and the communities within it, by bringing in more talented people, new businesses, and better quality jobs. As we grow those that live here will be presented with more choices around amenities, where to shop, and what to do. There will also be more people to share the costs of developing and running our district.

Growth will come at a cost though, housing demand is already outstripping supply, which is leading to a rise in housing costs, this will more than likely get worse before

the supply market catches up. There will be a larger number of people living in the rural areas, and outside the district, commuting to Ōpōtiki for work until housing becomes available. Roads into Ōpōtiki that are already busy in the mornings will get busier, having an impact on costs of the roading network.

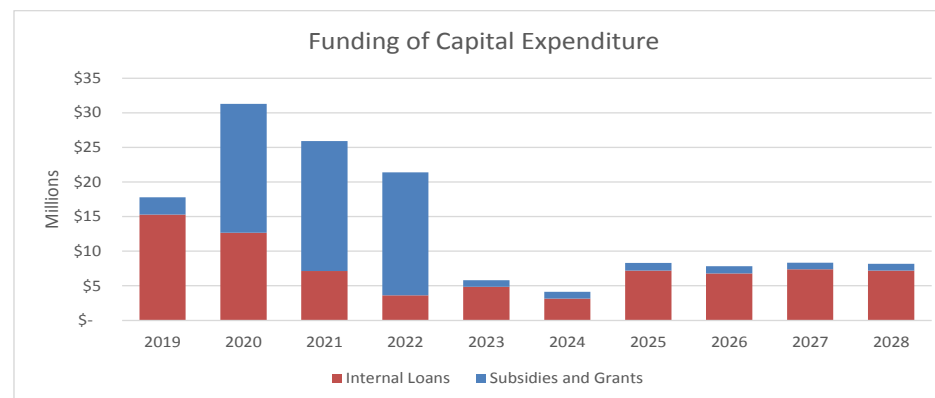
Council infrastructure that is already under pressure will be put under more pressure, for example wastewater networks. The remediation work we are doing will alleviate this greatly in the short term. In the longer term we will need to look at separate and isolated networks.

There will be increased demand for Council facilities, parks, and playgrounds, as well as investment to improve community wellbeing and safety.

We expect that most of the growth will be located in the urban areas that already exist, Waiōtahe Drifts, Ōpōtiki township, and Hukutaia/Woodlands. We have a number of projects in the latter years of the LTP scheduled to cater for this growth, and address some of the constraints to growth.

Council Expenditure

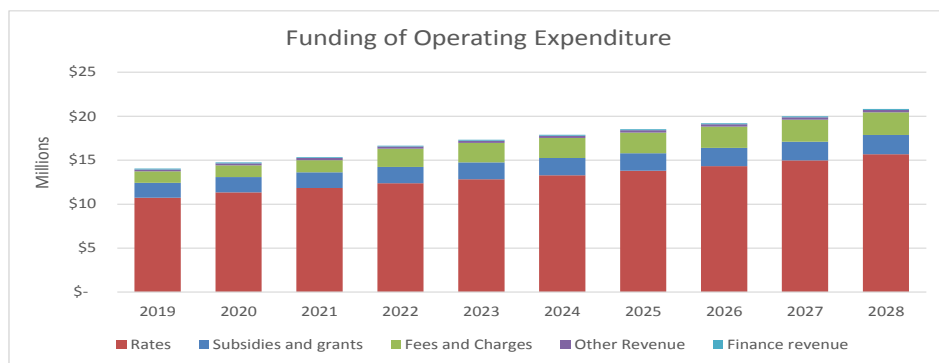
Council is forecasting that operating expenditure will increase from \$14m to \$22m between July 2018 and June 2028. There is a mixture of funding for expenditure but operating costs, which includes overheads, is mainly funded from rates. The next two graphs indicate the two main streams of expenditure and how they are funded over the ten year period.



Capital expenditure pays for buying or building new assets, renewing an existing asset or improving an existing asset to deliver a better service. As already mentioned,

capital expenditure in the LTP mainly focuses on the renewal/development of the Ōpōtiki Wastewater Reticulation Network and the Harbour Transformation Project. Combined these two projects represent a significant proportion of Council’s total capital expenditure over the next decade.

The large increase in Capital Expenditure in years two to four in the graph above represent investment in the Harbour Transformation Project. The corresponding increase in Operating Surplus (as a funding source) is directly related as it reflects subsidy income from the Bay of Plenty Regional Council and Central Government as expected funding partners.



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 2.38% per year.

As can be seen from the graph above, 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.

Funding of Depreciation

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

In certain 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
- Harbour Development project – Council expects the construction of the harbour groynes to be improvements to land, and will therefore fund maintenance of the structures instead of funding depreciation.
- 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 reserves. Internal loan repayments required may in some instances be less than depreciation
- If it is deemed financially prudent not to fully fund depreciation to avoid unnecessary surpluses being created in depreciation reserves.

Making informed decisions about the levels of depreciation that Council chooses to fund enables Council to effectively smooth the impact on rates whilst also being prudent about how asset replacement can and should be funded. Council considers rates smoothing is financially prudent and is an effective mechanism to ensure that

rates movements are at a level where they are contained within the acceptable limits set in this Financial Strategy.

Statement Concerning Balancing the Budget

The Council will produce a balanced budget in each of the 10 years of the LTP. Having considered the overall impact of its financial management policies and decisions we believe it remains financially prudent.

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

- Maintaining levels of service
- Maintaining service capacity and integrity of assets
- Intergenerational equity
- Compliance with the Council's revenue and financing policies.

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

Conclusion

Ōpōtiki District Council is looking to balance the provision of services to achieve a prosperous, vibrant and green district, while keeping funding affordable over time and maintaining a sound financial position. This LTP continues with the strategic theme of consolidation and prudent financial management, affordability and getting prepared for future growth opportunities. This is to be achieved by focusing investment on essential services required to support social and economic growth opportunities, namely the Ōpōtiki Wastewater Reticulation Network and the Harbour Transformation Project. 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 \$10.6m in 2018 to \$15.6m in 2028.

Debt will increase over the 10 years from \$5.0m in 2017 to a maximum of \$53m in 2028 to fund capital projects. 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 second 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, 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 have changed the way that capital renewal expenditure will be funded. 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 potentially lead to poor asset management principles, and large variability in rates income.

From 2015 onwards 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 works well in concept if done from the time of the asset addition, but has 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 this LTP we are proposing to fund all capital expenditure, including renewal expenditure by internal loan. We will still use rates to fund depreciation, and still maintain depreciation reserves. However, the depreciation reserves will be used to fund the repayment of those loans, not the full renewal of the asset. This will have two consequences.

1. It will smooth rates increases as levels of loan repayments will only ever shift slightly from year to year. And,
2. It will allow 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 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 by creating 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 asset base.

Council is also amending the term of internal loans as well for financial prudence. Currently Council's terms for internal loans are set at 20 years. This is reasonably consistent across the sector. What Council is proposing to do now is to tie the term of the loan to the life of the asset. This promotes 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 now 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 onwards a loan 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.

As part of this Long Term Plan process all current internal loan terms will be amended to follow the same principle.

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 2018-28 Long Term Plan (LTP) together with their perceived levels of risk to the integrity of the 2018-28 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.	Future Price Changes – Rate of Inflation	Low	Medium
2.	Future Treasury Changes	Low	Low
3.	New Zealand Land Transport Agency Subsidy Rates	Low	Medium
4.	Revaluation of Infrastructural Assets	Low	Low
5.	Useful Lives of Infrastructural Assets and Depreciation Rates	Low	Low
6.	Form of governance	Low	Low
7.	Central government policy Direction	Medium	low
8.	Climate Change and Emissions Trading Scheme	Medium	Low
9.	Population Structure and Growth	Medium	Medium
10.	Rating Unit Growth	Medium	Medium

No:	Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
11.	Building and Residential Development	Medium	Medium
12.	Development of commercial aquaculture industry and a navigable harbour entrance at Ōpōtiki	Medium	High
13.	Funding of Ōpōtiki Harbour development	Medium	High
14.	Treaty of Waitangi Settlement	Low	Medium
15.	Biosecurity Incursions	Low	Low
16.	Availability of Staff/Contractors	Low	Low
17.	Ōpōtiki Wastewater Replacement	Low	Low
18.	Sources of Funds for Future Asset Replacement	Low	Low
19.	Resource Consents	Low	Low
20.	Natural Hazards/Disaster	Medium	Low
21.	Insurance	Low	Low
22.	LGFA Borrower Notes	Low	Low

Assumption Detail

1. 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 2028. 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)
2019	2.0	1.7	2.3	2.0	1.6	2.0
2020	2.2	2.0	2.5	2.3	1.6	2.2
2021	2.2	2.1	2.3	2.4	1.7	2.2
2022	2.3	2.1	2.4	2.4	1.8	2.2
2023	2.4	2.2	2.4	2.5	1.8	2.3
2024	2.4	2.3	2.5	2.6	1.9	2.3
2025	2.5	2.3	2.6	2.7	1.9	2.4
2026	2.6	2.4	2.6	2.8	2.0	2.5
2027	2.7	2.4	2.7	2.9	2.0	2.6
2028	2.8	2.6	2.8	3.1	2.1	2.7

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

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

Future price changes different than those forecast above will impact on either service levels or future rate requirements depending on the variance. Such variances can be managed through future reviews of the LTP or via the Annual Plan Process so are considered to be low risk in the context of the 2018-28 LTP.

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

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

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rate	2.98%	2.12%	2.26%	2.40%	2.54%	2.66%	2.77%	2.87%	2.96%	3.03%	3.10%

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	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rate	3.73%	2.56%	2.75%	3.02%	3.20%	3.43%	3.60%	3.84%	3.90%	4.14%	4.30%

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.

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

3. 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.

In 2013 NZTA reviewed the funding assistance rates (FAR) nationally across all councils. The aim was to smooth out some of the discrepancies between the different funding rates that councils were getting and to also apply more attention to roads of significance and Auckland. Also each council previously received different rates for different types of work, so there was a lack of clarity within the system.

NZTA previously indicated that Councils would transition to their new FAR rates over a 9 year timeframe. However, in May 2018 NZTA advised Councils that they would move straight to the new FAR from 1 July 2018. This means that Council's rate will increase from 55% in 2018 to 75% in 2019.

A table of forecast funding rates is included below:

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rate	55%	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, and the fact that there is a new government in power which is considering allowing petrol tax rates to be set differently across the country.

There have been delays to the preparation of the Government Policy Statement (GPS) on land transport, the National Land Transport Programme (NLTP), and the Investment Assessment Framework (IAF), which will result in delays to when NZTA funding is finalised. The GPS sets out what the government wishes to achieve from its investment in land transport through the NLTF – a dedicated fund for maintaining and developing local and national transport services. The IAF is used to assess and prioritise business cases, programmes, plans, projects and other activities for investment from the NLTF for inclusion in the NLTP. The NLTP is only expected to be adopted end August 2018. The forecast financial statements is based on the assumption that the Ōpōtiki District Council will be able to claim 75% of all maintenance and renewal costs for district roads. Should the outcome of the NLTP result in less roading expenditure items being covered by the subsidy, the work programme for roading will be cut back and levels of service may drop as a result.

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.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
NZTA Subsidy Rates will continue at planned for levels.	Low	Medium

4. Revaluation of Infrastructural Assets

Infrastructure Assets are to be re-valued every three years in line with Council's Accounting Policies and the outcome may alter the carrying value of Council Assets and the associated depreciation expense. The last valuation was undertaken as at 1 July 2017. It has been assumed that any change in valuation will be in line with assumed rates of inflation. As a result Council considers that Asset Revaluations represent a low level of uncertainty for the LTP forecasts.

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

5. Useful Lives of Infrastructural Assets and Depreciation Rates

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

In the LTP.

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

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

6. Form of Governance

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. Government has signalled in a number of forums that they do not intend to look at forced amalgamations. The 2012 amendment to the Local Government Act was intended to make amalgamation easier between willing councils and communities. In the Bay of Plenty there is general agreement between the councils, via the Triennial forum that "form follows function" and any drivers for amalgamation are not apparent.

There is risk however of groups lodging amalgamation proposals to the Local Government Commission. The amendments to the LGA mean that smaller councils can be voted out of existence by larger communities. Currently there would appear little community appetite for this in the Bay of Plenty.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
No considerable change to the form of governance through the life of the LTP.	Low	Low

7. 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 ongoing programmes of amendments proposed to the Building Act, the Resource Management Act. The Health and Safety Act has already had a significant impact on our organisation and the businesses that deal with Council. There are also changes recently bedded in that relate to the Food Act that have required a reallocation of resourcing in the organisation. There is also an increased risk that a newly elected government will make further changes to the legislation applicable to local government, although this may be offset by the stated intention to drive regional economies.

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

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

8. Climate Change and Emissions Trading Scheme

The earth's atmosphere is made up of oxygen, nitrogen and a small percentage of greenhouse gases. Greenhouse gases normally act like the roof on a greenhouse – trapping warmth and making life possible on earth. Without them, too much heat would escape and the surface of the earth would freeze. Increased amounts of greenhouse gases have the opposite effect – they heat up the earth, causing a rise in temperature and affecting climate patterns (known as climate change).

Current scientific thought is that more than 100 years of industrialisation and human activity has increased the amount of greenhouse gases in the atmosphere, speeding up climate change. Central government recognises climate change as a long-term strategic issue for New Zealand within the broader context of economic transformation, national identity, and other leading issues such as water quality and flood risk management. Since 1916, sea level has climbed by between 14 and 22cm at our four main New Zealand ports

How might climate change affect New Zealand and the Bay of Plenty in particular?

It is predicted the New Zealand, including the Bay of Plenty region, can expect the following climate change effects:

- A base sea level rise of 0.5m and potential higher value sea level rise of at least 0.8m between 1990 and 2090;(noting MFE are currently updating, and likely increasing these numbers)
- Temperatures are likely to be around 1.1°C warmer by 2040 and up to 3.1°C warmer by 2090, compared to 1995
- According to MFE predictions there is large natural variability in extreme rainfall frequency in the Bay of Plenty from year to year and decade to decade. According to the most recent projections, the Bay of Plenty is not expected to experience a significant change in the frequency of extreme rainy days as a result of climate change.
- Fewer cold temperatures and frosts, with more high temperature episodes;

The frequency of extremely windy days in the Bay of Plenty by 2090 is not likely to change significantly. It is possible the region may experience more north-easterly winds during summer and more westerly winds during winter.

Future changes in the frequency of storms are likely to be small compared to natural inter-annual variability. Some increase in storm intensity, local wind extremes and thunderstorms is likely to occur. The frequency of ex-tropical cyclones is projected to either decrease or remain unchanged over the 21st century; however the ex-tropical cyclones will likely be stronger and cause more damage as a result of heavy rain and strong winds

A changing climate is expected to create both opportunities and risks for the Bay of Plenty. These predicted changes may be beneficial to some sectors of the agricultural and horticultural industries with less frost and increased mean temperatures leading to longer growing seasons.

It may also mean that the Bay of Plenty is susceptible to:

- More of different pest plants and animals, and the need to change varieties of crops
- Changes in natural ecosystems
- Sea level rise, which will increase costs of draining and pumping in low lying areas, and has the potential to decrease coastal flood protection levels of service
- An increase in the intensity of rainfall rising the flood risk to floodplains; and
- More frequent and intense storms which could change flood protection design levels, increase erosion impacts, increase coast storm effects, and increase run-

off from upper catchments leading to an increase in sediment transport to harbours and estuaries.

Climate Change can affect Council’s functions in a number of ways:

A. Hazard Planning and other regulatory and environmental planning roles
 Council has a shared responsibility under S31 of the RMA for management of natural hazards. This is further reinforced in the Regional Policy Statement that directs a shared approach to the management of natural hazards. Council’s regulatory role is generally well defined by the hierarchy of RMA planning documents and national guidance is given on the parameters and the process of implementation. From time to time national policies are promulgated that require council to update its planning documents and regulatory functions in accordance with revised guidance. It is assumed that updates will be accommodated within normal planning processes.

B. Design of assets
 In designing its assets council will continue to use the latest guidance for the various design parameters. Climate change effects are built into the design of new assets and on replacement of existing assets. Some assets may need additional capacity as climate change effects become apparent, however climate change scenarios indicate there is sufficient time to plan ahead. It is assumed that guidance on increased rainfall or sea level parameters will continue to be readily available and council will continue to adapt as new predictions from credible sources become available.

C. Increase in frequency of extreme events
 Climate change predictions are for an increase in the number and size of extreme events over time. This is a difficult science in that there is a lot of noise in the data that can lead the public to perceive a rapid change in weather events when in fact it is a slow change over decades. It is assumed that there will be a gradual increase in the frequency and size of events causing increased erosion and damage. Over time Council may find itself facing increased costs of flood and erosion events however it assumed this will be over a number of decades and can be reviewed in successive LTPs.

Emissions Trading Scheme

The New Zealand government is a signatory to the Kyoto Protocol that seeks to limit global emissions. One of the tools the government is using is the implementation of an Emissions Trading Scheme. Effects on council could be increased cost of disposing of solid waste, and increased fuel and energy costs. Effects in the district could be

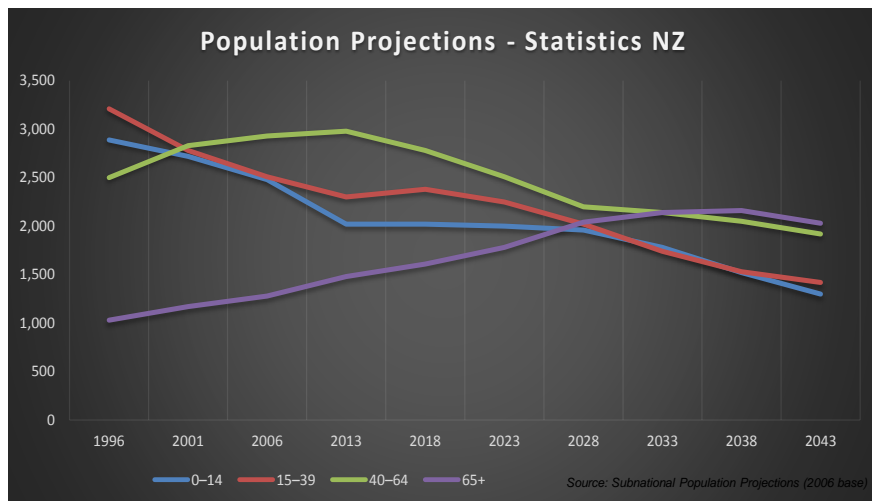
more favourable conditions for forestry and increased cost of farming from 2015 when farming enters the scheme.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
Climate Change will affect the District over the medium to long term and that government continues its progress towards an emissions trading scheme but at a slower rate and with less impact than had been previously forecast.	Medium	Low

9. Population Structure and Growth

Population Structure: As at the 2013 census that population of the Ōpōtiki District had declined by 420 people to 8,780. This is a 4.6% reduction since the 2006 census, or on average a decline of around 1% per annum.

As at the 2013 census the median age (half are younger, and half older, than this age) of people in the Ōpōtiki District is 40.8. For New Zealand as a whole, the median age is 38.0 years. 16.9 percent of people in Ōpōtiki District are aged 65 years and over, compared with 14.3 percent of the total New Zealand population. 23.0 percent of people are aged under 15 years in Ōpōtiki District, compared with 20.4 percent for all of New Zealand. The graph below tracks past changes to the Ōpōtiki Districts population age and forecast projections (based on Stats NZ medium projection series) out to 2043. The overall trends points toward an aging demographic. This apparent trend may have an impact on Council services going forward as they relate to services relevant to the retired however it is important to note that the Statistic New Zealand forecasts are not influenced by local factors such as the developing Aquaculture Industry (discussed further below) which will increase employment opportunities and therefore a working age population.



Ethnic groups: 52.0 percent of people in Ōpōtiki District belong to the European ethnic group, compared with 74.0 percent for New Zealand as a whole. 60.6 percent of people in Ōpōtiki District belong to the Māori ethnic group, compared with 14.9 percent for all of New Zealand.

Statistics New Zealand Census Data and associated projection are generally considered a reliable source of information for the purposes of planning for future (demand driven) services in the Local Government Sector and for that reason form the starting point for the population assumptions for Council's 2018-28 Long Term Plan. It is important however to note that these projections do not always cater for localised events, issues and developments that can and often do influence communities and their populations.

There are four such developments that are likely to take shape in the Ōpōtiki District over the life of the 2018-28 Long Term Plan. The first is the developing aquaculture industry and related navigable harbour entrance at Ōpōtiki (discussed in section 11 below) which will see the continued development of the country's largest offshore marine farm. The second is the pending Treaty of Waitangi Settlement with the Whakatōhea Iwi entity (discussed in section 12 below). The third is proposed expansion in the kiwifruit industry in the District, two of the three large packhouses have spent a considerable amount of money in capital expansion works over the last three years, and have budgeted for significant increases in throughput and numbers of jobs available. And fourthly the Manuka industry has really taken off over the last three years through NZ Manuka, a considerable amount of capital has been invested recently, and job numbers are projected to increase substantially. All of these issues

will have significant impacts for the Ōpōtiki District Community and its population. The already developing Aquaculture Industry will create employment (both direct and indirect) opportunities within the community and have a subsequent impact on the future population. So too will the Treaty of Waitangi Settlement with the Whakatōhea Māori Trust Board developing strategies to invest Treaty Settlement proceeds locally with a view to benefit Whakatōhea people within the Rohe and to attract its people back to the area. Whilst the expansion in the kiwifruit and Manuka industries will bring more people into the district to fill the jobs required, and also provide for more high paying full time jobs.

Martin Jenkins has been commissioned to provide population projections for the Ōpōtiki District to support the Long Term Plan.

We reviewed historical demographic data and school rolls as well as economic variables such as employment, rateable assessments and building permits to determine whether there were other trends that may inform population projections that differ from those provided by Statistics New Zealand and the National Institute of Demographic and Economic Analysis.

The analysis suggested that population decline of the order suggested by Statistics NZ and NDIEA were likely outcomes. The approach used to determine Ōpōtiki population projections in the previous LTP was modified to provide an aspirational growth scenario for the district.

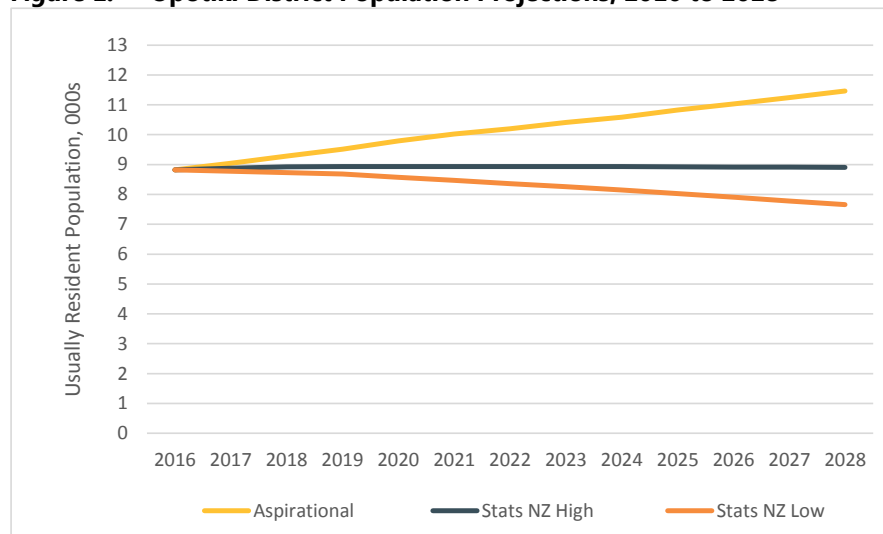
The Statistics NZ high percentile and low percentile scenarios were adopted as the baseline scenarios. We then estimated likely employment growth from the Twin Harbour Projects, Kiwifruit expansion and Whakatōhea iwi development activity. This included indirect and induced employment generated as a result of these direct jobs. We then estimated the likely proportion of this employment that would have to come from outside the district over the medium term (to 2028).

This out of region employment was then converted into new households and then additional population utilising ratios of average employed per household and average household size to determine the additional population these jobs would attract.

Over the period 2016 to 2028, there will be population growth of 2,182 people and an additional 1,200 households from the increased economic activity.

The additional population was added to the Statistics NZ High percentile projections to reflect the aspirational population scenario. The Statistics NZ Low percentile projections reflected a worst case scenario where the additional activity resulted in no new population growth. Population projections for the Ōpōtiki District are shown in Figure 1.

Figure 1: Ōpōtiki District Population Projections, 2016 to 2028



Source: MartinJenkins

Under the aspirational projection, population increases by 2.1 percent per annum between 2016 and 2028, an increase of 2,182 people. Under the worst case scenario, the district’s population would decline by 1.4 percent per annum, or 1,163 people. Table 1 presents a summary of the key assumptions underpinning the analysis.

Table 1: Summary of Key Assumptions

Baseline population projections	
Statistics NZ High (2018-2028)	-0.02%pa
Statistics NZ Low (2018-2028)	-1.3%pa
Employment from out of district	
Twin Harbour Project - Construction	60%
Twin Harbour Project – Operations	40%
Kiwifruit processing	40%
Manuka production and processing	50%

Kiwifruit industry growth rate	0.75% pa
Indirect and induced multiplier	1.4
Average employees (full time)per household	1.08
Average household size	2.38 (2018) to 2.25 (2028)

Source: MartinJenkins

The aspirational population projection is based on projected employment growth in the district. However, for this analysis we have only considered growth as a result of the Twin Harbour projects and the Kiwifruit and Manuka industries. 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 region such as Whakatōhea Māori Development Board activity to encourage opportunities for their iwi.

Further, the aspirational projection will change if any of these key assumptions change.

It should be noted that these population projections are a guide to future growth and are not interpreted as an absolute when making investment decisions reflected in the long Term Plan. By way of example, decisions around infrastructure investments are based on not only catering for the above population projections but also provide for additional capacity so to ensure that services are future proofed.

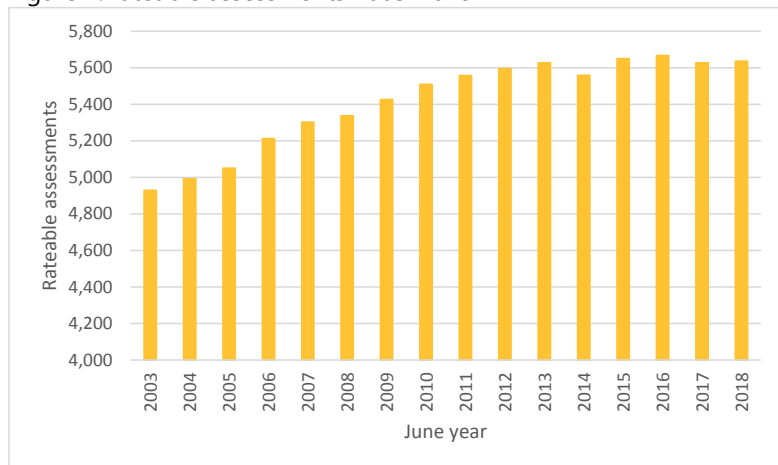
The illustrations of rating impact contained within the financial information of this LTP does not take into account any growth in rating units, all targeted rates and uniform charges are based upon the most current numbers available at the time of preparing the LTP. If there is growth in the number of rating units the targeted and uniform charges per property will reduce as they will be spread over a greater number of properties.

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

10 Rating Unit Growth

Rateable assessments provide an estimate of the total number of properties in Ōpōtiki. Rateable assessments include all property types – residential, commercial and public. From 2003 to 2013 there has been a steady increase in the number of rateable assessments, as shown below;

Figure 2:Rateable assessments 2003-2018



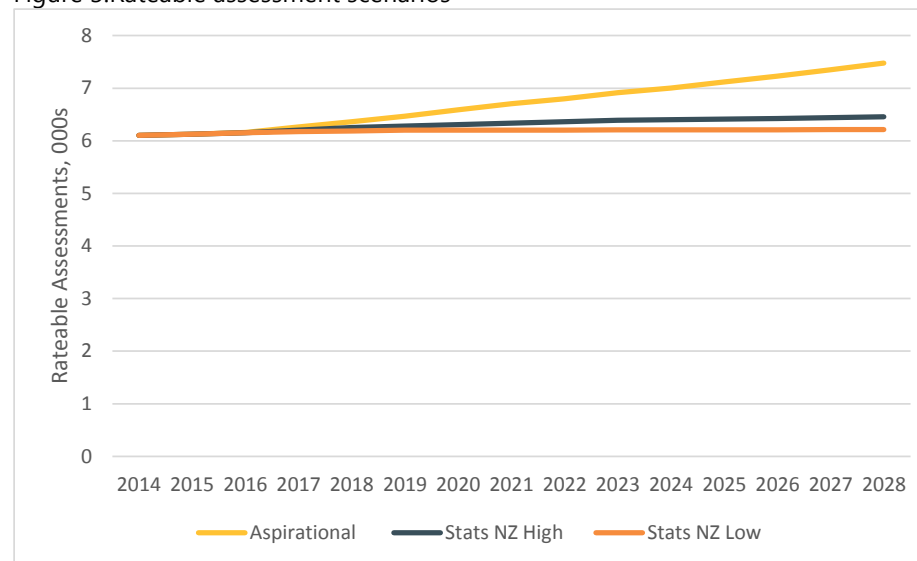
Source: MartinJenkins

Between 2003 and 2013, the number of rateable assessments grew by 1.3 percent each year. On average, there were an additional 73 rateable assessments each year. From 2014 to 2018, the growth in the number of rateable assessments has dropped off, growing by only 0.3 percent each year.

We would note that there has been some consolidation in the rateable assessments with the amalgamation of rural properties between 2016 and 2017.

Looking forward, reticulation projects should result in infill housing in Hikutaia and Woodlands. The next lot of the Waiōtahe drifts should release a further 100 sections. The district plan review saw 20 hectares rezoned from rural to industrial, and a marine services and harbour industrial zone were also added.

Figure 3:Rateable assessment scenarios



Source: MartinJenkins

The number of rateable assessments increases under all three scenarios. By 2028, the aspirational scenario sees the number of rateable assessments increase by 1.6 percent each year to 7,476.

Under the Statistics New Zealand high scenario, rateable assessments will increase by 0.3 percent each year from 2018 to 2028 to 6,459.

Under the Statistics New Zealand low scenario, rateable assessments will increase only marginally, to 6,214, an increase of 0.04 percent each year.

The two assumptions that have a major influence on the rateable assessments are the proportion of additional households that move into existing vacant residential; and that a decline in household growth does not have a flow on effect to rateable assessments.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That growth in the rating base is adequately provided for in the long Term Plan.	Medium	Medium

11 Building and Residential Development

As discussed elsewhere in this paper the developing Aquaculture Industry along with a significant growth in the kiwifruit industry and a pending Treaty of Waitangi Settlement will create significant opportunities that are expected to drive population growth over the 2018 to 2028 LTP period.

The projected population increases over this period are included in section 8 of this paper. In summary it is anticipated that the population of the district will increase by about 2,182 residents. It has been assumed that around 1,200 additional houses will be needed to accommodate the increased population at a rate of 2.25 persons per household.

The business case for the aquaculture venture shows that there will be a range of jobs and salaries and therefore there is likely to be a wide variety of expectations in terms of the residential environments that people may wish to live in. The Ōpōtiki District Council needs to be able to offer choice in residential demand to satisfy demand and expectations.

It is likely that some of the projected population increase will be accommodated through existing rural-residential lifestyle development in close proximity to the township. However, these developments are at the upper end of the market and will not be an option that will be generally affordable for most. There is also capacity in areas that are zoned coastal settlement, and in particular the area known as the Drifts is one such area. These areas are also at the higher end of the market.

There are two other areas that offer opportunities for further developments, the Kukumoa/Hikutaia area which has a mixed old and new residential character and could be developed further to satisfy mid-market ranges and within the boundaries of the Ōpōtiki Township there is a level of infill capacity which could be suitable for the development of affordable housing.

It is anticipated that rural-residential lifestyle and coastal development are likely to accommodate a small percentage of the increased population due to affordability issues. Therefore, it is anticipated that most of the population increase will be accommodated within the Ōpōtiki Township and in particular the area known as Hikutaia. People moving into Ōpōtiki can reasonably expect to have a similar level of infrastructural services that are available in other towns such as reticulated sewerage and water supply.

The aging sewerage infrastructure requires upgrade and would not be able to cater for a substantial increase in infill development should individual owners wish to exercise their options under the District Plan and subdivide sections to 400m². The scheme will need to be upgraded in order for infill development to be an environmentally sustainable option for the township. At present there is no reticulated sewerage system in the Kukumoa/Hikutaia area. If the population was to substantially increase in this area it is desirable from a health and environmental perspective that sewerage be reticulated.

The District Plan provides for a density of one household unit per 400m² where sites have access to a sewerage system. There are around 1090 existing houses within the township and the majority of these houses are built on sites that are theoretically capable of infill development acknowledging that many property owners may not wish to subdivide. In addition it is anticipated that there will be a number of other activities associated with the processing facility that are likely to be located within the Ōpōtiki Township due to indirect and induced effects of the establishment of the processing facility. These activities will also have an impact on the sewerage system. While there will be impacts on the capacity of the sewerage system within the township to cope with increased activities (residential and industrial) the current treatment facilities are capable of treating any increase and disposing of it in an environmentally friendly manner.

It also cannot be overlooked that with the development of processing facilities for the aquaculture product, this too will have a significant trade waste component that may need to be accommodated by the sewerage system.

The Hikutaia area has at present around 460 houses. There is potential for around 530 further sites on land that is already zoned residential under the District Plan. Note: the number of potential house sites was calculated using the 800m² minimal lot size and included the hospital site.

There is also land presently zoned rural adjacent to the residentially zoned land that is considered suitable for residential development and there is potential for 346 sites. The greater Hikutaia area at its greatest extent is likely to accommodate in excess of 876 residential sites (under existing rules).

It is not desirable from a health and environmentally sustainable perspective for this level of development to occur without appropriate sewerage facilities. In addition the old hospital located on Hikutaia Road has been land banked and is subject to treaty claims. While the Council cannot influence treaty processes and timing of settlements,

it is anticipated that during the life of this LTP that the future of this site will become apparent and while it may not be used for residential purposes any development is likely to place additional demands for sewerage disposal. The past practice of addressing sewerage disposal on site when the hospital was in operation is now not an appropriate way of addressing sewerage from an activity that is likely to generate levels significantly above those generated by an individual residential activity.

In summary:

- It is anticipated that the population of Ōpōtiki will increase by 2,182 residents and that this will require the building of 1,200 houses
- It is anticipated that a small percentage of the increased population will be accommodated through rural-lifestyle development and land presently zoned coastal settlement such as the 'Drifts'
- The aging state of the Township's sewerage provides a significant constraint to residential infill development and the ability of the system to accommodate new aquaculture processing and other associated industrial activities
- The Hikutaia area is presently considered capable of accommodating a significant proportion of growth through both land presently zoned residential and an extension to the residential zone on land presently zoned rural
- The Hikutaia area is not presently serviced by reticulated sewerage and for the population to increase in this area there is a need for a reticulated sewerage disposal system from health and environmentally sustainable perspectives
- The settlement of treaty claims over the life of the LTP will create a dynamic situation that is likely to place additional demand on Council's facilities and in particular the Hikutaia area where the on-site disposal of sewerage and waste from a significant activity will be undesirable from both health and environmentally sustainable reasons.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That urban development has been adequately catered for and that planned for infrastructure can cope with expected development.	Medium	Medium

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

The Ōpōtiki Harbour Transformation Project is comprised of two interdependent projects: one is the Eastern Sea Farms Limited (ESL) aquaculture venture – the country's largest offshore marine farm; the other is a large scale infrastructure project to improve the navigability of the Ōpōtiki Harbour entrance. Together these projects have the potential to transform the Ōpōtiki community from high levels of deprivation and social spend, to social and economic independence.

The ESL marine farm site is located 8.5km off the Eastern Bay of Plenty coastline and will have a total area of 3,800 hectares when fully developed. Comprehensive research and investigations undertaken as part of the proposal's development determined that the site is potentially one of the most productive marine farming areas nationally and, in all probability, internationally.

ESL holds all necessary resource consents for the development of the multi-species marine farm. The first three trial lines for Greenshell mussels (15km total length) were installed in October 2010. An operating company, Whakatōhea Mussels (Ōpōtiki) Limited (WMOL), was formed in 2014 and has since installed 108 of its own lines and 60 for ESL. The first commercial harvest of 45 tonnes in October 2016 was sold on the local market and WMOL purchased a specialised marine farming vessel, the Northern Quest, in November 2016. In November 2017, WMOL contracted a New Zealand boat builder to build a second, new customised vessel. Once production reaches about 6,000 tonnes per year, they expect to be able to land product in Ōpōtiki, where a processing plant will be constructed. The resource consents for the farm enable diversification into other species including scallops, pacific and flat oysters, and allow for pilot farming of geoduck. Trials with some of these species have been undertaken.

Ōpōtiki District Council has led the development of a proposal to recreate a usable harbour entrance that provides a level of access suitable for servicing the existing marine farm and enables additional offshore aquaculture development 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. A concession for the use of land has been approved by the Department of Conservation and is being updated

As can be seen from the timelines below, the existing marine farm and the harbour entrance improvements are inextricably linked. For the commercial entity, the proximity of the marine farm to servicing and processing facilities is a key determining factor in the long-term viability of the farm's development. Currently, servicing of the

farm occurs through the Port of Whakatāne, and mussels are transported to Tauranga by road for processing. However, Whakatāne is not suitable in the long term due to its difficult harbour entrance, lack of suitable land for servicing and processing facilities, and conflicting uses in and around the harbour. Locating the servicing base in Ōpōtiki is the most cost effective option, subject to a reliable entrance being created.

Similarly, the benefits of the Ōpōtiki harbour entrance improvements project will only be fully realised if the marine farm servicing and facilities can be located in Ōpōtiki with the resultant social and economic benefits to the community.

Aquaculture Industry		Ōpōtiki Harbour Development	
Investment decision	Sep – Dec 2018	Government investment decision	– By Dec 2018
First commercial harvest	Jan - Oct 2016	Construction start	Late 2018/Early 2019
		Construction finish	Early 2021

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

13 Funding of the Ōpōtiki Harbour Redevelopment

As described in point 12, the development of the Ōpōtiki Harbour is fundamental to the developing aquaculture industry in the Eastern Bay of Plenty and central to the Ōpōtiki District reaping the associated economic and social benefits.

Combined with the ongoing development of the commercial aquaculture industry, a navigable harbour entrance at Ōpōtiki has the potential to transform the Ōpōtiki

community from high levels of deprivation and social spend, to social and economic independence.

The harbour and the aquaculture projects are fully consented. The commercial aquaculture entity is now active and a local mussel processing plant becomes feasible when the operation reaches a production volume of 6,000 tonnes year. The Whakatōhea Agreement in Principle to reserve a further 5,000 ha for aquaculture more than doubles the likely benefit of the harbour and recent research shows that up to five farms totalling 20,000 ha are sustainable in the Eastern Bay of Plenty.

The development of the harbour to enable the aquaculture industry comes at significant cost. That cost cannot, and should not, be borne by the Ōpōtiki District ratepayers alone. The required investment is well outside the affordability reach of the Ōpōtiki District community on its own. Economic and social impact assessments demonstrate that the harbour project and the developing aquaculture industry have a range of national, regional and local benefits. As a result, there is a sound case for public funding beyond the Ōpōtiki District boundaries.

A fully operative aquaculture industry serviced from the Ōpōtiki Harbour will benefit the Ōpōtiki District's community in terms of social and economic outcomes; however the regional and national benefit should not be overlooked. Estimates by Sapere (2012) are that the existing 3,800 hectare marine farm, using conservative figures and processing mussels alone, could be worth about \$41-55 million in terms of regional Gross Domestic Product (GDP). Multiplying these numbers by three times (still conservative) gives \$120M - \$150M as the potential benefit. This also has a flow on impact on national GDP, and other national benefits such as a potential reduction in the need for tax payer funded social services in the Ōpōtiki District.

Given the local, regional and national benefit, a funding partnership between Ōpōtiki District Council, Bay of Plenty Regional Council and central government has been assumed. In 2013, BOPRC committed \$18M in grant funding through their Regional Infrastructure Fund, plus \$2M in its Long Term Plan 2015-25. ODC is working with partners, including BOPRC, Whakatōhea Māori Trust Board, the Ministry of Business, Innovation and Employment, and the Ministry for Primary Industries, to finalise a business case for government funding for the harbour development.. The business case provides compelling social and economic justification for investment.

The commitment of \$5.4M from Ōpōtiki District Council will be funded by way of loan, to be repaid over time by revenue from harbour users. The BOPRC funding is a grant, subject to a range of conditions set out in a Heads of Agreement approved in December 2014. The form of the government funding is not known at this stage but

is assumed to be a mixture of grant funding and suspensory loan. The following funding splits are assumed for the purposes of the 2018-28 financial forecasts. We expect the government contribution to be higher but at this stage can't predict how much.

Funding Partner:	Contribution:
Ōpōtiki District Council (loan)	\$5.4M
Bay of Plenty Regional Council (grant)	\$20M (no inflation allowance)
Central Government	\$26.6M
Total	\$52M

While there is no confirmed commitment around the government funding all political parties and many government officials have been briefed and updated over the past 12 years.

The BOPRC funding is conditional on a commitment to the construction of a local processing plant, as the expected social and economic outcomes arise from the creation of local jobs, with local people filling those jobs. The rationale for ODC's contribution is also to drive social and economic change and is therefore subject to the same condition.

WMOL has achieved successful mussel spat catches and its second commercial mussel harvest. The spat catch nationally has been significantly reduced over the last few years and the site at Ōpōtiki is showing promise as a supplier of spat to the wider industry. Given the company's success to date, the risk around lack of investment is judged to be low, though there are a range of risks related to weather patterns and events, offshore currents and nutrients, vandalism etc. The risk in relation to the establishment of a local mussel processing factory is therefore judged to be medium.

If external funding is not available to support the Harbour Transformation Project, it will not go ahead and associated expenditure will not occur because the level of investment is beyond the Ōpōtiki District Community's ability to pay.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
External funding is available in support of the Ōpōtiki Harbour Transformation Project.	Medium	High

Additional Assumptions:

The LTP assumes Council ownership of the harbour training walls. This will be tested further with government.

It is assumed that a revenue flow from the existing mussel farm will commence on completion of the harbour and that revenue from harbour users will effectively pay back the ratepayer contribution over time.

14. Treaty of Waitangi Settlement

A significant Treaty of Waitangi Settlement with the Whakatōhea Iwi is expected within the planning horizon of the 2018-28 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.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
That there will be a Treaty of Waitangi Settlement with Whakatōhea Iwi with the life of the 2018-28 Long Term Plan.	Low	Medium

15. Biosecurity Incursion Risks

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

In the last LTP we had a separate assumption on *Pseudomonas Syringae* pv. *Actinidiae* (PSA) which had recently impacted on the district quite significantly.

More recently, 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. There have been no confirmed cases yet in the Ōpōtiki District but the impact on a blossoming Manuka industry could have some potential, although it has been found that Manuka in Australia (where the rust originated from) has been quite resistant.

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. 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

16. Availability of staff/contractors

Recent economic conditions in New Zealand mean that there are skills shortages in some industries. In the 2017 Pre-election Economic and Fiscal Update, Treasury warned of growing evidence of capacity constraints on the economy. 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. There is potential that the letting of a contract to build the harbour will bring additional expertise and capability to Ōpōtiki in the form of new and up-resourced contractors,

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

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

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

17. 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 2018-28 LTP. There is a minor risk of delay due to pressure on contractor availability over the next three years.

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

18. 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.

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

19. 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.

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

20. 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.

Assumption:	Level of Uncertainty:	Impact on Integrity of LTP:
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

21. 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.

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

22. 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.

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

Disclosure Statement and Financial Prudence Benchmarks

Long Term Plan disclosure statement for period commencing 1 July 2018

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.

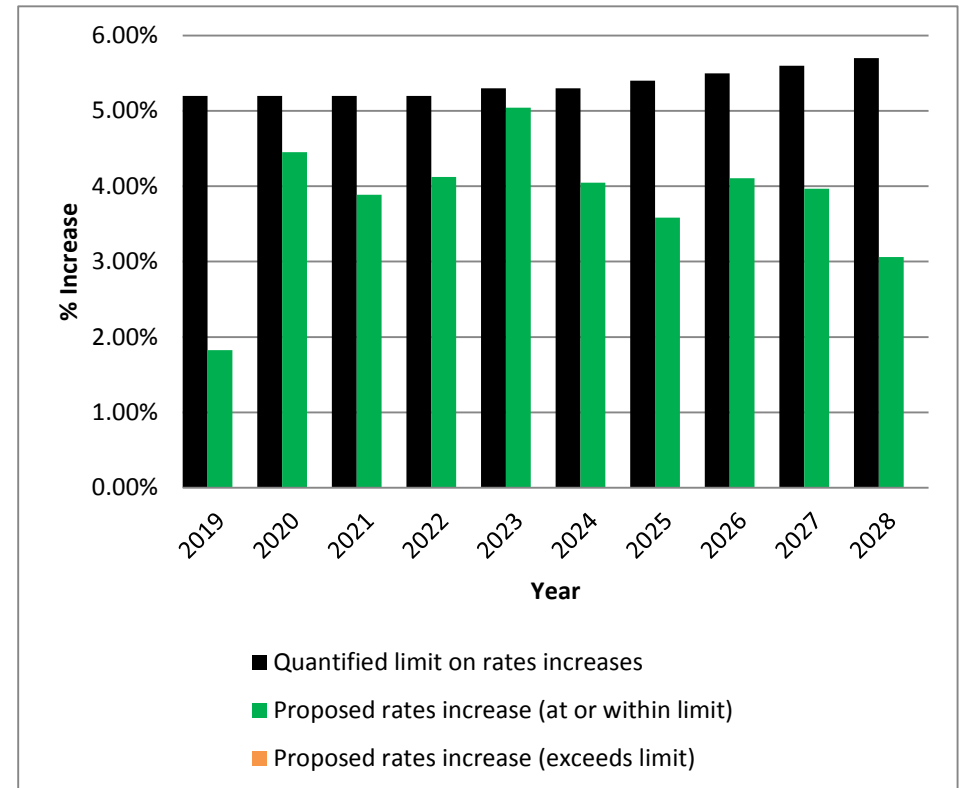
Rates Affordability Benchmark

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.

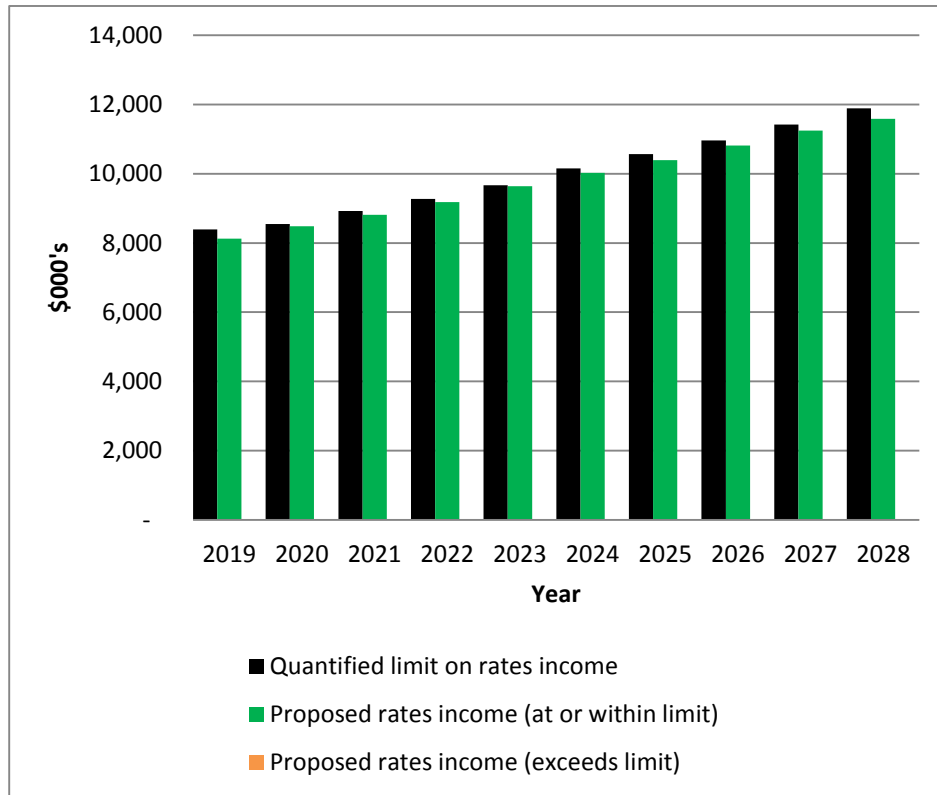
Rates (increases) Affordability – General Rates

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%.



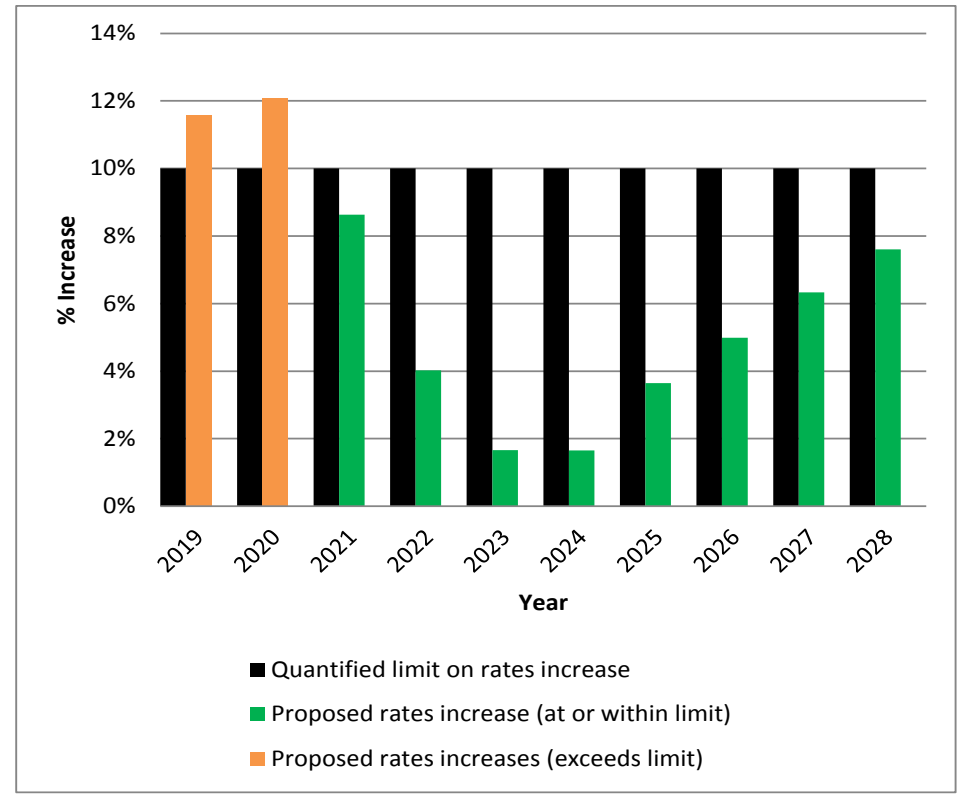
Rates (Income) Affordability – General Rates

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%).



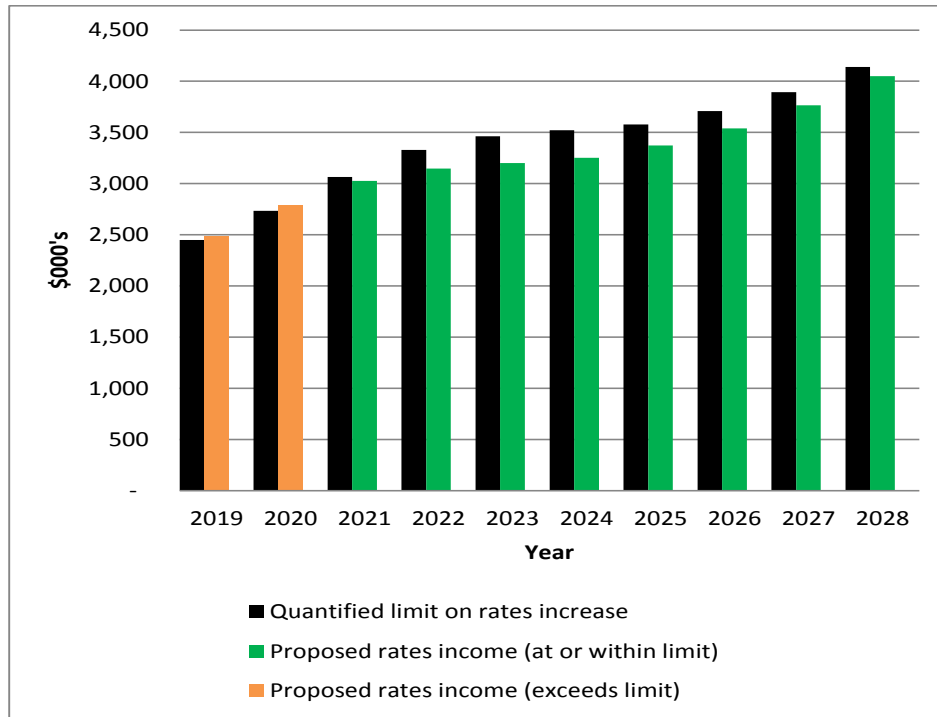
Rates (increases) Affordability– Targeted Rates

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

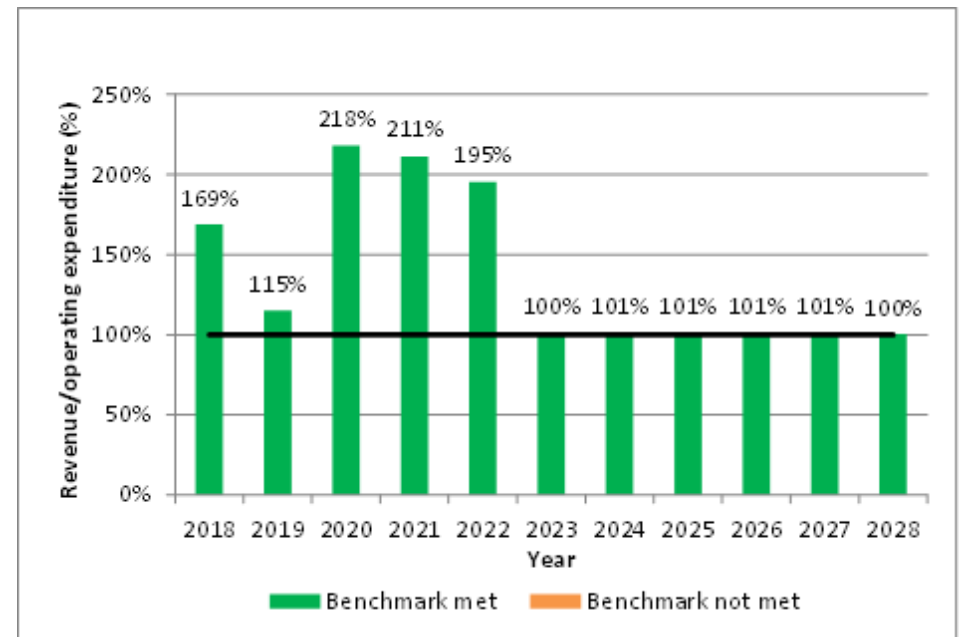
The following graph compares the council's planned targeted rates with a quantified limit on targeted rates contained in the financial strategy included in this long-term plan. The quantified limit is prior year targeted rates plus 10%.



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).

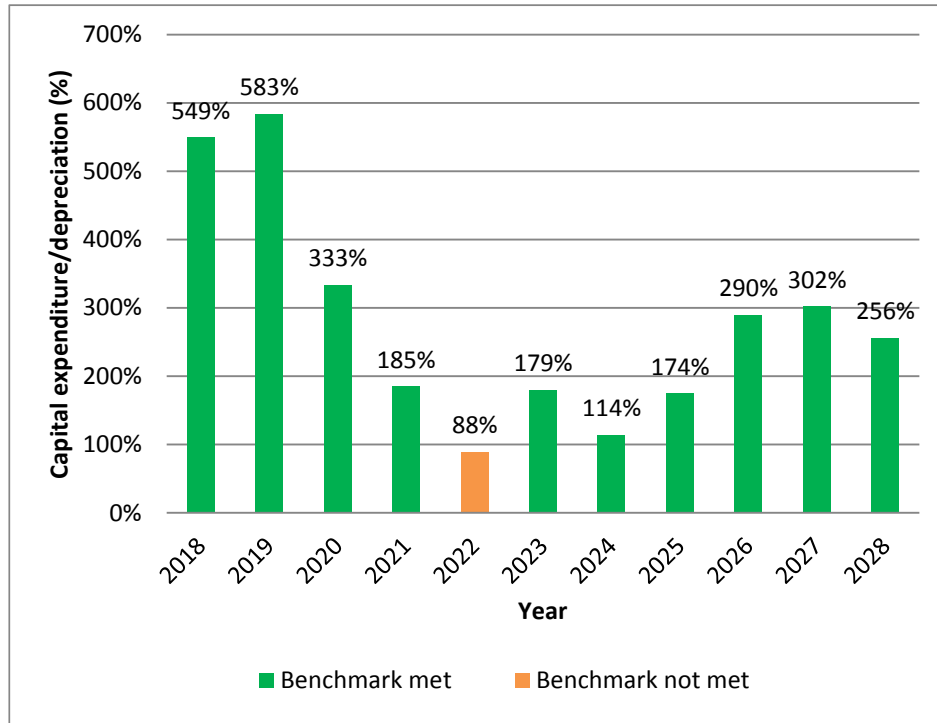
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



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.

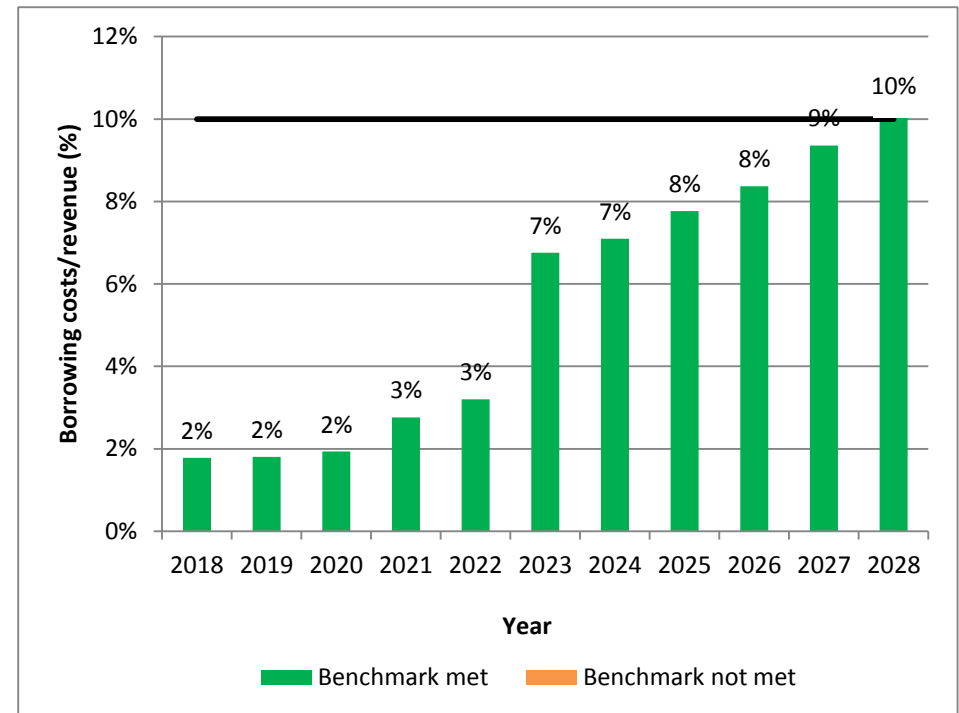
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



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.

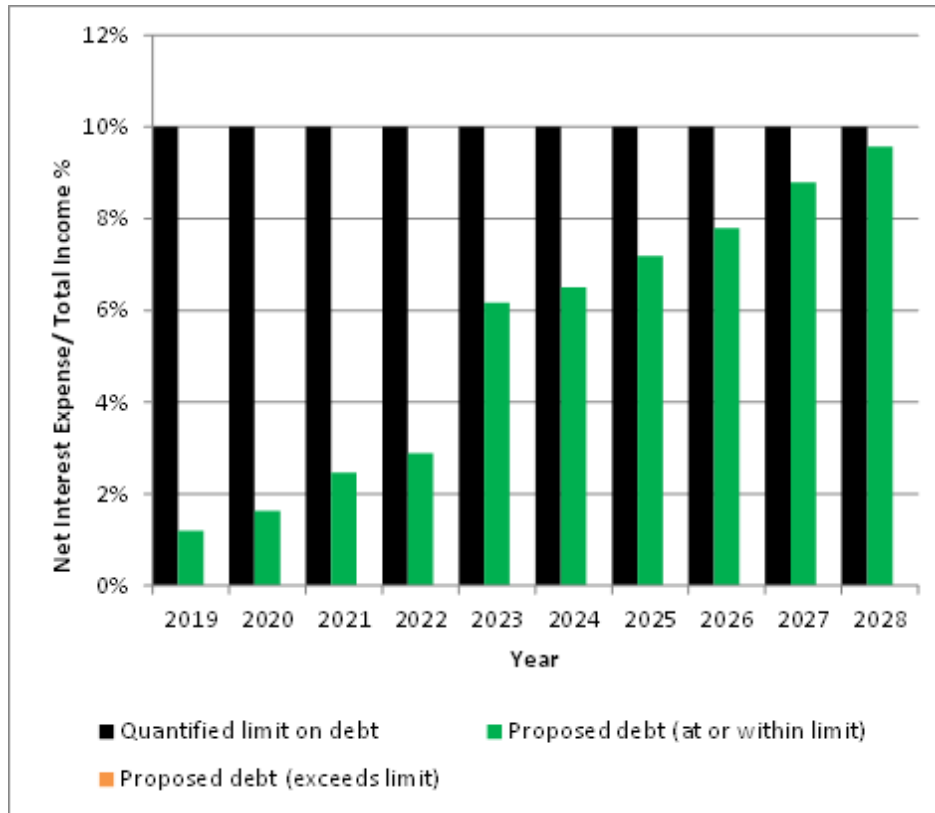


Debt Affordability Benchmark

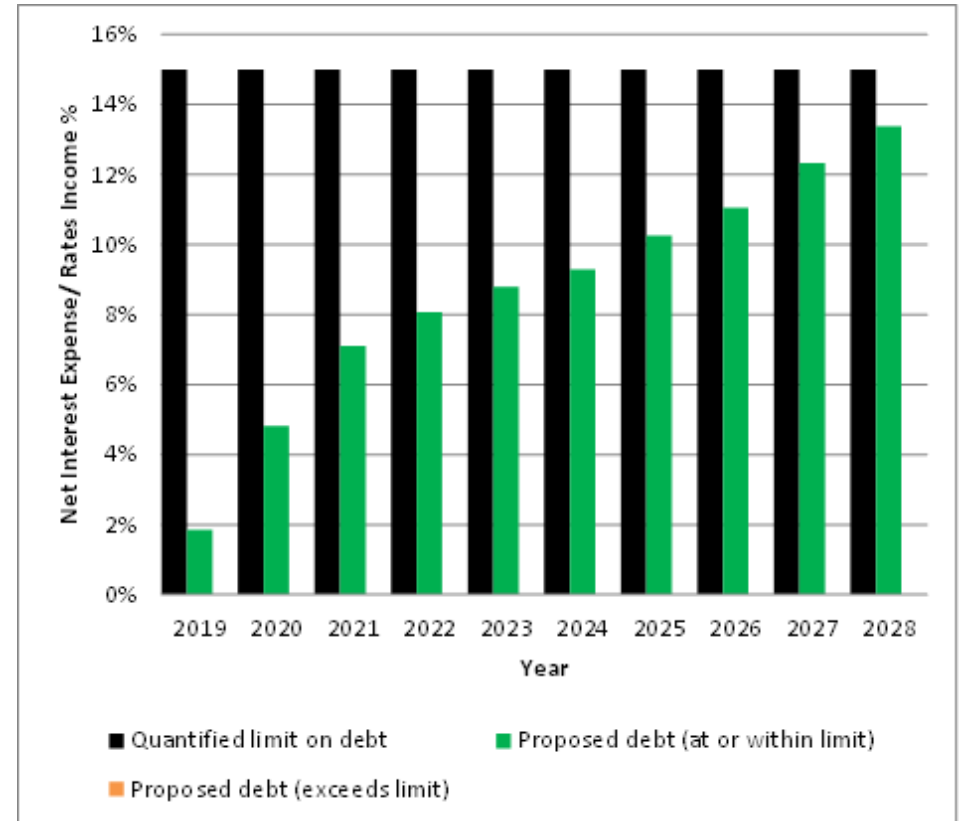
The Council meets the debt affordability benchmark if its planned borrowings is within each quantified limit on borrowing. The following graphs compare the Council’s planned debt with the quantified limits on borrowing contained in the financial strategy included in this Long Term Plan.

The quantified limits are:

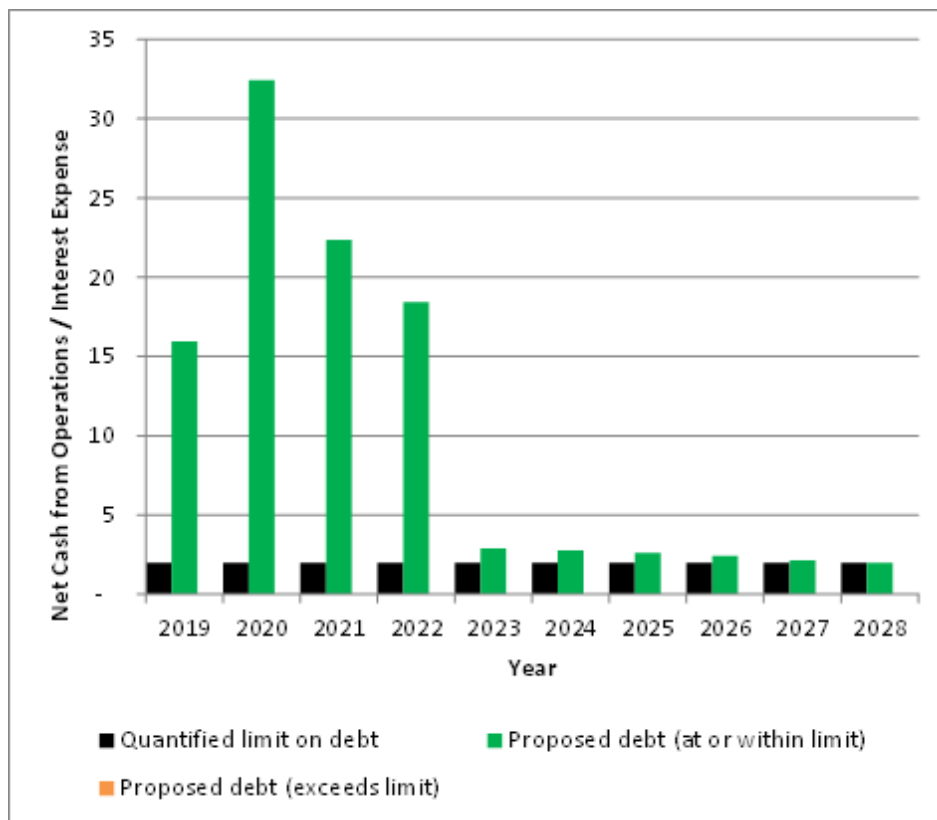
Net interest expense/total revenue less than or equal to 10%



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 meets all benchmarks in all years of the LTP apart from the cap on the targeted rate and the essential services benchmark.

The cap on the targeted rate is exceeded in years 1 and 2 of the LTP due to Council undertaking a number of targeted rate funded works now and over the early years of the LTP. These are funded as per the Revenue and Financing Policy through targeted rates and it is not considered fair to charge these through the general rate as they are services such as wastewater and solid waste collection. In year 1 the increase is due to the wastewater reticulation replacement, and year 2 is due to the increase in cost for a combination of the wastewater and solid waste service level changes.

The essential services benchmark is not met in 2022 where Council only spends 88% of the funded depreciation on capital expenditure for infrastructural assets. This is not a concern considering in all other years there is significant capital spend.





Part Two – Introduction and Community Outcomes

Te Wahanga Tuatahi

Overview of the Ōpōtiki district and community outcomes



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.

Never before have we had such opportunity to influence the way our district develops in years to come, to be involved, and to ensure that what we really want happens. This ten year plan sets out the ways we intend to create our future. It is up to us to find new ways to get involved in the progress of our district.

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 8,500 people live in the Ōpōtiki District. 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 2013 Census approximately 53% of people in the Ōpōtiki District said they belong to the Maori ethnic group and 46% identified with the European ethnic group. There was a small proportion of Pacific Islanders, 2.1%, and 0.9% 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 2013 Census 5.9% 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 \$20,700 in 2013 compared with \$28,500 nationally. In 2013 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 its 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 2028 and beyond. The outcomes embrace all aspects of life in Ōpōtiki District and the four well-being areas that were 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 friendly development
- Manage land ownership, growth and development carefully
- Support initiatives that tackle environmental issues and improve understanding of the environment
- Lead community in planning for climate change
- Support iwi and hapū to exercise kaitiakitanga.



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
- Provide emergency management services
- Ensure roads and transport networks are appropriate to requirements and district growth needs
- Create safe communities.



Fair and efficient leadership

- Provide leadership that is visionary, community focused, efficient and inclusive.



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.



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.



Development supports the community

- Support and/or partner with the community in innovative and appropriate development
- Promote tourism and develop infrastructure while respecting our natural environment to grow the visitor economy
- Develop and maintain a vibrant town centre as an enjoyable meeting place for all people
- Introduce resources that can contribute to our wellbeing.



History and culture is treasured

- Support opportunities for artistic and cultural expression and respect and promote history, art and culture as a valued part of our community
- Sense of space is 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>Ngakau- tapatahi me te Pononga Kaore matou a marie i a matou uaratanga a, ka mahi i roto i te huatanga matatika i nga wa katoa.</p>	<p>Integrity and honesty We will not compromise our values and will act in a trustworthy manner at all times.</p>
<p>Manakuratanga 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>Leadership We will take an active role in issues that affect our community by providing governance, representation, advocacy, guidance and opinion.</p>
<p>Mahorahora me nga Herenga 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>Openness and accountability 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>Tokeke me te Ture o te Tika 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>Fairness and equity We will act to ensure that all have equal opportunities and we will be unbiased in the implementation of policies.</p>
<p>Whakatutukitanga Whakawaiatanga Ka whiwhi hua i roto i te auaha me te ngawaritanga.</p>	<p>Achievements orientated We will gain results in a timely, innovative and economic manner.</p>
<p>Tikanga Tutohungatanga 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>Relationships We will acknowledge the special place of Tangata Whenua in our community, and respect the different views and values of our community.</p>
<p>Tumanako Manawareka 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>Satisfying expectations 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 closely with the four well-beings and also the community outcomes.

There are four distinctive focus areas to the district strategy:

Economic Growth

While the Ōpōtiki District comprises 3% of the Bay of Plenty population, our economy only contributes 2.44% 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.

The proposed Ōpōtiki Harbour entrance will be constructed within the first four 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.

Tourism will also be a growth industry for the district as a number of initiatives yield results. Regional and district promotions, the new harbour, the Mōtū Trails cycleway, events, and an increasing number and quality of attractions, including branding and developing the town centre as an historic precinct, 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
- Provide visitor and business investment information and support and infrastructure that supports investment
- Support the aspirations of Māori to develop their land
- Support local and regional business growth and workforce development
- Promote facilities and activities to increase visitors, including historic precinct development and Mōtū Trails cycleway.

Quality of life

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 and libraries.

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, water, stormwater, sewerage, waste management, renewal of Ōpōtiki Township wastewater reticulation network
- Advocate with and on behalf of Ōpōtiki communities to central government
- Develop the Technology and Research Centre
- Provide recreation facilities including development of walkways and cycleway
- Support initiatives for development in the Coast ward
- Proactive provision for infrastructure
- Provision of a District Plan that meets our needs going forward
- Community where people feel safe
- Life enrichment.

Environmental Quality

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 key 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 implementation of the recreation strategy will continue. Council will also, with the community, continue to identify and action environmental enhancement projects.

Priorities for Council action

- Complete the District Plan review and implementation
- Maintain and enhance parks and reserves
- Partner with community groups, iwi and hapū, BOPRC and DOC to undertake environmental restoration projects

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

Strong community spirit

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.

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 increased cultural tourism, with marae stays and cultural tours as we celebrate our māoritanga.

Priorities for Council action

- Promote and support community events
- Provide sports fields and facilities for community use e.g. pavilions
- Play our prescribed role in Treaty Settlements, including any legislated joint governance arrangements, and any orders made under the Marine and Coastal Areas Act
- Support programmes to deliver good jobs for local people.

Strategic planning documents important to community outcomes

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


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



Part Three – Council Activities

Te Wahanga Tuatoru

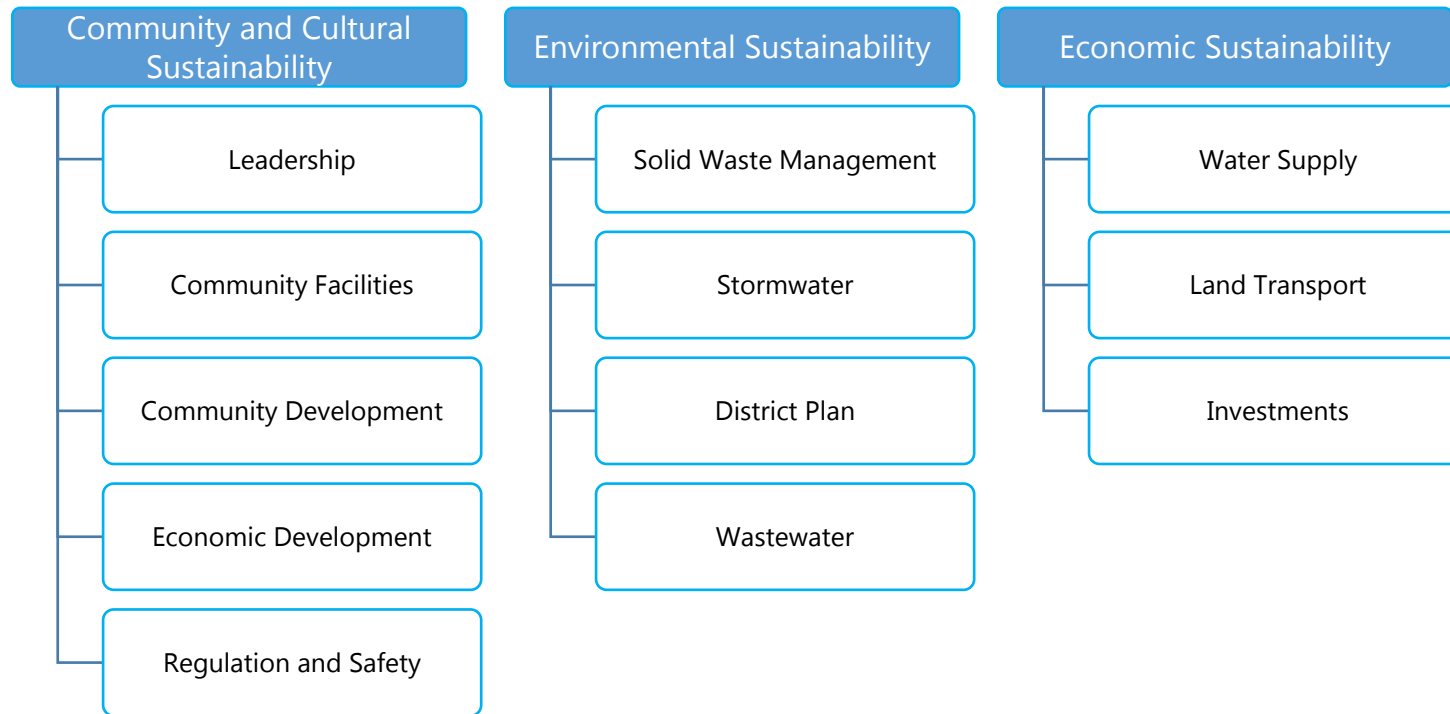
Activities Council undertakes and how they contribute to achieving the community outcomes



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.

A stone pillar on the left is constructed from irregular, rounded stones in shades of grey, tan, and brown. To its right, a horizontal wooden sign is mounted on a low stone wall. The sign is split into two sections: the top section reads "WOODLANDS CEMETERY" and the bottom section reads "TE RANGINUI". The sign is surrounded by green bushes and a grassy area. In the background, there are trees and a black wooden fence.

WOODLANDS CEMETERY

TE RANGINUI



Community and Cultural Sustainability

Why we provide this group of activities:

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

Significant activities in this group:

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



Leadership

What we do and why:



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

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

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

This significant activity includes:

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

Contribution to Community Outcomes		How this activity contributes
	Fair and efficient leadership	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.
	A strong and distinctive community spirit	

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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
Council will provide leadership that is visionary, community focused, efficient and inclusive.	Community satisfaction with Council leadership.	66%	70%	71%	72%	75%
	Decision making in compliance with the Local Government Act 2002.	No successful challenges to Council decision making process	No successful challenges to Council decision making process	No successful challenges to Council decision making process	No successful challenges to Council decision making process	No successful challenges to Council decision making process
	Level of community satisfaction with the opportunities to participate in decision making.	New target	50%	55%	60%	70%

Funding Impact Statement for Leadership for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	901	968	1,010	1,032	1,005	1,082	1,105	1,070	1,152	1,179	1,147
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	4	2	2	2	2	2	2	2	2	2	2
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	2	3	3	4	3	3	4	3	3	4
Total Operating Funding (A)	906	972	1,015	1,037	1,011	1,087	1,110	1,076	1,157	1,184	1,153
Applications of Operating Funding											
Payments to staff and suppliers	745	791	808	823	841	859	877	897	917	938	963
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	160	181	189	195	205	209	213	216	219	224	230
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	905	972	997	1,018	1,046	1,068	1,090	1,113	1,136	1,162	1,193
Surplus (deficit) of operating funding (A-B)	1	-	18	19	(35)	19	20	(37)	21	22	(40)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	(15)	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(15)	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(14)	-	18	19	(35)	19	20	(37)	21	22	(40)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(14)	-	18	19	(35)	19	20	(37)	21	22	(40)
Surplus (deficit) of capital funding (C-D)	(1)	-	(18)	(19)	35	(19)	(20)	37	(21)	(22)	40
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-





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>Development and protection of the natural environment</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>Ensure that amenity facilities are maintained to a high standard for the residents and visitors to the Ōpōtiki District.</p> <p>Library services that inspire learning and celebration of our culture.</p>
 <p>A strong and distinctive community spirit</p>	
 <p>History and culture is treasured</p>	
 <p>Services and facilities meet our needs</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 2018-2028 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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
Planned development of quality parks and recreation facilities.	Complete planning for the development of key recreation reserves.	Not achieved	Development plans complete for Rose Garden reserve, Te Ahiaua (Waiōtahe Domain), Hukuwai Beach, Hukutaia Domain	Development plans complete for Maraetai Bay reserve and Waiōtahe Beach frontage, Orete Point reserves	Development plans complete for Upton Park, Tarawa Creek	Development plans complete for Hoani Waititi, Memorial Park
High quality parks and recreation facilities provided and accessible to the community.	% of community satisfied with the provision of recreation facilities in annual surveys.	77%	80%	80%	80%	85%

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
Playgrounds comply with NZS 5828 (2015).	% of play equipment compliant with NZS 5828 or relevant standard. 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.	71%	70%	70%	70%	70%
Public toilets are clean, safe and operational.	Public toilets are compliant, functional and clean.	New target	Customer requests and complaints responded to within 4 hours.	Customer requests and complaints responded to within 4 hours.	Customer requests and complaints responded to within 4 hours.	Customer requests and complaints responded to within 4 hours.
Cemeteries maintained to a high standard; accurate records maintained and accessible.	% of community satisfied with the provision of cemetery services, maintenance and records.	72%	80%	80%	80%	85%
Provision of a comprehensive community library service for the community.	% of the community satisfied with the library facility and service.	76%	80%	80%	80%	85%
	Number of library facilitated programmes per year.	>6	6	6	6	6

Key projects and programmes:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Growth										
CBD Integration with Harbour Environment	200,000				1,086,700	1,111,700	1,137,300			
New toilet Waiōtahi Drifts			52,070							
Ōpōtiki - Waiōtahe Beach - Ōhiwa	1,007,000	642,600	656,082							
Recreation enhancement - Memorial Park	20,000		20,828		21,734		22,746		23,852	
Waiotahi Bridge cycleway		1,020,000								
Wharf Removal and Rebuild		1,275,000					2,274,600			
Coastal Reserves Tourism Infrastructure	500,000	510,000	520,700							
Growth Total	1,727,000	3,447,600	1,249,680		1,108,434	1,111,700	3,434,646		23,852	
LOS										
Furniture and fittings new facility			46,863							
Hukutaia Domain - 2018 Centenary Project	60,000									
Library Relocation Costs		81,600								
Memorial Park - Drainage & Carpark Upgrade	80,000	35,700								
New Information Technology for Public Use		10,200			10,867			11,646		
Redevelopment of Mechanics Institute	1,500,000									
Rose Garden Renovation	250,000									
Tirohanga Military Track	195,000									
Trail enhancements	30,000	30,600	31,242	31,899	32,601	33,351	34,119	34,938	35,778	36,708
Wharf Precinct	50,000	510,000								
Tehnology and Research Centre		1,683,000	1,718,310							
10 Potts Ave property refurbishment	100,000									
LOS Total	2,265,000	2,351,100	1,796,415	31,899	43,468	33,351	34,119	46,584	35,778	36,708
Renewal										
Animal Control - Replacement Building		612,000								
Bay Trust Pavillion					54,335					
Earthquake Prone Buildings	130,000			53,165						
Furniture and fittings replacement				5,317	5,434	5,559	5,687	5,823	5,963	6,118
New play equipment	80,000		52,070		54,335		56,865		59,630	
Replace fence / extend carpark - Hukitaia Domain					32,601					
Showground Clubrooms										122,360
District-Wide Toilet Replacement										122,360
District-Wide Toilet Refurbishment										30,590
Plunket Building refurbishment		51,000								
Pipi beds toilet upgrade	480,000									
Renewal Total	690,000	663,000	52,070	58,482	146,705	5,559	62,552	5,823	65,593	281,428
Grand Total	4,682,000	6,461,700	3,098,165	90,381	1,298,607	1,150,610	3,531,317	52,407	125,223	318,136

Funding Impact Statement for Community Facilities for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,852	2,121	2,281	2,597	2,744	2,901	3,033	3,308	3,339	3,466	3,513
Targeted rates	29	63	61	74	74	80	76	84	79	85	82
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	269	389	397	405	414	423	432	442	453	464	476
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	44	24	25	18	2	2	2	2	2	3	3
Total Operating Funding (A)	2,194	2,597	2,764	3,094	3,234	3,406	3,543	3,836	3,873	4,018	4,074
Applications of Operating Funding											
Payments to staff and suppliers	1,148	1,457	1,477	1,554	1,633	1,662	1,787	1,805	1,846	1,888	1,932
Finance costs	150	76	200	288	312	353	400	506	503	516	530
Internal charges and overheads applied	566	668	696	713	756	769	784	799	809	826	850
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,864	2,201	2,373	2,555	2,701	2,784	2,971	3,110	3,158	3,230	3,312
Surplus (deficit) of operating funding (A-B)	330	396	391	539	533	622	572	726	715	788	762
Sources of capital funding											
Subsidies and grants for capital expenditure	1,797	1,197	1,804	837	16	37	17	28	17	30	18
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	2,728	3,111	4,036	1,181	(459)	639	562	2,778	(679)	(692)	(462)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,525	4,308	5,840	2,018	(443)	676	579	2,806	(662)	(662)	(444)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	1,010	1,727	3,448	1,250	-	1,108	1,112	3,435	-	24	-
- to improve the level of service	1,985	2,265	2,351	1,796	32	43	33	34	47	36	37
- to replace existing assets	1,855	690	663	52	58	147	6	63	6	66	281
Increase (decrease) in reserves	5	22	(231)	(541)	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	4,855	4,704	6,231	2,557	90	1,298	1,151	3,532	53	126	318
Surplus (deficit) of capital funding (C-D)	(330)	(396)	(391)	(539)	(533)	(622)	(572)	(726)	(715)	(788)	(762)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-




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
 A strong and distinctive community spirit	To help assist the development of an inclusive community that provides a healthy, safe and friendly place to live, work and visit.
 History and culture is treasured	
 Services and facilities meet our needs	

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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
Provide assistance for community support activities.	Grants for the maintenance of the 22 district Urupa will be distributed by 31 December each year.	100%	100%	100%	100%	100%
	Memorandum of understandings and administration agreements for community grants are in place.	New target	100%	100%	100%	100%
Enhance community safety.	Continual expansion to CCTV camera system in town.	New target	1	1	1	1

Key projects and programmes:

	2019	2020	2021
LOS			
CCTV camera and internet expansion	20,000	20,440	20,890
LOS Total	20,000	20,440	20,890
Grand Total	20,000	20,440	20,890

Funding Impact Statement for Community development for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	326	297	282	299	290	296	302	327	330	334	343
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	36	36	37	38	38	39	40	41	42	43	44
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	8	3	3	2	2	1	1	-	-	-	-
Total Operating Funding (A)	370	336	322	339	330	336	343	368	372	377	387
Applications of Operating Funding											
Payments to staff and suppliers	243	265	271	277	283	289	296	302	309	317	325
Finance costs	6	2	3	3	3	3	3	3	3	3	3
Internal charges and overheads applied	105	46	48	49	52	53	54	55	56	57	59
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	354	313	322	329	338	345	353	360	368	377	387
Surplus (deficit) of operating funding (A-B)	16	23	-	10	(8)	(9)	(10)	8	4	-	-
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	11	-	(4)	(8)	(12)	(12)	(11)	(8)	(4)	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	11	-	(4)	(8)	(12)	(12)	(11)	(8)	(4)	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	20	20	20	21	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	7	3	(24)	(19)	(20)	(21)	(21)	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	27	23	(4)	2	(20)	(21)	(21)	-	-	-	-
Surplus (deficit) of capital funding (C-D)	(16)	(23)	-	(10)	8	9	10	(8)	(4)	-	-
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

Economic Development





What we do and why:

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

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

This significant activity includes:

Investigation, promotion and support of new initiatives that contribute growth of the local economy, with a particular focus on tourism and the Ōpōtiki Harbour Transformation Project.

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

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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
Development of the Ōpōtiki Harbour entrance.	<u>BOPRC Funding</u> Comply with all conditions of Regional Infrastructure Fund Heads of Agreement/Funding Agreement as they fall due or renegotiate deadlines.	N/A	100%	100%	100%	100%
	<u>Crown Funding</u> Complete funding agreement with Crown.	Not achieved	Funding agreement signed	N/A	N/A	N/A
	Manage the contract for design and construction of the Ōpōtiki Harbour Development Project.	New target	N/A	Construction commenced	N/A	Construction completed
Investigate and promote investment in a range of economic development opportunities.	Implement Economic Development Strategy.	Not achieved	Review strategy and implementation methods 2018	100%	100%	100%
	Maintain a current database of business contacts.	Not achieved	Database revised quarterly	Database revised quarterly	Database revised quarterly	Database revised quarterly

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
	Communicate regularly with business sector.	Not achieved	4 bulletins posted per annum	4 bulletins posted per annum	4 bulletins posted per annum	4 bulletins posted per annum
Promote the district as a tourism destination; support tourism operators and events.	Increase \$ tourism spend.	New target	Increase in \$ tourism spend over last year	Increase in \$ tourism spend over last year	Increase in \$ tourism spend over last year	Increase in \$ tourism spend over last year
	Facilitate community events.	7	Two events per year	Two events per year	Two events per year	Two events per year
	Maintain a current database of tourism sector.	Database revised quarterly	Database revised quarterly	Database revised quarterly	Database revised quarterly	Database revised quarterly
	Communicate regularly with tourism contacts.	Not achieved. 3 bulletins posted	4 bulletins posted per annum	4 bulletins posted per annum	4 bulletins posted per annum	4 bulletins posted per annum

Key projects and programmes:

	2020	2021	2022
Growth			
Harbour Entrance - \$52 mil	17,186,400	18,437,760	18,879,520
Growth Total	17,186,400	18,437,760	18,879,520
Grand Total	17,186,400	18,437,760	18,879,520

Funding Impact Statement for Economic Development for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	232	718	767	839	649	593	588	597	608	628	648
Targeted rates	58	93	99	108	87	81	81	82	83	86	89
Subsidies and grants for operating purposes	555	20	20	21	21	22	22	23	23	24	25
Fees and charges	18	15	16	16	606	704	750	770	792	815	840
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	8	11	11	5	5	5	6	6	6	6	6
Total Operating Funding (A)	871	857	913	989	1,368	1,405	1,447	1,478	1,512	1,559	1,608
Applications of Operating Funding											
Payments to staff and suppliers	571	693	705	719	1,022	1,044	1,068	1,092	1,117	1,144	1,173
Finance costs	13	-	35	96	166	177	192	198	207	223	237
Internal charges and overheads applied	279	158	167	174	180	184	187	188	188	192	198
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	863	851	907	989	1,368	1,405	1,447	1,478	1,512	1,559	1,608
Surplus (deficit) of operating funding (A-B)	8	6	6	-	-	-	-	-	-	-	-
Sources of capital funding											
Subsidies and grants for capital expenditure	7,390	-	15,345	16,552	16,949	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	43	-	1,633	1,886	1,931	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	7,433	-	16,978	18,438	18,880	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	7,390	-	17,186	18,438	18,880	-	-	-	-	-	-
- to improve the level of service	50	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	1	6	(202)	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	7,441	6	16,984	18,438	18,880	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	(8)	(6)	(6)	-	-	-	-	-	-	-	-
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-





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
 Development and protection of the natural environment	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.
 Services and facilities meet our needs	To protect the interest of public health, safety, infrastructure and ensure the welfare of animals through the delivery of animal (particularly dog) control.
 A strong and distinctive community spirit	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.
 Development supports the community	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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
Council will provide and maintain a quality service to meet statutory requirements and community expectations.	All liquor licences are processed within 15 working days after the receipt of all reports and information required.	41%	100%	100%	100%	100%
	As per Food Act 2014, food premises are checked and verified as their registrations become due.	New target	100%	100%	100%	100%
	% of known dogs registered within the District (as recorded on the 1st June)	94%	90%	92%	92%	95%
	All animal control complaints of an aggressive or threatening nature are responded to within 2 hours from receipt of complaint.	78%	100%	100%	100%	100%
	% of building consents issued within the statutory timeframes.	99%	100%	100%	100%	100%


Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
	% of customer satisfaction with level of service (as measured by the annual Building Control Authority survey).	0% Survey not undertaken	>90%	>90%	>90%	>90%
	% of roles identified and staffed for 24 hours operation of the Emergency Coordination Centre.	91%	100%	100%	100%	100%
	% of staff identified for roles in the Emergency Operations Centre that are trained to an appropriate level agreed by the Group.	100%	100%	100%	100%	100%
	% of resource consents issued within the statutory timeframes.	100%	100%	100%	100%	100%
Council actively engages with the wider community to increase the level of awareness preparedness and resilience.	Minimum number of council delivered initiatives to promote community resilience and safety.	8 initiatives delivered	4 initiatives delivered	4 initiatives delivered	4 initiatives delivered	4 initiatives delivered

Key projects and programmes:

	2019	2021
LOS		
New sound metering equipment	8,000	
Civil Defence Mobility Unit	85,000	
LOS Total	93,000	
Renewal		
Civil Defense Renewals	20,000	20,890
Renewal Total	20,000	20,890
Grand Total	113,000	20,890

Funding Impact Statement for Regulation and Safety for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	642	568	649	640	672	725	732	735	717	716	729
Targeted rates	89	87	86	89	90	92	93	94	96	98	100
Subsidies and grants for operating purposes	-	13	13	13	13	14	14	14	15	15	15
Fees and charges	407	455	477	513	594	608	622	637	676	706	725
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	8	5	5	5	5	5	6	6	6	6	6
Total Operating Funding (A)	1,146	1,128	1,230	1,260	1,374	1,444	1,467	1,486	1,510	1,541	1,575
Applications of Operating Funding											
Payments to staff and suppliers	725	824	907	926	1,025	1,088	1,109	1,131	1,157	1,180	1,205
Finance costs	-	1	2	2	2	2	1	1	-	-	-
Internal charges and overheads applied	405	287	303	314	329	336	343	344	346	354	363
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,130	1,112	1,212	1,242	1,356	1,426	1,453	1,476	1,503	1,534	1,568
Surplus (deficit) of operating funding (A-B)	16	16	18	18	18	18	14	10	7	7	7
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	-	97	(18)	3	(18)	(18)	(14)	(10)	(7)	(7)	(7)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	97	(18)	3	(18)	(18)	(14)	(10)	(7)	(7)	(7)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	93	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	20	-	21	-	-	-	-	-	-	-
Increase (decrease) in reserves	16	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	16	113	-	21	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	(16)	(16)	(18)	(18)	(18)	(18)	(14)	(10)	(7)	(7)	(7)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

A photograph of a recycling bin labeled "PLASTICS" in a warehouse setting. The bin is a large, rectangular metal container. The label is a white rectangular sign with the word "PLASTICS" written in red capital letters. The background shows the corrugated metal walls of the warehouse and some structural beams.

PLASTICS

Environmental Sustainability

Why we provide this group of activities:

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

Significant activities in this group:

Solid Waste Management, Stormwater, District Plan and Wastewater



Solid Waste Management

What we do and why:




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

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

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

This significant activity includes:

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

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

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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
The kerbside collection of bagged refuse and recyclables where the service is provided is efficient and effective.	Number of service complaints per year regarding the quality of the kerbside refuse / recycling collection service. (Note: service conditions outlined on brochure mailed annually)	2	<20	<20	<20	<20
Provision of effective waste service for the community.	Customer satisfaction rating of waste transfer stations good or better.	91%	>80%	>80%	>80%	>80%
Waste minimisation education reduces household waste and increases good recycling practices.	Number of public education activities completed.	9	3	3	3	3
Service provided keeps residual waste to minimum quantity.	Residual waste per year does not exceed 120 kg per person per year.	118.55 kgs / person / year	<120 kg / person / year	<120 kg / person / year	<120 kg / person / year	<120 kg / person / year

Key projects and programmes:

	2019	2020
LOS		
Option 2 - 40 L Refuse bins	86,800	
LOS Total	86,800	
Renewal		
Replace Outside Bins Te Kaha	20,000	
Replace Outside Bins Waihau Bay		20,440
Renewal Total	20,000	20,440
Grand Total	106,800	20,440



Ōpōtiki. Barefoot is best.

Funding Impact Statement for Solid Waste for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,161	819	872	893	918	936	955	972	989	1,012	1,033
Targeted rates	281	262	358	365	375	383	391	400	409	419	422
Subsidies and grants for operating purposes	15	35	36	37	37	38	39	40	41	42	43
Fees and charges	263	276	282	288	295	301	308	316	324	332	341
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	1,724	1,392	1,548	1,583	1,625	1,658	1,693	1,728	1,763	1,805	1,839
Applications of Operating Funding											
Payments to staff and suppliers	1,113	1,104	1,236	1,259	1,285	1,312	1,340	1,371	1,403	1,437	1,473
Finance costs	3	3	4	5	5	5	5	5	5	5	5
Internal charges and overheads applied	584	285	298	308	324	330	337	341	344	352	361
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,700	1,392	1,538	1,572	1,614	1,647	1,682	1,717	1,752	1,794	1,839
Surplus (deficit) of operating funding (A-B)	24	-	10	11	11	11	11	11	11	11	-
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	(3)	107	10	(11)	(11)	(11)	(11)	(11)	(11)	(11)	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(3)	107	10	(11)	(11)	(11)	(11)	(11)	(11)	(11)	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	87	-	-	-	-	-	-	-	-	-
- to replace existing assets	30	20	20	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(9)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	21	107	20	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	(24)	-	(10)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	-
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

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
 Development and protection of the natural environment	To protect the environment from the adverse effects of stormwater.
 Services and facilities meet our needs	To protect public health and property.
 Development supports the community	Facilities and services that meet the expectations of the community for quality of life.

What potential negative effects this activity may have:

Affected well-being/s	Significant negative effect	Sustainable solution
Social Economic Environmental	The discharge of pollutants to stormwater reticulation can be harmful to the natural environment.	Mitigate risk through education, monitoring and where necessary enforcement. Reduce the risk by developing stormwater treatment systems
	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.	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.

Levels of service:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
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	0	0	0	0
Service requests and complaints are processed as they come in.	Median response time to attend a flooding event, from notification to personnel on site.	33 minutes	<4 hrs	<4 hrs	<4 hrs	<4 hrs
	Number of complaints received about the performance of the stormwater system per 1000 connections to the Council's stormwater system.	27/1000 connections	<20/1000 connections	<20/1000 connections	<10/1000 connections	<5/1000 connections

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
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:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
LOS										
Brabant St Drain Upgrade						225,420				
Church St South Pump Station and Pipe Upgrade									670,175	
Duke St Stop Bank				53,690						
Elliot/Goring St Basin										25,052
King/Goring St Gravity Main								213,570		
Malcolm St Basin										25,052
Memorial Park Pump Station										37,578
New Ford St Gravity Main						11,271	260,190			
New Richard St Gravity Main						11,271	260,190			
New St John St Gravity Main						11,271	636,020			
Second Pump at Tarawa Creek						33,813	404,740			
Tarawa Creek Flood Water Storage Area	1,550,000									
Tarawa Creek Pump Station		20,500	524,300							
Upgrade to Richard St Gravity Main	1,400,000									
Wellington/Brabant St Pump Station	15,000	15,375	241,178							
Wellington/Union St Storage Basin										25,052
Tarawa Creek Storage Area Stage 2				107,380	2,199,200					
Memorial Park Storage Basin								23,730	304,625	
LOS Total	2,965,000	35,875	765,478	161,070	2,199,200	293,046	1,561,140	237,300	974,800	112,734
Renewal										
Ōpōtiki Reticulation Replacements	35,000	35,875	36,701	37,583	38,486	39,449	40,474	41,528	42,648	43,841
Renewal Total	35,000	35,875	36,701	37,583	38,486	39,449	40,474	41,528	42,648	43,841
Grand Total	3,000,000	71,750	802,179	198,653	2,237,686	332,495	1,601,614	278,828	1,017,448	156,575

Funding Impact Statement for Stormwater for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	451	538	613	612	655	726	769	837	869	922	971
Targeted rates	78	60	68	68	73	81	85	93	97	102	108
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	18	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	547	598	681	680	728	807	854	930	966	1,024	1,079
Applications of Operating Funding											
Payments to staff and suppliers	208	216	256	216	219	224	229	235	239	244	251
Finance costs	106	49	70	105	119	189	206	256	267	312	325
Internal charges and overheads applied	65	140	145	149	159	162	166	168	171	175	179
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	379	405	471	470	497	575	601	659	677	731	755
Surplus (deficit) of operating funding (A-B)	168	193	210	210	231	232	253	271	289	293	324
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	3,344	2,807	(138)	592	(32)	2,005	79	1,330	(10)	725	(167)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	3,344	2,807	(138)	592	(32)	2,005	79	1,330	(10)	725	(167)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	3,380	2,965	36	765	161	2,199	293	1,561	237	975	113
- to replace existing assets	60	35	36	37	38	38	39	40	42	43	44
Increase (decrease) in reserves	72	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	3,512	3,000	72	802	199	2,237	332	1,601	279	1,018	157
Surplus (deficit) of capital funding (C-D)	(168)	(193)	(210)	(210)	(231)	(232)	(253)	(271)	(289)	(293)	(324)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-




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
 Development and protection of the natural environment	To assist the development of a safe and sustainable environment through the administration of the Ōpōtiki District Plan and the Resource Management Act 1991. To provide a District Plan that responds to and manages growth and development in terms of environmental sustainability.
 Services and facilities meet our needs	
 Development supports the community	

What potential negative effects this activity may have:

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

Levels of service:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
Review District Plan in accordance with the RMA.	Review and update the District Plan subject to appeal.	Review in accordance with project plan	100%	N/A	N/A	100%
Council develops appropriate controls for the Ōpōtiki District and monitors and enforces provisions.	Review and adopt all Council Bylaws over the next 3 years.	New target	33%	33%	33%	N/A

Funding Impact Statement for District Plan for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	260	247	254	260	267	272	277	280	284	290	296
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	35	36	37	37	38	39	40	41	42	43
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	6	-	-	-	-	-	-	1	1	1	1
Total Operating Funding (A)	266	282	290	297	304	310	316	321	326	333	340
Applications of Operating Funding											
Payments to staff and suppliers	247	214	218	221	225	230	234	238	243	248	253
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	13	68	72	76	79	80	82	82	82	84	86
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	260	282	290	297	304	310	316	320	325	332	339
Surplus (deficit) of operating funding (A-B)	6	-	-	-	-	-	-	1	1	1	1
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(3)	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(3)	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	3	-	-	-	-	-	-	1	1	1	1
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	3	-	-	-	-	-	-	1	1	1	1
Surplus (deficit) of capital funding (C-D)	(6)	-	-	-	-	-	-	(1)	(1)	(1)	(1)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

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
 Development and protection of the natural environment	<p>To protect public health and property from sewage overflows.</p> <p>To enable economic growth with quality of life benefit.</p> <p>To protect the environment from the adverse effects of wastewater.</p>
 Services and facilities meet our needs	
 Development supports the community	

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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
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	<5	<5	<5	<5
	b) sewerage system faults	10	<10	<10	<10	<5
	c) sewerage system blockages	4	<5	<5	<5	<5
	d) Council's response to issues with its sewerage system	0	<3	<3	<3	<2
	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.	14.50 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.	24 hours and 36 minutes	<2 days	<2 days	<2 days	<2 days	
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.	2	<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
	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:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Growth										
Southern (Otarā Rd) Extension Stage 2								35,595	365,550	375,780
Growth Total								35,595	365,550	375,780
LOS										
Factory Rd Wastewater Extension Stage 2	50,000	112,750	157,290							
Hikutaia Existing Residential - New Reticulation							57,820	2,432,325	3,655,500	3,757,800
Motorhome Association dump station in Ōpōtiki							17,346			
LOS Total	50,000	112,750	157,290				75,166	2,432,325	3,655,500	3,757,800
Renewal										
Relocate primary treatment to pond site							34,692	1,423,800		
Works on Private Laterals	1,000,000	1,025,000								
WW Stage 1 - First Section Reticulation & Design	1,500,000									
WW Stage 2 - Second Section Reticulation & Design	3,100,000									
WW Stage 3 - Third Section Reticulation & Design		3,177,500								
Soakage lines renewal and upgrade Waihou Bay							23,128			
Wastewater Reticulation Renewals Waihou Bay	2,800	2,870	2,936	3,007	3,079	3,156	3,238	3,322	3,412	3,507
Wastewater Reticulation Renewals Ōpōtiki	45,000	46,125	47,187	48,321	49,482	50,720	52,038	53,393	54,833	56,367
Wastewater Treatment Renewals Ōpōtiki	70,000	71,750	73,402	75,166	76,972	78,897	80,948	83,055	85,295	87,682
Renewal Total	5,717,800	4,323,245	123,525	126,494	129,533	132,772	194,044	1,563,570	143,539	147,556
Grand Total	5,767,800	4,435,995	280,815	126,494	129,533	132,772	269,210	4,031,490	4,164,589	4,281,136

Funding Impact Statement for Wastewater for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	340	538	572	574	615	624	632	653	711	789	891
Targeted rates	675	814	931	1,051	1,128	1,143	1,159	1,197	1,304	1,448	1,638
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	6	6	6	6	6	7	7	7	7	7	8
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	14	1	1	1	1	1	1	1	1	1	1
Total Operating Funding (A)	1,035	1,359	1,510	1,632	1,750	1,775	1,799	1,858	2,023	2,245	2,538
Applications of Operating Funding											
Payments to staff and suppliers	481	459	464	515	553	559	562	574	598	624	649
Finance costs	160	97	229	289	317	327	341	343	475	638	810
Internal charges and overheads applied	170	347	360	369	397	405	413	420	427	436	447
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	811	903	1,053	1,173	1,267	1,291	1,316	1,337	1,500	1,698	1,906
Surplus (deficit) of operating funding (A-B)	224	456	457	459	483	484	483	521	523	547	632
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	4,167	5,312	3,979	(178)	(357)	(354)	(350)	(252)	3,509	3,619	3,650
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	4,167	5,312	3,979	(178)	(357)	(354)	(350)	(252)	3,509	3,619	3,650
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	36	366	376
- to improve the level of service	1,250	50	113	157	-	-	-	75	2,432	3,656	3,758
- to replace existing assets	3,125	5,718	4,323	124	126	130	133	194	1,564	144	148
Increase (decrease) in reserves	16	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	4,391	5,768	4,436	281	126	130	133	269	4,032	4,166	4,282
Surplus (deficit) of capital funding (C-D)	(224)	(456)	(457)	(459)	(483)	(484)	(483)	(521)	(523)	(547)	(632)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-



Economic Sustainability

Why we provide this group of activities:

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

Significant activities in this group:

Water supply, Land Transport and Investments.



Water Supply




What we do and why:

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

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

This significant activity includes:

- Extraction, Treatment and Reticulation of potable water.

Contribution to Community Outcomes	How this activity contributes
 Development and protection of the natural environment	Safe drinking water in accordance with NZ Drinking Water Standards.
 Services and facilities meet our needs	Reliable water supplies, minimising supply disruptions through improved maintenance and meeting peak water supply demands.
 Development supports the community	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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
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	<1	<5	<5	<5	<5
	Drinking water taste	<2	<5	<5	<5	<5
	Drinking water odour	<1	<5	<5	<5	<5
	Drinking water pressure or flow	<1	<5	<5	<5	<5
	Continuity of supply	0	<5	<5	<5	<5
	Council's response to any of these issues expressed per 1000 connections to Council's networked reticulation system.	0	<3	<3	<3	<3
	The extent to which Council's drinking water supply complies with:					
	Part 4 of the drinking water standards (bacteria compliance criteria); and	Ōpōtiki - 100% Te Kaha – 100% Ōhiwa - 100%	100%	100%	100%	100%
	Part 5 of the drinking water standards (protozoal compliance criteria).	Ōpōtiki – 100% Te Kaha – Non compliant Ōhiwa – Non compliant	100%	100%	100%	100%

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
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:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Growth										
Hikutaia Booster Station plus Storage							23,128	474,600		
Growth Total							23,128	474,600		
LOS										
Clarks Cross Rd Otara Rd Booster 2.1km Main	800,000									137,786
Copenhagen Loop 50-100uPVC 1.1km										
Dip/Hikutaia Rd Rising Main 2.8km							404,740			
New Settlement banks	50,000									
Ōhiwa Filtration	15,000									
Pressure monitoring equipment & Ricardo	80,000									
Reservoir Replacement		20,500	262,150							
Te Kaha Booster to OBrien's 1.4km						281,775				
Ōpōtiki Water Treatment UV			209,720							
LOS Total	945,000	20,500	471,870			281,775	404,740			137,786
Renewal										
Hotel/Copenhagen Rd 1km									182,775	
Ōpōtiki Reservoir Lining										250,520
Treatment Renewals Te Kaha	18,000	18,450	18,875	19,328	19,793	20,288	20,815	21,357	21,933	22,547
Reticulation Renewals Te Kaha	20,000	20,500	20,972	21,476	21,992	22,542	23,128	23,730	24,370	25,052
Treatment Renewals Ōpōtiki	50,000	51,250	52,430	53,690	54,980	56,355	57,820	59,325	60,925	62,630
Reticulation Renewals Ōpōtiki	60,000	61,500	62,916	64,428	65,976	67,626	69,384	71,190	73,110	75,156
Hikutaia Reticulation Replacement and Upgrade							57,820	593,250	609,250	626,300
Ōhiwa Treatment Renewals	1,500	1,538	1,573	1,611	1,649	1,691	1,735	1,780	1,828	1,879
Ōhiwa Reticulation Renewals								11,865		
Renewal Total	149,500	153,238	156,766	160,533	164,390	168,501	230,702	782,497	974,191	1,064,084
Grand Total	1,094,500	173,738	628,636	160,533	164,390	450,276	658,570	1,257,097	974,191	1,201,870

Funding Impact Statement for Water Supply for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	130	251	229	170	178	180	184	193	199	207	222
Targeted rates	726	1,106	1,183	1,272	1,322	1,341	1,368	1,422	1,473	1,526	1,612
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	297	8	8	8	8	8	8	9	9	9	9
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	26	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	1,179	1,365	1,420	1,450	1,508	1,529	1,560	1,624	1,681	1,742	1,843
Applications of Operating Funding											
Payments to staff and suppliers	522	642	645	637	645	660	674	690	706	724	741
Finance costs	157	61	85	114	120	118	127	136	166	194	229
Internal charges and overheads applied	203	248	257	264	279	285	290	295	299	306	314
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	882	951	987	1,015	1,044	1,063	1,091	1,121	1,171	1,224	1,284
Surplus (deficit) of operating funding (A-B)	297	414	433	435	464	466	469	503	510	518	559
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	(16)	681	(259)	194	(303)	(302)	(18)	156	747	456	643
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(16)	681	(259)	194	(303)	(302)	(18)	156	747	456	643
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	23	475	-	-
- to improve the level of service	190	945	21	472	-	-	282	405	-	-	138
- to replace existing assets	30	150	153	157	161	164	169	231	782	974	1,064
Increase (decrease) in reserves	61	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	281	1,095	174	629	161	164	451	659	1,257	974	1,202
Surplus (deficit) of capital funding (C-D)	(297)	(414)	(433)	(435)	(464)	(466)	(469)	(503)	(510)	(518)	(559)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

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
 Development and protection of the natural environment	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.
 Services and facilities meet our needs	
 Development supports the community	
 A strong and distinctive community spirit	

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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
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	95%	95%	95%	95%	95%
	- Non-urgent requests within 4 days	83%	90%	90%	90%	90%
	Percentage of sealed road network resurfaced.	6.40%	>5%	>5%	>5%	>5%
Traffic services (street lighting, roadside vegetation, road signs, road markings) are visible and accurate.	Percentage of road users satisfied that traffic services on the network are accurate and visible.	84%	>85%	>85%	>85%	>85%

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
Road users find the road environment predictable and the road safe to use.	Percentage of persons who as users rate the safety of the District's roads as good or excellent.	73%	>85%	>85%	>85%	>85%
	The average quality of a ride on a sealed local road network, measured by the smooth travel exposure.	N/A Measured every other year	91-95%	N//A	91-95% every other year.	91-95% every other year.
	Change from previous year in number of fatalities and serious injury crashes on Council maintained roads.	+3 Total of 5 recorded	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
Road Corridor users (pedestrians, joggers, disabled persons etc.) are able to use the road corridors in a safe and convenient manner.	The number of users who agree the standard of footpaths is good or excellent.	69%	>70%	>70%	>75%	>80%
	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.	0%	70% of qualifying footpath faults scheduled for repair	70% of qualifying footpath faults scheduled for repair	80% of qualifying footpath faults scheduled for repair	90% of qualifying footpath faults scheduled for repair

Key projects and programmes:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
LOS										
New Roads (Harbour access 3km @600k/km)	800,000	817,600	835,600							
Seal Extension (Subject to council approval)	220,000	204,400	229,790	299,180	218,820	235,284	252,648	259,226	266,222	273,680
Urban undergrounding share with Horizon	100,000	102,200	104,450	106,850	109,410	112,040	114,840	117,830	121,010	124,400
LOS Total	1,120,000	1,124,200	1,169,840	406,030	328,230	347,324	367,488	377,056	387,232	398,080
Renewal										
Bridge replacement							172,260	147,288		
Drainage renewals	93,888	95,954	98,066	100,319	102,723	105,192	107,821	110,628	113,614	116,797
Footpath	50,000	51,100	52,225	53,425	54,705	56,020	57,420	58,915	60,505	62,200
Minor improvements 2015-18 - Local Roads	204,864	209,371	213,980	218,897	224,142	229,530	235,266	241,391	247,906	254,851
Sealed road pavement rehabilitation	177,189	164,193	178,471	202,376	221,253	293,519	285,937	296,267	268,146	226,197
Sealed road resurfacing	398,044	406,801	415,757	482,535	596,675	633,379	573,227	546,665	543,522	612,434
Structures component replacements	20,831	245,880	49,033							
Traffic services renewals	44,548	45,528	46,530	47,600	48,740	49,912	51,159	52,491	53,908	55,418
Urban Kerb & Channel	32,000	32,704	33,424	34,192	35,011	35,853	36,749	37,706	38,723	39,808
Renewal Total	1,021,364	1,251,531	1,087,486	1,139,344	1,283,249	1,403,404	1,519,838	1,491,351	1,326,324	1,367,703
Grand Total	2,141,364	2,375,731	2,257,326	1,545,374	1,611,479	1,750,728	1,887,326	1,868,407	1,713,556	1,765,783

Funding Impact Statement for Land Transport for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	2,456	1,635	1,547	1,502	1,801	1,937	2,100	2,079	2,296	2,398	2,512
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	855	1,605	1,643	1,679	1,748	1,812	1,846	1,886	1,941	1,995	2,055
Fees and charges	4	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	163	78	80	77	79	81	83	85	87	90	92
Total Operating Funding (A)	3,478	3,318	3,270	3,258	3,628	3,830	4,029	4,050	4,324	4,483	4,659
Applications of Operating Funding											
Payments to staff and suppliers	1,894	2,288	2,347	2,397	2,472	2,531	2,591	2,653	2,722	2,793	2,871
Finance costs	27	7	19	42	57	64	70	78	80	80	77
Internal charges and overheads applied	787	566	585	598	642	654	667	680	692	708	725
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,708	2,861	2,951	3,037	3,171	3,249	3,328	3,411	3,494	3,581	3,673
Surplus (deficit) of operating funding (A-B)	770	457	319	221	457	581	701	639	830	902	986
Sources of capital funding											
Subsidies and grants for capital expenditure	902	1,305	1,489	1,378	789	895	984	1,069	1,046	920	949
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	56	383	447	658	299	135	65	179	(8)	(109)	(169)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	958	1,688	1,936	2,036	1,088	1,030	1,049	1,248	1,038	811	780
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	320	1,120	1,124	1,170	406	328	347	367	377	387	398
- to replace existing assets	1,447	1,021	1,252	1,087	1,139	1,283	1,403	1,520	1,491	1,326	1,368
Increase (decrease) in reserves	(39)	4	(121)	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,728	2,145	2,255	2,257	1,545	1,611	1,750	1,887	1,868	1,713	1,766
Surplus (deficit) of capital funding (C-D)	(770)	(457)	(319)	(221)	(457)	(581)	(701)	(639)	(830)	(902)	(986)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-




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
 Services and facilities meet our needs	Council’s investments contribute to the social and economic well-being of the district.
 A strong and distinctive community spirit	
 Fair and efficient leadership	

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:

Goal	Key Performance Indicator	Performance achieved 2016/17	Performance targets 2018/19	Performance targets 2019/2020	Performance targets 2020/2021	Performance targets 2021-2028
BOPLASS	Investigate new joint procurement initiatives for goods and service for BOPLASS councils.	>4	Minimum of 4	Minimum of 4	Minimum of 4	Minimum of 4
	Communicate with each shareholding Council through a minimum of one meeting with each Executive Leadership Team.	100%	100%	100%	100%	100%
Toi-EDA	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.	Achieved	80%	80%	80%	80%
	Submissions lodged on all regional and EBOP district plans.	Partially achieved	100%	100%	100%	100%

Funding Impact Statement for Investments for 2018-2028:

	Annual Plan 2017/2018 \$000's	Budget 2018/2019 \$000's	Forecast 2019/2020 \$000's	Forecast 2020/2021 \$000's	Forecast 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	117	71	73	74	76	78	80	81	83	85	88
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	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	117	71	73	74	76	78	80	81	83	85	88
Applications of Operating Funding											
Payments to staff and suppliers	58	58	60	61	62	64	65	66	68	69	72
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	59	13	13	13	14	14	15	15	15	16	16
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	117	71	73	74	76	78	80	81	83	85	88
Surplus (deficit) of operating funding (A-B)	-	-	-	-	-	-	-	-	-	-	-
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	-	-	-	-	-	-	-	-	-	-	-
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-



Part Four – Financial Information

Te Wahanga TuaWha

How Council will finance its activities



← BUSHHAVEN

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 2028. The financial statements were authorised for issue on the 30 June 2018 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

	Annual Plan 2017/2018	Budget 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
Revenue											
General rates and UAGC Targeted Rates	7,976	8,122	8,784	9,354	9,840	10,355	10,798	11,276	11,871	12,524	13,154
Targeted rates for water supply	1,017	1,106	1,183	1,272	1,322	1,341	1,368	1,422	1,473	1,526	1,612
Other targeted rates	1,210	1,379	1,303	1,213	1,163	1,145	1,117	1,063	1,012	960	873
Subsidies and grants	11,550	4,210	20,387	20,555	19,612	2,857	2,962	3,102	3,126	3,070	3,151
Fees and Charges	1,171	1,295	1,335	1,389	2,080	2,211	2,292	2,349	2,432	2,509	2,579
Other Revenue	104	221	275	282	290	300	309	321	333	347	363
Finance revenue	104	100	102	104	107	109	112	114	117	120	124
Total operating revenue	23,132	16,433	33,368	34,169	34,414	18,317	18,958	19,647	20,364	21,055	21,856
Expenditure											
Depreciation and amortisation expense	2,300	2,458	2,659	2,984	3,409	3,600	3,668	3,950	4,002	4,041	4,444
Personnel costs	4,285	4,658	4,843	4,967	5,308	5,447	5,637	5,745	5,859	5,976	6,101
Finance costs	411	297	646	945	1,101	1,238	1,346	1,525	1,705	1,971	2,216
Other expenses	6,419	6,870	7,152	7,290	7,791	7,963	8,143	8,326	8,548	8,787	9,038
Total operating expenditure	13,415	14,283	15,300	16,186	17,609	18,248	18,794	19,546	20,114	20,775	21,799
Operating surplus (deficit)	9,717	2,150	18,068	17,983	16,805	69	164	101	250	280	57
Other comprehensive revenue and expense											
Gain on revaluation of property, plant and equipment	-	-	-	10,712	-	-	22,229	-	-	28,969	-
Total other comprehensive revenue and expense	-	-	-	10,712	-	-	22,229	-	-	28,969	-
Total comprehensive revenue and expense	9,717	2,150	18,068	28,695	16,805	69	22,393	101	250	29,249	57

Prospective Statement of Changes in Equity

	Annual Plan 2017/2018	Budget 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
Equity balance at 1 July	191,375	199,343	201,493	219,561	248,256	265,061	265,130	287,523	287,624	287,874	317,123
Comprehensive income for year	9,717	2,150	18,068	28,695	16,805	69	22,393	101	250	29,249	57
Equity Balance 30 June	201,092	201,493	219,561	248,256	265,061	265,130	287,523	287,624	287,874	317,123	317,180
Components of Equity											
Retained Earnings at 1 July	127,847	132,353	134,275	152,903	171,427	188,286	188,356	188,520	188,657	188,886	189,144
Transfers to/(from) Retained Earnings	46	(228)	560	540	54	1	-	36	(21)	(22)	40
Net Surplus/(Deficit)	9,717	2,150	18,068	17,983	16,805	69	164	101	250	280	57
Retained earnings 30 June	137,610	134,275	152,903	171,427	188,286	188,356	188,520	188,657	188,886	189,144	189,241
Asset Revaluation Reserves at 1 July	62,480	65,988	65,988	65,988	76,699	76,699	76,699	98,928	98,928	98,928	127,897
Revaluation Gains	-	-	-	10,712	-	-	22,229	-	-	28,969	-
Revaluation Reserves 30 June	62,480	65,988	65,988	76,699	76,699	76,699	98,928	98,928	98,928	127,897	127,897
Council Created Reserves at 1 July	1,048	1,002	1,230	670	130	76	75	75	39	60	82
Transfers to / (from) reserves	(46)	228	(560)	(540)	(54)	(1)	-	(36)	21	22	(40)
Council created Reserves 30 June	1,002	1,230	670	130	76	75	75	39	60	82	42
Equity at 30 June	201,092	201,493	219,561	248,256	265,061	265,130	287,523	287,624	287,874	317,123	317,180

Prospective Statement of Financial Position

	Annual Plan 2017/2018	Budget 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
ASSETS											
Current Assets											
Cash and cash equivalents	60	4,727	4,991	5,186	5,323	5,295	5,246	5,236	5,215	5,193	5,166
Debtors and other receivables	3,583	4,230	4,374	4,521	4,677	4,838	5,001	5,164	5,332	5,503	5,675
Prepayments	-	51	58	65	72	80	87	94	101	109	116
Other financial assets	868	-	-	-	-	-	-	-	-	-	-
Total Current Assets	4,511	9,008	9,423	9,772	10,072	10,213	10,334	10,494	10,648	10,805	10,957
Non-Current Assets											
Plant, property and equipment	210,169	212,918	241,546	275,178	293,156	295,353	318,050	322,405	326,245	359,521	363,253
Intangible assets	75	154	161	170	179	189	199	210	222	235	249
Investment Property	2,153	2,259	2,309	2,361	2,415	2,474	2,537	2,605	2,679	2,761	2,850
Other financial assets											
Investment in CCOs and other similar entities	-	110	110	110	110	110	110	110	110	110	110
Investment in Associates	223	91	101	112	124	137	151	165	181	198	217
Total Non-Current Assets	212,620	215,532	244,227	277,931	295,984	298,263	321,047	325,495	329,437	362,825	366,679
TOTAL ASSETS	217,131	224,540	253,650	287,703	306,056	308,476	331,381	335,989	340,085	373,630	377,636
LIABILITIES											
Current Liabilities											
Creditors and other Payables	3,407	4,403	4,817	5,168	5,466	5,609	5,731	5,888	6,042	6,199	6,352
Employee entitlements	350	315	326	337	350	363	377	392	408	426	444
Borrowings	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total Current Liabilities	3,757	6,218	6,643	7,005	7,316	7,472	7,608	7,780	7,950	8,125	8,296
Non-Current Liabilities											
Provisions	140	148	155	163	172	181	191	202	214	226	240
Borrowings	12,142	16,681	27,291	32,279	33,507	35,693	36,059	40,383	44,047	48,156	51,920
Total Non-Current Liabilities	12,282	16,829	27,446	32,442	33,679	35,874	36,250	40,585	44,261	48,382	52,160
TOTAL LIABILITIES	16,039	23,047	34,089	39,447	40,995	43,346	43,858	48,365	52,211	56,507	60,456
EQUITY											
Retained Earnings	137,610	134,275	152,903	171,427	188,286	188,356	188,520	188,657	188,886	189,144	189,241
Asset Revaluation Reserves	62,480	65,988	65,988	76,699	76,699	76,699	98,928	98,928	98,928	127,897	127,897
Council Created Reserves	1,002	1,230	670	130	76	75	75	39	60	82	42
TOTAL EQUITY	201,092	201,493	219,561	248,256	265,061	265,130	287,523	287,624	287,874	317,123	317,180

Prospective Statement of Cash Flows

	Annual Plan 2017/2018	Budget 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
Cash flows from operating activities											
Receipts from rates revenue	10,563	10,462	11,119	11,685	12,161	12,672	13,112	13,590	14,181	14,831	15,460
Receipts from other revenue	13,077	5,726	21,947	22,174	21,928	5,309	5,501	5,704	5,817	5,845	6,003
Interest received	104	100	102	104	107	109	112	114	117	120	124
Payments to suppliers and employees	(11,355)	(11,257)	(11,580)	(11,906)	(12,799)	(13,269)	(13,659)	(13,910)	(14,254)	(14,606)	(14,986)
Interest paid	(411)	(297)	(646)	(945)	(1,101)	(1,238)	(1,346)	(1,525)	(1,705)	(1,971)	(2,216)
Net Cashflow from Operating Activity	11,978	4,734	20,942	21,112	20,296	3,583	3,720	3,973	4,156	4,219	4,385
Cash flow from investing activities											
Receipts from sale of property, plant and equipment	4,000	-	-	-	-	-	-	-	-	-	-
Receipts from sale of investments	-	-	-	-	-	-	-	-	-	-	-
Acquisition of investments	(208)	-	-	-	-	-	-	-	-	-	-
Purchases of property, plant and equipment	(22,912)	(17,789)	(31,287)	(25,905)	(21,387)	(5,797)	(4,135)	(8,306)	(7,841)	(8,349)	(8,176)
	-	-	-	-	-	-	-	-	-	-	-
Net Cashflow from Investing Activity	(19,120)	(17,789)	(31,287)	(25,905)	(21,387)	(5,797)	(4,135)	(8,306)	(7,841)	(8,349)	(8,176)
Cash flow from financing activities											
Proceeds from borrowings	7,142	13,181	10,609	4,988	1,228	2,186	366	4,323	3,664	4,108	3,764
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-	-
Net Cashflow from Financing Activity	7,142	13,181	10,609	4,988	1,228	2,186	366	4,323	3,664	4,108	3,764
Net Increase (Decrease) in Cash & Cash Equivalents	-	126	264	195	137	(28)	(49)	(10)	(21)	(22)	(27)
Add Opening Cash bought forward	60	4,601	4,727	4,991	5,186	5,323	5,295	5,246	5,236	5,215	5,193
Closing Cash & Cash Equivalents	60	4,727	4,991	5,186	5,323	5,295	5,246	5,236	5,215	5,193	5,166

Prospective Capital Expenditure Programme

Capital Expenditure by Activity	Budget 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
Community Development	20	20	21	-	-	-	-	-	-	-
Community Facilities	4,682	6,462	3,098	90	1,299	1,151	3,531	52	125	318
Economic Development	-	17,186	18,438	18,880	-	-	-	-	-	-
Land Transport	2,141	2,376	2,257	1,545	1,611	1,751	1,887	1,868	1,714	1,766
Regulation & Safety	113	-	21	-	-	-	-	-	-	-
Solid Waste Management	107	20	-	-	-	-	-	-	-	-
Stormwater	3,000	72	802	199	2,238	332	1,602	279	1,017	157
Support Services	864	541	358	386	355	318	358	353	354	452
Wastewater	5,768	4,436	281	126	130	133	269	4,031	4,165	4,281
Water Supplies	1,095	174	629	161	164	450	659	1,257	974	1,202
	17,789	31,287	25,905	21,387	5,797	4,135	8,306	7,841	8,349	8,176

Council Reserve Funds

Council Created Reserves	Activities to which the reserve relates	Purpose	Opening Balance 01/07/2018	Transfer to Reserve	Transfer from Reserve	Closing Balance 30/06/2028
Cash in Lieu of Reserves	Economic Development	For general purpose funding	159	-	(159)	-
Road Upgrading	Land Transport	For upgrading of roading	113	-	(113)	-
Carpark Contribution	Land Transport	For the upgrade of carparks	5	-	(5)	-
CBD Development	Property	For the development of town CBD	37	2	(39)	-
Development Contribution	Parks and Reserves	For development of recreational facilities	408	23	(431)	-
Elections	Leadership	For funding triennial elections	17	153	(147)	23
Library Development	Library	For the Library Development Project	302	19	(321)	-
Coast Community Board	Community Development	For funding CCB projects	100	500	(600)	-
Whakaari Taonga Management	Planning	For the development of reserves	14	5	-	19
Destination Playground	Playgrounds	For development of playgrounds	3	-	(3)	-
General Purpose (Electricity Proceeds)	Economic Development	For general purpose funding	37	-	(37)	-
			1,194	702	(1,855)	42

Council Reserve Funds – continued

	Opening Balance 01/07/2018	Transfer to Reserve	Transfer from Reserve	Closing Balance 30/06/2028
Asset Revaluation Reserves				
<i>Operational Assets</i>				
Land	154	378	-	532
Buildings	380	932	-	1,312
<i>Infrastructural Assets</i>				
Roading	42,543	32,866	-	75,410
Water Systems	5,530	2,877	-	8,407
Sewerage Systems	7,986	5,015	-	13,002
Stormwater Systems	6,993	3,222	-	10,216
Harbour Development	-	10,736	-	10,736
<i>Restricted Assets</i>				
Land	1,387	3,400	-	4,787
Buildings	1,013	2,483	-	3,496
	<u>65,988</u>	<u>61,910</u>	-	<u>127,897</u>

Asset revaluation reserves are movements in asset values due to revaluation.



View over Opotiki township.

Council Internal Borrowing

Activity	Opening	Additional		Closing	
	Balance	Funds	Funds	Balance	Interest
	01/07/2018	Borrowed	Repaid	30/06/2028	Paid
Support	558	4,339	(2,278)	2,618	-
Wastewater	1,267	23,623	(5,043)	19,847	3,867
Stormwater	520	9,697	(2,505)	7,712	1,899
Solid Waste	70	127	(87)	110	47
Water Supplies	3,463	6,766	(4,770)	5,459	1,350
Land Transport	68	8,090	(6,210)	1,948	573
Regulation & Safety	-	134	(132)	2	14
Leadership	-	-	-	-	-
Economic Development	-	5,658	(208)	5,450	1,530
Community Facilities	2,061	16,809	(6,792)	12,078	3,684
Community Development	124	61	(120)	65	27
	8,131	75,304	(28,145)	55,289	12,991



Trout fishing - Waioeka River, Ōpōtiki.

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 2018 through to 30 June 2028.

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 2017; 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:

Impairment of Revalued Assets

In April 2017, the XRB issued *Impairment of Revalued Assets* (PBE IPSAS 21), which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards. The new standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 prospective financial statements. The Council has not yet assessed the effects of this new standard.

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 – 38). These new standards replace the existing standards for interests in

other entities (PBE IPSAS 6 – 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 prospective financial statements. The Council has not yet assessed the effects of this new standard.

Employee benefits

In May 2017, the XRB issued PBE IPSAS 39 Employee Benefits. PBE IPSAS 39 replaces PBE IPSAS 25 Employee benefits. PBE IPSAS 39 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

Service performance reporting

PBE FRS 48 effective 1 January 2021

There should be no material effects on financial forecasts with the implementation of the above.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 *Financial Instruments*. PBE IFRS 9 replaces PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early adoption permitted.

The main changes are:

- New financial asset classification requirements for the determining whether an asset is measured at fair value or amortised costs.
- A new impairment model for financial assets based on expected losses, which may result in earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

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

Other changes in accounting policies

There have been no other changes in accounting policies.

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

ODC 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.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when ODC obtains control over the asset. The fair value of the asset is

recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developers, the fair value is based on the construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), ODC immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

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

Leases

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.

Receivables

Receivables are recorded at their face value, less any provision for uncollectability.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

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;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense

The classification of a financial asset depends on the purpose for which the instrument was acquired.

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 acquired principally for the purpose of selling in the short term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current

assets, except for maturities greater than 12 months after the balance date, which are in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit

Loans to community organisations made by ODC 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.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than twelve months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date or if the debt is not expected to be realised within 12 months of balance date. ODC includes in this category:

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

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that ODC will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. If assets are impaired, the amount not expected to be collected is recognised in the surplus/deficit.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

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 ODC. 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 35 to 85 years (2.86% - 1.18%)
 - Roof 40 years (2.5%)
 - Services 15 to 50 years (6.67% - 2.0%)
 - Internal fit out 15 to 35 years (6.67% - 2.86%)
- 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 5 years (33% - 20%)
- Library collections 5 to 10 years (10% - 20%)

Roading network

- Formation – not depreciated
- Sub base – not depreciated
- Basecourse (unsealed) 8 years (12.5%)
- Basecourse (sealed) 25 to 50 years (2% - 4%)
- Seal 15 years (6.67%)
- Bridges 100 years (1.0%)
- Hot mix 10 years (10.0%)
- Cycleways 50 years (2%)
- Kerb and footpaths 50 years (2.0%)
- Reticulation 5 to 100 years (1% - 20.0%)
- Traffic facilities (roading components) 10 to 20 years (5.0% - 10.0%)
- Culverts (roading components) 50 years (2.0%)
- Pumps 10 to 20 years (5.0% - 10.0%)

Meters, valves and connections 25 to 75 years (1.33% - 4.0%)
River protection works 100 years (1.0%)
Open drains associated with the roading infrastructure is 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 5 years (20% - 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 and added to the borrowings balance.

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 ODC.

Council created reserves are those subject to specific conditions accepted as binding by ODC and which may not be revised by ODC 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.

Critical accounting estimates and assumptions

In preparing these prospective financial statements ODC has made estimates and assumptions 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.



Funding impact statement

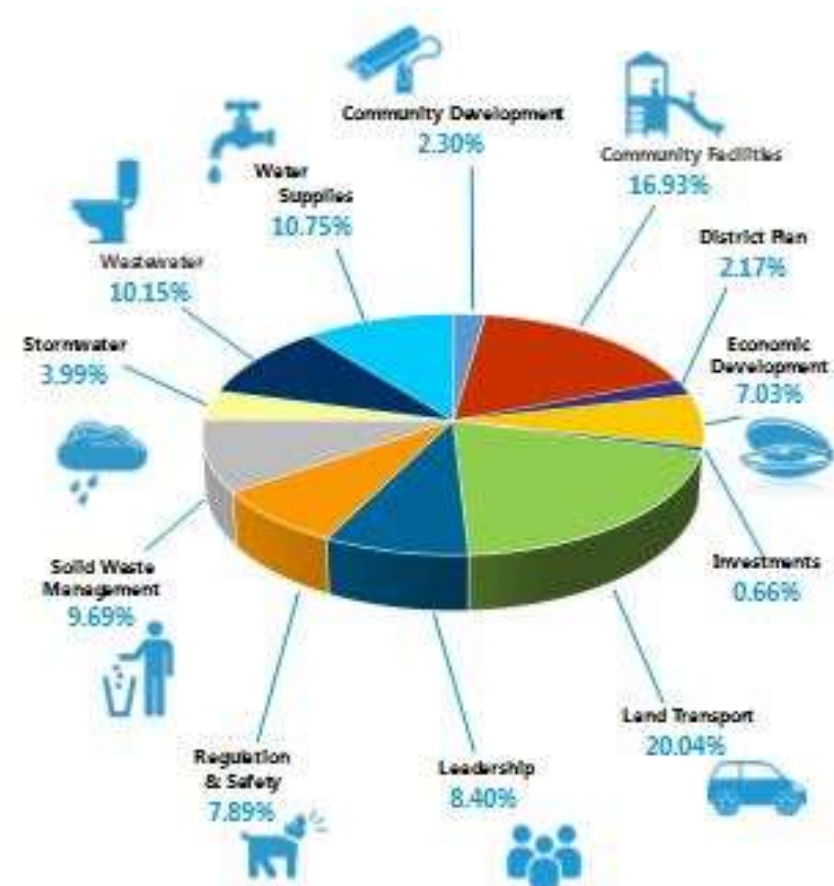
The purpose of the funding impact statement is to provide information about the income and funding streams we will use and is an indication of the amount of funding we will generate from each stream.

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



	Annual Plan 2017/2018	Budget 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
Sources of Operating Funding											
General rates, uniform annual general charge, rates penalties	8,626	8,122	8,483	8,813	9,177	9,639	10,029	10,389	10,816	11,245	11,589
Targeted rates	1,937	2,485	2,786	3,026	3,148	3,200	3,253	3,372	3,540	3,764	4,050
Subsidies and grants for operating purposes	1,461	1,709	1,749	1,787	1,858	1,925	1,962	2,005	2,062	2,120	2,183
Fees and charges	1,461	1,295	1,335	1,389	2,080	2,211	2,292	2,349	2,432	2,509	2,579
Interest and dividends from investments	104	100	102	104	107	109	112	114	117	120	124
Local authorities fuel tax, fines, infringement fees, and other receipts	-	221	225	230	236	241	247	253	259	266	273
Total Operating Funding (A)	13,589	13,932	14,680	15,349	16,606	17,325	17,895	18,482	19,226	20,024	20,798
Applications of Operating Funding											
Payments to staff and suppliers	11,289	11,527	11,994	12,255	13,098	13,408	13,779	14,072	14,408	14,763	15,138
Finance costs	411	297	646	945	1,101	1,238	1,346	1,525	1,705	1,971	2,216
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	11,700	11,824	12,640	13,200	14,199	14,646	15,125	15,597	16,113	16,734	17,354
Surplus (deficit) of operating funding (A-B)	1,889	2,108	2,040	2,149	2,407	2,679	2,770	2,885	3,113	3,290	3,444
Sources of capital funding											
Subsidies and grants for capital expenditure	10,089	2,501	18,638	18,767	17,753	932	1,000	1,098	1,064	950	968
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	7,142	13,181	10,609	4,988	1,228	2,186	366	4,323	3,664	4,108	3,764
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	17,231	15,682	29,247	23,755	18,981	3,118	1,366	5,421	4,728	5,058	4,732
Applications of capital funding											
Capital expenditure											
- to meet additional demand	8,420	1,727	20,634	19,687	18,880	1,108	1,112	3,458	510	389	376
- to improve the level of service	7,580	8,048	3,900	4,434	631	2,604	989	2,477	3,128	5,089	4,480
- to replace existing assets	6,912	8,015	6,753	1,783	1,877	2,085	2,035	2,371	4,203	2,870	3,320
Increase (decrease) in reserves	208	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	(4,000)	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	19,120	17,790	31,287	25,904	21,388	5,797	4,136	8,306	7,841	8,348	8,176
Surplus (deficit) of capital funding (C-D)	(1,889)	(2,108)	(2,040)	(2,149)	(2,407)	(2,679)	(2,770)	(2,885)	(3,113)	(3,290)	(3,444)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

Depreciation by Group of Activity

Group of Activities	Budget 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
Community and Cultural Sustainability	259	355	622	890	1,068	1,105	1,215	1,265	1,265	1,377
Economic Sustainability	1,448	1,491	1,517	1,623	1,636	1,646	1,785	1,799	1,816	1,990
Environmental Sustainability	610	638	640	684	685	705	760	777	802	908
Support Services	141	175	205	212	212	212	190	160	158	169
	2,458	2,659	2,984	3,409	3,600	3,668	3,950	4,002	4,041	4,444

Rates

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
General Rates	6,762,452	7,039,533	7,277,557	7,546,920	7,919,417	8,218,408	8,492,591	8,853,822	9,213,537	9,497,407
UAGC Rates	2,009,189	2,108,106	2,214,504	2,323,466	2,429,770	2,537,270	2,639,852	2,724,009	2,813,326	2,894,662
Total General Rates and UAGC	8,771,641	9,147,639	9,492,060	9,870,386	10,349,187	10,755,679	11,132,443	11,577,831	12,026,863	12,392,069
Targeted Rates										
Opotiki/Hikutaia Water	570,821	638,747	719,564	751,804	759,491	768,383	804,460	842,629	876,779	939,999
Te Kaha Water	132,389	130,653	129,540	137,014	137,644	145,164	151,619	152,119	157,653	167,343
Ohiwa Water	15,741	16,781	17,197	17,801	18,020	18,255	18,785	19,382	19,643	20,324
Opotiki Sewerage	765,562	872,310	989,923	1,115,999	1,131,446	1,146,607	1,184,097	1,290,920	1,435,033	1,624,548
Waihou Bay Sewerage	11,180	11,343	11,459	11,758	11,887	12,011	12,693	12,854	13,008	13,408
Refuse Collection	261,840	357,721	365,499	374,931	383,002	391,250	399,871	409,060	418,948	421,736
Waioeka Wastewater Extension	37,286	47,036	49,586							
Total Targeted Rates	1,794,819	2,074,590	2,282,768	2,409,306	2,441,490	2,481,670	2,571,524	2,726,963	2,921,064	3,187,357
Communities of interest rates										
Residential	84,700	81,474	88,192	82,666	89,390	87,649	95,799	93,370	101,829	100,484
Rural	57,206	60,924	66,612	61,789	62,915	63,090	66,743	66,959	70,372	71,860
Commercial	161,653	172,130	182,905	178,808	180,995	184,459	190,163	193,601	199,357	205,958
Total Targeted Rates	2,098,379	2,389,118	2,620,476	2,732,569	2,774,790	2,816,868	2,924,230	3,080,893	3,292,622	3,565,660
Total Rates	10,870,020	11,536,757	12,112,537	12,602,955	13,123,977	13,572,547	14,056,673	14,658,723	15,319,485	15,957,729
Number of rating units	5,678	5,678	5,678	5,678	5,678	5,678	5,678	5,678	5,678	5,678
Metered Water	387,000	396,675	405,808	415,561	425,545	436,188	447,527	459,176	471,560	484,756

*All figures exclude GST

Description	Land Liabile	Differential	Factor of Liability	Rate Value (Excl GST)	Amount Sought
District Wide Rates					
General	All rateable property	Uniform	Capital Value	0.3481 cents in the dollar	\$ 6,762,452
Uniform Annual General Charge	All rateable property	Uniform	Fixed amount per rating unit	\$ 416.58	\$ 2,009,189

Targeted Rates

Opotiki/Hikutaia Water	Service available	Service available/connected	Amount per SUIP	\$249.43 Connected	\$ 570,821
			Amount per rating unit	\$124.72 Available	
Te Kaha Water	Service available	Service available/connected	Amount per SUIP	\$371.47 Connected	\$ 132,389
			Amount per rating unit	\$185.74 Available	
Ohiwa Water	Service available	Service available/connected	Amount per SUIP	\$732.14 Connected	\$ 15,741
			Amount per rating unit	\$366.07 Available	
Opotiki Sewerage	Service available	Service available/connected	Amount per SUIP	\$450.78 Connected	\$ 765,562
			Amount per rating unit	\$225.39 Available	
			Amount per pan	\$360.62 Multiple	
Waihau Bay Sewerage	Service available	Service available/connected	Amount per SUIP	\$438.43 Connected	\$ 11,180
			Amount per rating unit	\$219.22 Available	
Waoeka Wastewater Extension	Service available	Service	Amount per rating unit	\$18643 Connected	\$ 37,286
Refuse Collection	Service available	Service available/connected	Amount per SUIP	\$119.53 Collected	\$ 261,840
			Amount per rating unit	\$59.765 Available	

Communities of Interest Rates

Residential	Residential property	Uniform	Amount per rating unit	\$ 40.24	\$ 84,700
Rural	Rural property	Uniform	Amount per rating unit	\$ 22.88	\$ 57,206
Commercial	Commercial/Industri	Uniform	Amount per rating unit	\$ 748.39	\$ 161,653

Metered Water Rates

Ōpōtiki/Hikutaia	Service connected	Uniform	Amount per cubic metre	\$ 0.57	\$ 285,000
Ōhiwa	Service connected	Uniform	Amount per cubic metre	\$ 1.00	\$ 5,000
Te Kaha	Service connected	Uniform	Amount per cubic metre	\$ 1.00	\$ 62,500

*All figures exclude GST

Rating Examples



The following rates are proposed to be set and assessed within the District for the 2018/19 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 2018-2028 Long Term Plan.

For the 2018/19 year this rate will be 0.3481 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. See definition below. This rate is for the purpose of providing some of the cost the Council activities set out in this 2018-2028 Long Term Plan.

For the 2018/19 year this rate will be \$416.58 (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/Hikutaia, 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/Hikutaia, 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 the water supply.

For the 2018/19 year these rates will be:

	WATER RATES	
	Connected	Available
Ōpōtiki/Hikutaia	249.43	124.72
Te Kaha	371.47	185.74
Ōhiwa	732.14	366.07

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/Hikutaia	57 cents per cubic metre
Te Kaha	\$1.00 per cubic metre
Ohiwa	\$1.00 per cubic metre

5 Sewerage Rates

A targeted rate set under section 19 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 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.

For the 2018/19 year these rates will be:

A uniform targeted rate on the capital value of all rateable land in the Ōpōtiki stormwater catchment area.

	SEWERAGE	RATE (GST INCL)	
	Connected	Available	Multi-connection
Ōpōtiki	450.78	225.39	360.62
Waihau Bay	438.43	219.22	

(d) Waioeke 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 \$18,643 per rating unit.

6 Refuse Collection Rate

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 Waiotahi/Waioeke 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 Waioeke Road/State Highway 2 to rural number 126.

The rate is subject to differentials as follows:-

- A full charge of \$119.53 on each separately used or inhabited part of a rating unit (that is used or inhabited) within the collection area.
- A half-charge of \$59.77 on each separate rating unit where 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 2018/19 year this rate will be \$40.24 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 2018/19 year this rate will be \$22.88 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 2018/19 year this rate will be \$748.39 per rating unit.

Sources of funding for subsequent years

The funding sources applied for 2018/19 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 2018/19 rating year.



Kutarere, Ōpōtiki.

Independent auditor's report on Ōpōtiki District Council's 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Ōpōtiki District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 30 June 2018.

Opinion

In my 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 40 to 45 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 matter – uncertainties over the cost, funding and timing of the Opotiki Harbour Transformation project

Without modifying our opinion, we draw your attention to the disclosures on page 7 and the assumptions on pages 35-37, which outline the uncertainties over the proposed Opotiki Harbour Transformation project. There is uncertainty about the estimated cost of the project because a revised business case has not been completed for reconsideration. As a result, there is uncertainty about whether the amount of external funding needed for the project will be made available and, if funding is made available, when the project will proceed.

The District Council has committed to draw down \$5.4m of borrowings to contribute to the project. If external funding is not available, the District Council has stated that the project will not proceed because the District Council does not have the financial resources to carry out the project on its own. Should the project not proceed, the expected economic and social benefits to the District Council and the community as reported in the plan are unlikely to eventuate.

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*.¹ 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*² 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 information in the plan is based on materially complete and reliable information;

¹ Auditors may make reference to this standard being available on the internet by including the following words "which is available on the External Reporting Board's website" if they choose to.

² Auditors may make reference to this standard being available on the internet by including the following words "which are available on the International Auditing and Assurance Standards Board's website" if they choose to.

- 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.

I am 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. I do not express an opinion on the merits of the plan's policy content.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of *Professional and Ethical Standard 1 (Revised)*; and
- quality control requirements, which incorporate the quality control requirements of *Professional and Ethical Standard 3 (Amended)*.

In addition to this report on the Council's Long-Term Plan and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council.



Clarence Susan, 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

Significance and Engagement Policy

Purpose and Scope

1. To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
2. To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
3. To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

Principles

4. The Council will be consistent and transparent in how it engages the public.
5. The Council will ensure Maori views are considered when engaging.
6. The Council will consider the language, accessibility and cultural needs in any engagement.
7. The Council will act honestly and openly when analysing and presenting any engagement results.
8. The Council will prominently outline a proposals' or decisions' cost in any engagement.

Definitions

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Consultation	A subset of engagement; a formal process where the community can present their views to the Council on a specific decision that is proposed and made public.

Definitions

Decisions	Refers to all decisions made by or on behalf of Council including those made by officers under delegation. Decision implies that a proposal has been considered.
Engagement	Is a term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
Significant and Significance	As defined in Section 5 of the LGA 2002 Significance , in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for, - (a) The district or region; (b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so
Significant Activity	Is an activity (or group of activities) as listed below: Any activity or group of activities where the total expenditure was in excess of 10% of the total annual Council expenditure. Total expenditure includes external interest expense and accounting depreciation.

Definitions

Significant project or asset purchase	Any project or asset purchase where the total expenditure was in excess of 10% of the total annual Council expenditure.
Strategic Asset	A list of Strategic Assets of the Ōpōtiki District Council is contained in Schedule 1 of this policy. For the purpose of the Policy, the Council considers its strategic assets as a whole, because it is the asset class as a whole that delivers the service.

Policy

9. Engaging with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.
10. This policy applies to any proposal presented to the Council for a decision. It is applied in two steps:
 - a. Step 1 – Determining the significance of the proposal/decision.
 - b. Step 2 - Determining the requirement to engage or not (guided by the level of significance). If there is a requirement to engage, the level of engagement is set.
11. The Council will take into account the Principles as outlined earlier when assessing the degree of significance of proposals and decisions.
12. If a proposal or decision is affected by a number of the above principles, it is more likely to have a higher degree of significance.
13. Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy).
14. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.
15. Joint Management Agreements, Memorandum of Understanding or any other similar high level agreements can be considered as a starting point when engaging with various bodies, including Māori.
16. When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

Criteria for Determining Significance

17. The following criteria will be used to determine whether the proposal or decision being considered by the Council is significant. If an issue exceeds one or more of the following criteria, the matter is more likely to have a high degree of significance.
 - Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as outlined in Appendix 1 of this policy
 - A decision that will have a major and long-term impact on the capacity of the Council to carry out any activity identified in the Long Term Plan
 - A decision that will have a major and long-term impact on Council's Strategic Direction
 - A decision that will have a major and long-term impact on a wide range of people and/or groups who reflect the makeup of the District's community
 - The issue, proposal, or other matter that will have a major and long-term impact on Council's current level of service.

SCHEDULE 1– STRATEGIC ASSETS

Section 5 of the Local Government Act 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; and
- 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 social policy; and
- c. any equity securities held by the local authority in—
 - (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 group 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.
Harbour Development	
Reserves and Sport Fields	
Library	Includes Book collection
Public Toilets	
Cemeteries	
Cycleways	
Aerodrome	
Council's Administration Building	

SCHEDULE 2 – COMMUNITY ENGAGEMENT GUIDE

Community engagement:

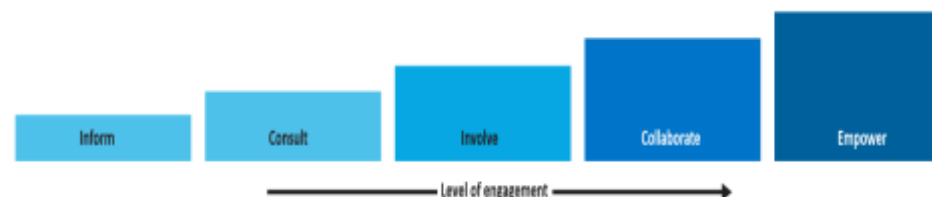
- is a process
- involves all or some of the public
- is focused on decision-making or problem-solving.

The model below shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders there is no expectation of receiving feedback, and consequently there is a low level of public impact. At the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant

such an involved approach. Time and money may also limit what is possible on some occasions.

In general, the more significant an issue, the greater the need for community 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 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

Engagement tools and techniques

Over the time of decision making, Council may use a variety of engagement techniques on any issue or proposal and the tools may be adapted based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Council will also take into consideration that the community can feel 'over consulted' (stop asking us what we think and get on with it).

Each situation will be assessed according to both the issue and the phase of decision making and the individual circumstances it presents. The following table provides an example of the differing levels of engagement that might be considered appropriate, the types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement.

Level	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 or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals 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 Local Government Act 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.
Types of issues that we might use this for	Water restrictions. Temporary Road Closure. Adopt Annual Report. Emergency Works.	Regulation Policy such as Local Alcohol Policy. Developing and adopting a Bylaw. Adopt LTP or Annual Plan	Review of the Ōpōtiki District Plan.	Sub Regional Spatial Plan	Election voting systems (MMP, STV or first past the post)
Tools Council might use	Websites Information flyer Public notices	Formal submissions and Hearings	Workshops Focus groups	External focus groups Other Council involvement	Binding referendum Local body elections
When the community can expect to be involved	Council would generally advise the community once a decision is made	Council would advise the community once a draft decision is made and would generally provide the community with up to 4 weeks to participate and respond.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process e.g. typically a month or more.

Revenue and Financing Policy

Introduction

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

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

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

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

Requirements

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

- Policy in respect of the funding of operating expenses
- Policy in respect of the funding of capital expenditure
- Identify the sources of funds that will be used
- The funding needs from the identified sources must follow consideration of
 - (i) The community outcomes to which the activity primarily contributes; and
 - (ii) The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - (iii) The period in or over which those benefits are expected to occur; and
 - (iv) The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and

- (v) The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- (vi) The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

Developing the Policy

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

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

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

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

aware of these affordability issues and is focusing on designing infrastructure that balances function, longevity, and affordability.

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

Funding Challenges

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

- A small population base with a large number of assets that increases the risk of asset ownership with the need to repair, maintain, renew and develop those assets for the changing needs of the district
- Geographically spread assets (eg Roads). This restricts access to users of some services and increases operational and capital costs of providing the services
- Long life assets – up to 100 years, but most are over halfway through their useful lives. Funding for their future replacement is a fundamental issue for Council to ensure continuity of service
- Council business is dominated by roading. Council is reliant on NZ Transport Agency subsidies and is particularly affected by construction prices. Increasing oil prices and/or lowering of the New Zealand dollar strongly influences Council's costs. NZ Transport Agency have completed their Financial Assistance Rate (FAR) review and we are 3 years in to their 10 year programme of changing the assistance rates. Changes in the FAR have a significant impact on Council.

Description of Council Expenditure

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

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

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

- Renewals – defined as capital expenditure that increases the life of an existing asset with no increase in service level.

- Increased level of service – defined as capital expenditure that increases the service level delivered by the asset.
- Growth – defined as capital expenditure that is required to provide additional capacity to cater for future growth in demand.

Operating Expenses

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

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

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

Capital Expenditure

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

Savings and Reserves

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

Funding Principles

The general principles used in the process are:

- The user/beneficiary pays principle

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

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

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

Funding Sources

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

(a) General Rates

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

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

(b) Targeted Rates

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

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

(c) Uniform Annual General Charge (UAGC)

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

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

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

(d) Fees and Charges

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

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

(e) Interest

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

(f) Dividends

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

(g) Borrowing

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

(h) Proceeds from Asset Sales

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

(i) Financial and Development Contributions

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

Council does not collect development contributions.

(j) Grants and Subsidies

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

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

(k) Any Other Source

Beneficiaries

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

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

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

Council Activities

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

Council Groups of Activities

Community and Cultural Sustainability	Environmental Sustainability	Economic Sustainability
Leadership	Solid Waste Management	Water Supply
Community Facilities	Stormwater	Land Transport
Community Development	District Planning	Investments
Economic Development	Wastewater	
Regulation and Safety		



Ōhiwa Harbour, Ruatuna area, Ōpōtiki.

Funding Operational Expenditure

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

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

Community and Cultural Sustainability Group of Activities

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

The significant activities contained within this group are:

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

Leadership

The Leadership Activity provides for:

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

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

Intergenerational Equity Issues

Leadership is considered an annually funded activity.

Costs and Benefits

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

- More transparent disclosure and accountability of projects and funding to the Ōpōtiki Community
- Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning

- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

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

BENEFICIARIES AND EXACERBATORS

National Benefit: There is a National Benefit associated with the leadership activity, with the Mayor representing the Ōpōtiki District and the Local Government Sector on Nation-wide committees such as Local Government New Zealand and New Zealand Access Walkway Commission. Council also often engages in issues of National importance, there is also a deemed National benefit to the development of the Long Term Plan, Annual Plan, Policy Development and Advocacy, as well as facilitating relationships with Tangata Whenua, where National outcomes and priorities can be advanced at a local level.

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

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

District Benefit: The Mayor is elected ‘at large’ and has a governance and leadership role for the entire District representing the wider community.

The benefit of the Council and its Committees is considered to be predominately District wide in nature. Whilst individual Councillors are elected within wards the

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

FUNDING

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

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

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

Community Facilities

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

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

Intergenerational Equity Issues

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

Costs and Benefits

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

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

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

BENEFICIARIES AND EXACERBATORS

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

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

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

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

Commercial Benefit: There is commercial benefit of providing the cycleway where commercial users can utilise this facility to organise and run events.

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

FUNDING

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

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

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

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

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

User Allocation: The user benefit of community facilities is high, however we lack means to recover from the users via fees and charges, a lot of these facilities and services are deemed "for the community good", so therefore should be funded via

a community rate. Where we can charge a fee we hope to recover between 5-15% of the cost of the activity.

Community Development

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

- Community Grants
- Healthy and Active Communities.

Intergenerational Equity Issues

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

Costs and Benefits

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

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

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	Funding Method	Funding Method	% Of Funding
Council provides grants to the community and to promote a healthy and active community.	National Benefit	7.5%	Subsidies	0-20%
	Regional Benefit	5%	No mechanism	0%
	District Benefit	87.5%	Rates	80-100%

BENEFICIARIES AND EXACERBATORS

National Benefit: There is an element of national benefit in the development of communities as local communities are a subset of the larger national community and development of a part contributes to the overall development of the whole. Furthermore, many community initiatives at the local level assist in contributing to Central Government policy objectives. Healthy and active communities have flow on effects to the region and to the nation as communities are closely connected.

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

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

FUNDING

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

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

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

Economic Development

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

- Economic Development
- Tourism Promotion
- Harbour Development

Intergenerational Equity Issues

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

Costs and Benefits

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

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

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Economic development to facilitate a sustainable economic future. Promote tourism and provide visitors with information about our District. Lead and develop a reliable harbour entrance to enable aquaculture.	National Benefit	10%	Subsidies	0-80%
	Regional Benefit	13%	No current mechanism	0%
	District Benefit	47%	Rates	20-90%
	Commercial Benefit	20%	Targeted Rates	5-15%
	User Benefit	10-60%	Fees and Charges	0-60%

BENEFICIARIES AND EXACERBATORS

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

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

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

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

FUNDING

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

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

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

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

User Allocation: The users that benefit from this activity are therefore required to contribute towards this activity by way of fees and charges with a target recovery of 0 - 5% which we expect to derive in the latter years of the Long Term Plan once we have experienced growth in tourism and are receiving income from the harbour development.

Regulation and Safety

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

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

Intergenerational Equity Issues

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

Costs and Benefits

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

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

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides environmental management services to enhance and promote the environment.	National Benefit	3%	Subsidies	0-5%
	Regional Benefit	3%	No mechanism	0%
	District Benefit	52%	Rates	45-65%
	Community Benefit	25%	Targeted Rates	0-10%
	Commercial Benefit	2%	Fees and Charges	0-10%
	User Benefit	15%	Fees and Charges	20-45%

BENEFICIARIES AND EXACERBATORS

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

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

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

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

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

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

FUNDING

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

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

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

Commercial and User Allocation: User fees and charges is the most efficient, effective and transparently lawful available method for funding this allocation with a targeted recovery of 20 – 40% of the cost of the activity.

Environmental Sustainability Group of Activities

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

The significant activities contained within this group are:

- Solid Waste Management
- Stormwater
- Resource Management
- Wastewater

Solid Waste

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

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

Intergenerational Equity Issues

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

Costs and Benefits

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

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

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

BENEFICIARIES AND EXACERBATORS

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

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

District Benefit: There is an element of District Benefit to Council’s solid waste function in that the District receives the benefit of collection from the kerbside and

disposal of solid waste preserving the environment. It also encourages practices that ensure that waste is minimised, which preserves the environment and promotes health and safety of residents.

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

FUNDING

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

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

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

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

Stormwater

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

- Stormwater

Intergenerational Equity Issues

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

Costs and Benefits

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

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

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

BENEFICIARIES AND EXACERBATORS

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

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

FUNDING

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

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

District Planning

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

- District Planning

Intergenerational Equity Issues

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

Costs and Benefits

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

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

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides an administrative, processing, monitoring and decision-making role for resource management.	National Benefit	5%	No mechanism	0%
	Regional Benefit	5%	No mechanism	0%
	District Benefit	85%	Rates	80-100%
	User Benefit	5%	User Charges	0-20%

BENEFICIARIES AND EXACERBATORS

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

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

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

FUNDING

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

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

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

Wastewater

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

- Wastewater

Intergenerational Equity Issues

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

Costs and Benefits

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

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

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

BENEFICIARIES AND EXACERBATORS

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

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

FUNDING

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

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

Economic Sustainability Group of Activities

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

The significant activities contained within this group are:

- Water Supply
- Land Transport
- Investments

Water Supply

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

- Water

Intergenerational Equity Issues

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

Costs and Benefits

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

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

Description of Service	Attributable Benefit		Allocation of Funding	
	Benefit Group	% Of Benefit	Funding Method	% Of Funding
Council provides a reticulated supply to 5760 residents, and monitors water quality and future supply needs.	District Benefit	10%	Rates	5-20%
	Community Benefit	85%	Targeted Rates	80-95%
	User Benefit	5%	Fees and Charges	0-5%

BENEFICIARIES AND EXACERBATORS

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

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

FUNDING

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

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

User Allocation: We charge users directly for metered water as a targeted rate. We recover a small portion of the activity cost through new connections.

Land Transport

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

- Land Transport
- Land Transport Accelerated and Enhanced

Intergenerational Equity Issues

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

Costs and Benefits

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

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

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

BENEFICIARIES AND EXACERBATORS

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

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

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

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

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

FUNDING

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

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

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

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

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

Investments

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

- Investments

Intergenerational Equity Issues

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

Costs and Benefits

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

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

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

BENEFICIARIES AND EXACERBATORS

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

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

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

FUNDING

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

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

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

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 are the performance targets for the next three years:

Performance Targets:

Investigate a minimum of 4 new Joint Procurement initiatives for goods and service for BOPLASS councils.

Communicate with each shareholding Council at appropriate levels with a least one meeting with each Executive Leadership Team.

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.



Farm gate. Woodlands, Ōpōtiki.

Appendices

Summary of Waste Management and Minimisation Plan

This is a summary of the Council's Waste Management and Minimisation Plan (WMMP). Should you require more information the full plan is available at the Council. There is no significant variation between the proposals in this LTP and the content in the full plan.

The Waste Minimisation Act requires Council to review its WMMP. This review will be completed and adopted by Council in June 2018. Council has reviewed its Solid Waste Management Strategy Plan and undertaken a Waste Assessment as required by the Act. The Waste Assessment contains a description of the collection, recycling, recovery and disposal provided by the Council. It also includes an assessment of options that have been considered.

In 1998 Council adopted its Zero Waste Policy. Prior to the closure of the landfill Council was accepting around 10,000 tonnes annually. Because of the proactive work Council and the community have undertaken the tonnage of waste disposed to landfill has reduced and was around 1070 in 2016. This represents an 89% reduction. 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'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.

Council proposes to change its operations in respect of the collection of residual waste and recyclable materials from the kerbside in the Ōpōtiki Township and the Woodlands / Hikutaia area as of 2019/20. The change in operation will see refuse

collected via 40L wheelie bin instead of 1 or more 25L bags and recycling will be collected using 4x 40L bio-degradable bags. Residual waste and recyclable materials will still be transferred at Council's three Resource Recovery Centres located in Ōpōtiki, Waihau 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 intend to implement the national waste data framework and work to improve the quality of data held over more waste streams. Once better data is available, Council will undertake further benchmarking and set targets for the remainder of the term of the WMMP on this basis.

Council’s proposed 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

The introduction of the Local Government Act 2002 places responsibility on Territorial Authorities to complete assessments of water services (drinking water, sewerage and stormwater) and sanitary services (public toilets, cemetery and crematoria, solid waste) for communities throughout their districts. Public consultation on the findings of these assessments is required.

The assessment process places emphasis on the identification, and proposals for resolution, of any adverse health impacts or environmental impacts arising from existing, and future demand for water and sanitary services. Where reticulated water services do not exist then an assessment of risk arising from lack of the reticulated service is to be undertaken.

The assessments are not just for Council provided services but also include private schemes. The definition of “community” is left to the Territorial Authority. 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. A further in-depth assessment is planned for 2019-20 in consideration of the recent government review of three waters services, post Havelock North inquiry.

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	• Whangaparoa

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 “Public Health Risk Management Plans” for all supplies.

Most private supplies are identified as having no disinfection. Public Health Risk Management Plans should be prepared as a priority for these supplies.

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 on site 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 risk 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 on site 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 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 first Assessment under the LGA (2002) 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).

Land Transport Programme

Ōpōtiki District Council Land Transport Programme [LTP] has been approved in principle by the Ōpōtiki District Council and the NZ Transport Agency as of June 2018.

It has also been fully consulted upon through the Long Term Plan 2018.

Council’s LTP has been developed in conjunction with Land Transport NZ’s on-line applications and can be found in this documentation.

The LTP describes:

- Consultation undertaken on the LTP
- Steps taken in developing land transport options and alternatives
- 10-year financial forecasts of funding and expenditure.

Activities have been described by:

- priority
- total cost
- proposed starting date and duration
- alternatives and options considered
- the objectives of each activity
- contribution to the purpose and objectives of the LTMA.

Road Safety

Background

It is recognised by Council that it has, together with other agencies, a pivotal role in road safety.

A number of initiatives associated with road safety will be addressed through the following areas:

- Education
- Engineering
- Enforcement.

The Land Transport Management Act 2003 and Amendment Act 2013 are the overarching documents from which the National Land Transport Programme (NLTP) and the Authority Land Transport Programme (ATLP) are prepared. To this end these documents should be read in conjunction with the LTP. Including the Safety Management System from which the Road Safety Strategy will be prepared.

Included will be:

- a) an outcome that relates to land transport safety
- b) how it is intended to contribute to furthering the communities desired land transport safety outcome(s) and objective(s); and
- c) how to further desired land transport outcome(s) and objective(s) work with other local organisations and regional organisations; and the private sector; and
 - identifies the key land transport safety issues facing the district; and
 - includes or makes reference to a programme and action plan, including a list of LTNZ and NZ Police outputs for addressing all of the identified land transport safety issues; and

- includes clear performance targets, measures and monitoring processes to enable the Local Authority to accurately report the progress that is being made towards the achievement of the districts road safety objectives and states how progress will be reported.

Working with Others

Council will work with the Road Safety Co-ordinator, employed by the Whakatane District Council, to implement initiatives agreed by the Eastern Bay Road Safety Committee and approved by:

- Whakatane District Council
- Kawerau District Council
- Opōtiki District Council

and contained in the combined Authority Land Transport Programme.

Other agencies who are involved and will be consulted are:

- The community
- Bay of Plenty Regional Council
- Toi Te Ora
- New Zealand Transport Agency
- New Zealand Police
- ACC
- Ministries of Health, Education and Transport
- Department of Labour



Mōtū falls, Opōtiki.



Ōpōtiki District Council Infrastructure Strategy 2018-2048

The 30 year infrastructure strategy identifies the issues and associated impacts of our infrastructural assets over a 30 year period. It is meant to inform our 10 year asset management plans and long term plan.

About Our District

The Ōpōtiki district is located 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. It is split into three wards, Ōpōtiki, Coast and Waioeka-Waiotaha.

The Ōpōtiki District encompasses 25% of the Bay of Plenty region. Approximately 50% of the Bay of Plenty coastline falls within the Ōpōtiki District, comprising 160 kilometres of coastline with an economic zone extending 12 kilometres.



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 multiply-owned land blocks, particularly east of Ōpōtiki township and there are 193 hectares in reserve land.

Environment

The environment in and around Ōpōtiki boasts some of the country's warmest and sunniest climate, best beaches and coastline, rivers, fertile agricultural lands and spectacular bush clad ranges. Daytime temperatures range from 14 degrees in winter to 30 degrees in summer along the coast. In inland areas, winter temperatures can drop as low as 0 degrees.

People

Ōpōtiki has a usually resident population of approximately 8,500 with about half living in the Ōpōtiki township. Around 54% of the population identified as Māori in the last Census. The population structure is relatively youthful when compared to NZ, with around 27.5% under 15 years, compared to 21.5% for NZ as a whole.

The three major iwi groupings in the area are Whakatōhea, Ngāi Tai and Te Whānau a Apanui.

Economy

The Ōpōtiki District accounts for around 3% of the Bay of Plenty Region's population and contributes 2.3% to the Bay of Plenty Economy. The percentage of economic growth has maintained a positive trend over the past ten years at an average of 0.5%.

Employment in Ōpōtiki District is at 95%. Since 2003 the unemployment rate has been steadily decreasing and currently sits at 5%.

There are approximately 300 businesses in Ōpōtiki which makes up just under 8% of all business in the Bay of Plenty region. The majority of employment is in the primary horticultural sector, 32%.

1. Purpose

The purpose of this Infrastructure Strategy is to look forward into the next 30 years and beyond and outline how Ōpōtiki District Council intends to manage its infrastructure assets.

An infrastructure strategy is a new legislative requirement (section 101B) under the Local Government Act 2002. It sets out that a "local authority must prepare, as part of its long term plan, an infrastructure strategy for a period of at least 30 consecutive years".

The strategy provides a plan for action and enables focussed effort to be applied to any gaps in infrastructure. It looks across the spectrum of water supply, sewerage and the treatment and disposal of sewage, stormwater drainage and, the provision of roads and footpaths.

This strategy has been developed to identify and address key strategic issues and considerations. Said issues have been presented and discussed with key stakeholders in order to find the best possible solutions. The strategy considers the criticality of projects, inherent risks, their implications and any outstanding uncertainties. Key strategic issues include;

- Provision for changing demographics and the development of industry
- Response to natural hazards including addressing climate change
- Consideration of asset vulnerabilities and development of resilience
- Maintaining levels of service
- Effective life cycle management i.e. cost effective renewal and operation of assets
- The protection of public health in particular the provision of safe drinking water.

As a Council we supply a wide range of services to the community, which rely on a large stock of infrastructure assets. It is critical that these assets are planned and managed well.

2. Planning for the Long Term – The Next 30 Years and Beyond

Ōpōtiki District Council has come a long way in recent years, historically in decline Ōpōtiki and surrounding communities are now seeing the beginnings of major change that has been the drive of Council and community stakeholders over the past 10 to 15 years. Change is being driven by the burgeoning aquaculture development, the recent resolution of the Whakatōhea Treaty Settlement as well as horticulture, agriculture and apiculture industries which are going from strength to strength.

While this change is good for the community it represents a number of challenges for Council and stakeholders as strategic issues such as climate change take greater affect and growth is realised alongside commercial and industrial development.

While the term of this strategy outlines plans for the next 30 years, consideration has been given to a much longer term taking into account the very long life of assets many of which extend beyond 60 years. Planning over such a distant horizon is important to ensure cost peaks and investment gaps due to both asset renewals and new infrastructure are taken into account.

This Infrastructure Strategy focuses on the following four core infrastructure services:

- Water Supply
- Wastewater
- Stormwater
- Roads and Footpaths.

Council also manages other assets such as property, reserves and the infrastructure components of the walking and cycling tracks used for recreation and tourism activities. These have been considered alongside the four core infrastructure services but could benefit from inclusion in future iterations of the Infrastructure Strategy.

The Mōtū Trails track in particular includes three bridges, one of which extends 80 metres over the Otara River. These bridges have a combined value of \$940,000 and renewals are planned to be funded by internal loan. Both maintenance and depreciation of these additional assets are funded by rates.

Further new assets will be created as a harbour development project evolves. This project is needed to support the aquaculture farming development off shore of Ōpōtiki, together with the expected growth of further industries that will evolve either in support of this or by advantage of the facilities created. Council assets will include

major structures at the harbour entrance to train channel flows, navigation aids and wharf upgrades. Further facilities such as wharves, jetties, marine haul out, marina and an aquaculture product processing plant will be constructed by private sector interests as the industry progresses. New roads are planned to be installed giving access to the Harbour construction areas as well as the new marine industrial zone which will service the corresponding industries expected once the harbour is completed. Three waters infrastructure currently exists immediately adjacent to the marine industrial zone and further extensions are planned for the southern industrial zone to allow connection here if required. It is difficult to determine the necessity for future extensions of infrastructure ahead of development proposals. The existing water supply scheme has been assessed for trade use and found to have sufficient capacity. Similarly the wastewater scheme is expected to have sufficient capacity for sewerage, especially upon completion of the rehabilitation project. Trade waste would be expected to be treated and disposed of onsite.

The Council's investment in the harbour development is expected to be in the region of \$5.4 million, and to occur over a 3 year programme with funding to be from a combination of regional, local and national funding.

2.1 Stakeholder Engagement

Stakeholders	
External	Council water supply customers (domestic, commercial and industrial) and resident population
	Bay of Plenty Regional Council
	Local Government New Zealand or Central Government
	Committees and Volunteers
	Other Organisations
Internal	Ōpōtiki District Council
	Elected Officials
	Council Committees
	Executive
	Asset Managers
	Planners
	Finance
	Customer Services

Stakeholder engagement is important to ensure all aspects that may affect infrastructure development are considered. External stakeholders such as Council customers including domestic, commercial and industrial users have been consulted with through Council's 'Pop up shop', survey's and direct discussions. 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 financial officers 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.

3. Key Strategic Issues

Key issues have been considered at the strategic level by both internal and external stakeholders and provide the basis for the key planning assumptions. Strategic solutions have been developed simultaneously to guide and give context to infrastructure plans over the next 30 years and beyond outlined in further sections of this document.

Issue		Solution
Climate Change	Rising sea levels and increasingly intense and frequent storms	<ul style="list-style-type: none"> - Consider where to encourage development through provision of wastewater and water supply services - Upgrade stormwater reticulation, ponding and pumping
	Natural Hazards	<ul style="list-style-type: none"> - Renew aged and vulnerable critical assets - Build resilience - Develop recovery plans
Growth & Demographics	Increase in population and development of industry	<ul style="list-style-type: none"> - Rehabilitate wastewater reticulation - Plan for extension of wastewater services and upgrade/renewal of water supply services
Life Cycle Management	Cost effective renewals and maintenance	<ul style="list-style-type: none"> - Model maintenance and renewal costs - Analyse failure modes and design lives - Optimise replacement methods and timeframes
Public health and levels of service	Increased scrutiny of water and wastewater services	<ul style="list-style-type: none"> - Ensure compliance of water supply's - Vet operational practice - Rehabilitate wastewater reticulation

3.1 Climate Change

Scientists say there is no longer any doubt that the Earth's climate is warming. Despite the cooling effects of a strong La Niña, 2011 was globally the ninth warmest year since 1880, reinforcing a trend which shows that nine of the 10 warmest years on modern record happened after 2000.

The region will get roughly the same average annual rainfall in 2090 as it does now, but rain may fall at different times. For instance, winters are expected to get drier as the century unfolds while on the other hand, summer rainfall is projected to increase and to become heavier.

Current predictions for sea-level rise are between 50 centimetres and 80 centimetres by the 2090s. For planning purposes, the Bay of Plenty Regional Policy Statement 2014 (NH 11B and IR 2B) uses 0.9m with an additional 0.1m for each decade after 2112.

For the Ōpōtiki Township storms and floods have been a major concern going back to its founding. Numerous events have occurred over the decades with stop banks completed in 1967 to protect the town from high river levels.

The Ōpōtiki Township is located between the Otara and Waioeka Rivers. Ground level lies between 2m and 5m above mean sea level sloping west to east and south to north at relatively low relief. The location of the Township and low ground level alongside the onset of climate change raise several issues due consideration within this strategy.

More intense storms will increase the volumes of rainfall across the urban catchment exacerbated by more frequent storms which saturate the soil resulting in more runoff and greater volumes of overland flow.

The encirclement of the Township by the Otara and Waioeka rivers on the eastern, western and northern sides results in the bounding of stormwater runoff within the Township. While it is possible for gravity outflow of these stormwater volumes, when storms are severe, gravity outlets are commonly closed due to high river levels.

To further aggravate the situation rising sea levels will also contribute to elevated ground water levels, further reducing the capacity of soils to absorb rainfall. Concurrently the low ground water levels at the northern and western edges of the Township will be marginalised as the ground becomes increasingly saturated. Though these outcomes are not expected to materialise till well beyond the term of this

strategy, the lives of new and renewed infrastructure could be cut short if not properly planned for well in advance. Furthermore the likelihood of an extreme event is ever increasing and upgrade of stormwater infrastructure is critical.

Outside the Township rising sea levels and increasingly frequent and intense storms are likely to contribute to coastal erosion, landslides and stormwater surges. With the exception of existing water supply reticulation in the Ōhiwa area, which is very limited, Council infrastructure along the coast is generally elevated above the areas that would experience adverse effects from the sea. Consideration is however due for Councils roading networks, primarily due to their vulnerability to landslides and river levels which cause washouts and slips. While these effects are common and often unavoidable, ongoing programmes of inspection and risk assessment can minimise their consequences.

3.2 Natural Hazards

New Zealand is more exposed to potential losses from natural hazards than ever before and that exposure continues to increase. New Zealand’s vulnerability is high not just because we are a natural hazard-prone country, our vulnerability is high because:

- We are a small economy; therefore, the shock of an event that might be easily absorbed in a larger economy can have a severe impact in the New Zealand context
- Decisions made long ago have dictated our settlement and land development patterns, increasing the consequences of many natural hazard events.

These points are of particular concern to small communities such as Ōpōtiki which has one of the lowest deprivation indexes in the country.

The potential consequences of hazard events both directly to human life and the economy and as the result of infrastructure damage can be serious and deserve serious attention. It is easy to dismiss natural hazards as something that ‘might happen at some distant time’ and about which ‘nothing can be done anyway.’ Most natural hazards arise from one of two (or a combination of the two) natural sources:

- geological processes (earthquakes, volcanic eruptions); or
- meteorological processes (wind and heavy rainfall).

Due to its geography and location, Ōpōtiki is severely exposed to both sources of hazards and the effects of climate change will exacerbate a number of natural hazard risks (including landslips, coastal erosion, liquefaction, inundation and flooding).

For the Ōpōtiki District significant meteorological events have occurred both historically and in recent times. These events have raised awareness, with their processes and effects discussed at length under the previous section on climate change. Geological events such as earthquake and volcanic eruptions and tsunamis as a consequence, on the other hand, have not occurred on a significant scale for some time. Each of these events poses a risk to infrastructure, in particular earthquakes, due to subterranean nature of roads and three waters. To emphasise the importance of these natural hazards the below table produced by GNS science has been included.

Event	Likelihood in the next 50 years
Alpine fault – M8 earthquake	30%
Ruapehu/Tongariro/Nguaruhoe/White Island major eruption	Almost certain
Taranaki eruption	20%
Hikurangi subduction zone M8+ and tsunami	10%
Hope fault M7.2 earthquake	50%
South America M9+ earthquake & NZ tsunami	50%
Auckland volcanic eruption	5%
NZ earthquake sequence like 1929-1942	50%

Source: GNS Science

As can be seen in the above table White Island, which is located off the coast of the District, is likely to erupt in the next 50 years. The other events also have a high probability of occurring and though not as likely as the meteorological events discussed under the climate change section these events have a much higher consequence.

Unlike meteorological events which infrastructure can actively address, the role of infrastructure in geological events is, for the most part, simply to survive. Events such as volcanic eruption resulting in ash fall and tsunami as the result of eruptions or earthquakes, pose relatively low risk to infrastructure due to the subterranean nature of roads and three waters. Key pieces of infrastructure such as pump stations and the Ōpōtiki wastewater treatment facilities are vulnerable, but for the most part, could be

reinstated at relatively low cost considering the scale of the event required to damage them.

Earthquakes in contrast, are the most destructive natural hazard that could occur. All forms of infrastructure are vulnerable to earthquakes. Not just Council infrastructure but energy services, state highways, stop banks and communications would be damaged in the event of an earthquake. Even a medium sized earthquake could cause significant damage to old and degraded infrastructure and large earthquakes, as was seen in Christchurch, are absolutely devastating. Resilience in the event of earthquake is therefore the key consideration for infrastructure across the district.

3.3 Growth and Demographics – Population Assumptions

Population change is a key driver for demand of infrastructure. Change includes numerical growth and decline, as well as changes to population structure.

As part of the Long Term Planning process Council contracted the services of Martin Jenkins to extend their population projections that were undertaken for the Harbour Development Project, to include other growth industries in the district, and extrapolate that information out and convert it into population and rateable property growth in the district. It is these projections that form the basis of our 30 year infrastructure strategy.

Historical evidence suggests that the Ōpōtiki District’s population is in decline and that the rate of decline is accelerating rather than easing. This is corroborated by the falling primary school role.

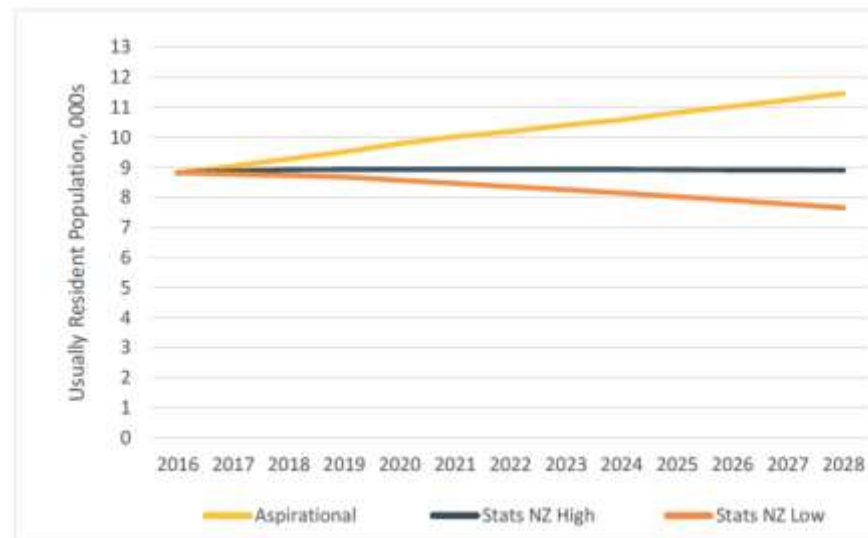
The subnational projections are based on births and deaths, and internal migration and even the most positive scenarios see Ōpōtiki District’s population declining to 2031. These projections do not take into account economic development efforts or business opportunities.

An employment driven approach has therefore been applied to projecting population growth, where projects that require employees will attract people to the Ōpōtiki District. This is consistent with the approach used in the 2012-22 and 2015-25 Long Term Plans.

The projected model identifies population and rateable assessment change as a result of specific projects that generate employment. These assumptions have been applied

to the aspirational scenario incorporating the Aquaculture development and expansion in the kiwifruit industry.

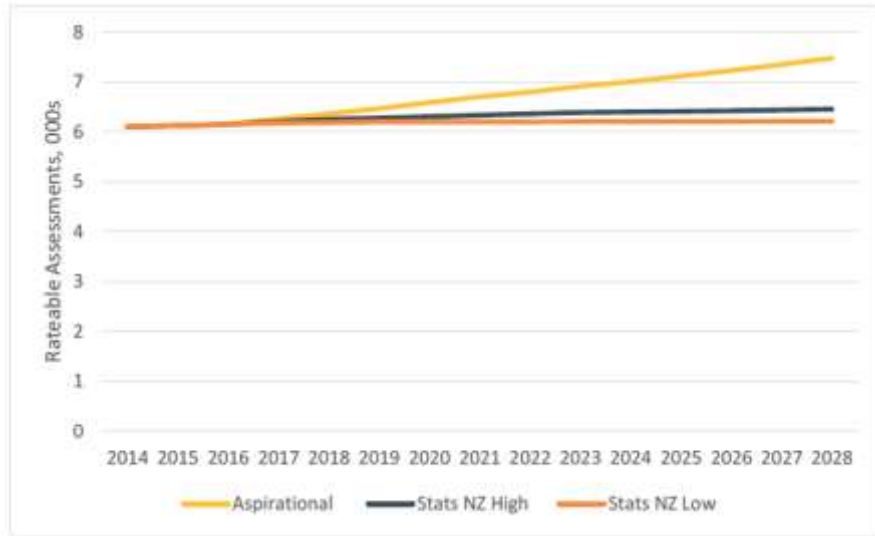
Population Projections



Source: MartinJenkins

Aspirational growth is added to the Statistics NZ High percentile projections, which is the most optimistic projection for the Ōpōtiki District. To provide a range of possible outcomes we have also included the Statistics NZ High projection, and the Statistics NZ Low projection, which is the most pessimistic projection of population growth in the Ōpōtiki district.

Rateable Assessment Projections



Source: MartinJenkins

Rateable assessment projections are aligned to population growth projections by changing the number of residential rateable assessments based on the change in population. The ratio of residential assessments to commercial assessments remains constant. Public rateable assessments grow at historic rates.

The number of rateable assessments increases under all three scenarios. By 2028, the aspirational scenario sees the number of rateable assessments increase by 1.6% per annum to 7,476. Under the Statistics NZ High scenario, rateable assessments will increase by 0.3% per annum to 6,459. And, under the Statistics NZ Low scenario, rateable assessments will increase only marginally to 6,214.

3.4 Public Health, Safety and Levels of Service

Public health, safety and levels of service are key deliverables for Council. Ensuring communities have safe drinking water and sanitary sewerage services are the foundation to civilisation.

The provision of safe drinking water is a legal and moral responsibility of Council as a water supply provider. Historically NZ was considered a global leader in safe water supplies; unfortunately this status is no longer the case. The recent 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 dire consequences of the outbreak which has set forward numerous recommendations to central government to correct the disparity between NZ and current global leaders.

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.

Safety of Council roading networks is also a key concern. The Communities at Risk Register, developed by NZTA to identify communities over-represented in road safety risk, shows that Ōpōtiki District ranks highly against the majority of the Safer Journey's National Areas of Concern.

Levels of service across all of the three waters and roading infrastructure is a mandate of Council and central government based on careful consideration of Council's vision and consultation with the community and minimum standards, respectively. The below bullets list each infrastructure and associated levels of service

- Water supply; levels of service revolve around adequate provision of water pressure, environmental considerations in drawing of and efficient use of water and, as discussed above, safe drinking water
- Wastewater; sanitary conditions of use, environmental consideration of discharge and accidental overflow and critically, in the case of Ōpōtiki, low loss of service
- Stormwater; Protection of dwellings, commercial premises and relief from flooding of properties and roads
- Roding; Safe journey's, comfortable ride quality and connection to business districts and state highways.

3.5 Life Cycle Management

Life cycle management is the process of managing the entire life cycle of assets from inception, through engineering design, to effective service and well planned renewal. In practical terms the life cycle management of Council infrastructure begins with consideration of assets due for renewal. In saying this, renewing assets simply because they have reached the end of their design life should not be the only consideration made. In reality all of the issues discussed in the sections above as well as proposals for new infrastructure should factor into the planning process. That

being said, to simplify things, the renewal of infrastructure and construction of new infrastructure comes down to the questions of 'if' and 'when'.

In considering 'if' and 'when' Council is to construct new or renew existing infrastructure thought should be given to the potential life of the asset and adjacent assets and the purpose of both. Asking questions such as:

- What assets can be constructed simultaneously?
- What assets are at high risk of failure?
- What are the causes of failure?
- What are the consequences of failure?
- What are the costs to maintain assets versus replacement?
- Why do we need new assets?
- Where should new assets be constructed?
- What factors could limit the useful life of assets both existing and new?
- What can we do to extend the life of existing assets?

In practice these questions can present a multitude of variables. To simplify the process asset management information systems such as AssetFinda and RAMM are used by Council to record the locality, age, condition, performance, expected life, maintenance cost and replacement cost of assets. These systems take all this information and provide predictive models that estimate the renewal of assets. Models are then scrutinised and considered alongside other strategic issues to compose asset management plans and infrastructure strategies.

4. Planning Assumptions

Significant Investment Decisions

The key strategic issues discussed in the previous section have set the scene for the district and are critical in the following planning assumptions. There are also a broad range of factors influencing Council's long term planning that are discussed in the LTP. Planning assumptions provide a basis and justification for proposed infrastructure developments. While all assumptions are supported by scientific theory and best practice, they still have varying levels of uncertainty and potential implications due to this uncertainty.

Through the development of this infrastructure strategy all proposed infrastructure developments have been considered holistically and with a bottom up mentality so as to minimise uncertainty and the implications of uncertainty. While some assumptions may have high levels of uncertainty, when combined as drivers for any given project, they provide robust justification. Furthermore, considering infrastructure using a bottom up approach makes the assumption that the worst may happen. This mentality has not driven a risk adverse approach but rather a 'what is the optimal way of achieving ALL our goals' approach.

The result is a more linear course of action due to the restriction of multiple variables but one that addresses as many issues as possible, simultaneously.

Significant investment decisions are similarly affected. Unlike a large city Council where there may be multiple options for providing for growth for example, Ōpōtiki is far more limited. Significant investment decisions have been limited to two defining factors

1. High cost \$3million+
2. Where there is practical availability for options

As such there are only two significant investment decisions in this strategy with limited options revolving around timing and scope.

This strategy has included a number of minor decisions which contribute to larger significant decisions and other objectives. These minor decisions have been included to provide a better picture of how issues will be resolved. This approach is considered important due to the small scale of the community, where the little things count.

Natural Environment

Assumption	Uncertainty & Implications of Uncertainty
Climate change will bring a rise in sea level of 0.9m by 2090 and incremental increase of the same order for every decade preceding and after.	Medium level of uncertainty based on current scientific advice. Scientific advice has been revised a number of times over the past decade, with predictions generally becoming worse each time. 0.9m is the current accepted conservative estimate. The implications of sea level rise on infrastructure have been minimised through consideration of renewal methods.
Climate change will bring 10% greater rainfall intensity in storms	As with sea level rise there is a medium level of uncertainty surrounding the intensity of storms. While key infrastructure in the next 3 years is based on 10% increase estimates, the implications of over or under estimating this increase are minimal. Infrastructure for stormwater addressed two key strategic issues. Climate change and current level of service. At present level of service is the primary driver giving way to climate change in future decades.
Ōpōtiki District will experience a natural disaster in the next 50 years resulting in at minimum medium damage to Council infrastructure	Low level of uncertainty. Given the number of natural disaster scenario's that threaten the Ōpōtiki District many of which with at least a 50% chance of occurring in the next 50 years and an eruption almost certain, it is prudent to plan for this eventuality. The implications for not planning for this could be catastrophic. Major loss of infrastructure would directly threaten ability to prevent loss of life. As noted infrastructure developments for natural disasters are not solely based on resilience but also renewals, with vulnerable infrastructure due for renewal and critical infrastructure such as pumps having comparatively short lives.
It is assumed that BOPRC will maintain at minimum 1:50 year levels of protection for stop banks and manage sediment build up in rivers.	Low level of uncertainty given that BOPRC currently provide 1:100 year protection. The implications of a stop bank breach or overtopping would have a significant impact on homes and businesses. These impacts would be in the same order of magnitude as any of the other natural disasters. The implications on proposed infrastructure developments is low.

Service Delivery

Assumption	Uncertainty & Implications of Uncertainty
Levels of Service will remain the same for wastewater	Low level of uncertainty. Levels of service for the districts wastewater schemes are relatively simple and provide a good basis for protection of public health, the environment and no loss of service. Levels of service are set at a target standard which will hopefully be met more regularly with the completion of works over the next 3 years.
Changes in levels of service for water supply will be adopted in the next 3 years	Low level of uncertainty. With potential changes to regulation and governance expected to come as a result of the Havelock North inquiry there is a high likelihood that levels of service will need to be changed as well. Uncertainty is low because these changes will likely be compulsory.
Changes in levels of service for stormwater will be adopted in the next 3 years.	Medium level of uncertainty. Current levels of service for the stormwater activity are broadly described and do not provide a scientific base line for real performance indication. Stormwater levels of service require a standard to be set relative to a defined scale/probability of a storm. Development of better level of service measures have been completed and are awaiting review before being taken to Council.
Resource consents for three waters will be renewed with similar conditions.	Medium level of uncertainty. Most operating resource consents are relatively new or are currently going through renewal and are as such already accounted for. The resource consent for Ōpōtiki's wastewater discharge is due for renewal in this 30 year period. Of all the consents it is the only one with potentially significant implications in terms of cost. Implications are minimised however by proposed renewal and relocation of primary treatment facilities. Ōpōtiki's Imhoff tank currently inhibits the development of the Tarawa Creek stormwater ponding area and a potential marina area. The extension of wastewater into the Hikutaia area also benefits from connecting directly to the proposed relocation site. Estimates for renewal of primary treatment allow for improvement of treatment facilities.

We will continue to deliver services to the community in the same way	Medium level of uncertainty surrounding external service providers. Recent demand for contractors has raised concern for the capability/willingness of current contracted service providers to continue in their present capacity. If service contracts are unable to be renewed it is possible that these functions may need to be brought in house. Generally in house services are more costly however they can also bring higher levels of service.
There will be no significant changes to legislation that would impact on the need for and nature of infrastructure.	High level of uncertainty surrounding governance and regulation. With the recent outbreak of campylobacter in Havelock North the government has been reviewing the manner in which three waters services are governed and regulated. It is reasonable to assume that regulation methods will change, likely becoming stricter, implying additional cost. There is also the possibility that economic regulation may be implemented as well as changes in funding mechanisms and ownership of assets. The Ōpōtiki District could see increased costs due to increased standards and compulsory requirements or reduced costs due to national cross subsidisation.
There will be sufficient capacity within the professional service and contractor market to undertake the capital programme.	High level of uncertainty. It is difficult to predict these markets as they can be affected by global economic trends and unpredictable factors such as natural disasters. There is growing concern that the current contractor market may become stretched with increased financial assistance rates for roading and economic driving policies coming down from central government. The entire region both private and public is increasing its capital development. An over stretched contractor market could result in inflated project costs or delayed completion of projects.
There will be no significant changes to technology that would alter how services are delivered or what infrastructure is required.	High level of uncertainty as technological advancement is highly likely over the next 30 years. This could have a major impact on the scope, timing and costs of anticipated projects as new technologies may deliver services in different ways through different types of infrastructure

Growth & Land Use

Assumption	Uncertainty & Implications of Uncertainty
Growth across our District is assumed to increase by 2182 people or 1200 houses & rateable assessments respectively based on projections in the Martin Jenkins report. For infrastructure purposes a 2.7%/yr increase in connections has been assumed. For funding purposes a 1.6% increase in rateable assessments has been assumed.	Medium level of uncertainty. Population growth has steadied in Ōpōtiki according to historic trends. Growth assumptions are based on aspirational predictions that factor in economic growth driven by aquaculture, horticulture and other burgeoning industries. One key driver is the harbour development which may, should it not eventuate, result in a much lessened increase in growth. The implications of lessened growth on the need for most proposed infrastructure is minimal. The implications on the funding of infrastructure could however be significant. The assumption that growth will be proportionally distributed has a medium level of uncertainty. If the focus of all growth across the District is focused in Ōpōtiki the need to accelerate infrastructure development timeframes could be significant. The Hikutaia wastewater extension project may need to be brought forward to within the next 3 year period. It is worth noting however that this level of demand would drive interest by private developers who would be expected to carry out necessary extensions to existing infrastructure.
There is sufficient capacity in water supply and wastewater infrastructure to allow for private developments and focused growth in Ōpōtiki	Low level of uncertainty. Ōpōtiki's wastewater treatment and water supply consented draw and treatment have sufficient capacity to allow for growth within the next 10 year period. Wastewater treatment has the least capacity for additional growth and may require upgrade of treatment alongside primary treatment relocation earlier than currently planned in 2025.
There are sufficient allotments for infill growth on existing services for the next 10 years.	Low level of uncertainty. There are sufficient allotments for infill in the Ōpōtiki Township and adjacent Waiotahi Drifts subdivision to accommodate growth in the order of 2.7%/year on existing connections for the next 10 years.

Economic Environment

Assumption	Uncertainty & Implications of Uncertainty
Harbour assumed to proceed in next 3 year period. Population growth assumed to follow aspirational predictions from Martin Jenkins report.	Medium level of uncertainty. Population growth has steadied in Ōpōtiki according to historic trends. Growth assumptions are based on aspirational predictions that factor in economic growth driven by aquaculture, horticulture and other burgeoning industries. If the Harbour does not proceed there is likely going to be a reduction in growth prediction. The implications on infrastructure are covered in the Harbour related infrastructure assumptions table.
The NZTA financial assistance rate will remain at 75%.	Low level of uncertainty. The 75% financial assistance rate was set as a target to be reached by 2040. The recent government policy statement has increased focus on economic development in provincial areas. NZTA has subsequently moved many low population districts to 75% as of 2018-19. This rate is not expected to change.
Economic growth is assumed to follow predictions in the Martin Jenkins report.	Medium level of uncertainty. The growth predictions utilised from the Martin Jenkins report are the aspirational predictions. These predictions are based around the Harbour proceeding. As with population growth if the Harbour does not proceed there will likely be a lessened economic growth rate.

Financial

Assumption	Uncertainty & Implications of Uncertainty
All financial information in this Strategy excludes inflation unless stated otherwise.	Low degree of uncertainty. Inflation is applied in line with the financial strategy within Capital and Operational models. Forecasts are likely to change and errors can have a compounding effect over time. Increased or decreased inflation could have a material impact on the accuracy of financial forecasts. This would result in the need to either decrease or increase funding in order to continue to deliver the same service levels and programme.

Assumption	Uncertainty & Implications of Uncertainty
Graphs of forecast capital expenditure are based on a gross (total project) costs.	Medium level of uncertainty. Some projects may attract funding from other sources. These sources may include subsidies, grants or be part funded by developers. This could have a significant impact on the final cost of projects to the Council.
Graphs of forecast operational expenditure are based on anticipated gross cost to the Council and include indirect costs of providing the service (including depreciation, interest costs and overheads).	High level of uncertainty as revenue from operational activities is not included and is difficult to forecast a long term. The potential impact of this uncertainty is relatively low, as adjustments can be made to budgets as trends in revenue are monitored and can be predicted over the shorter term.

sufficient capacity for Harbour and marine industrial zone development.	Wastewater capacity has in the past been reliant on the reduction of I&I which is presently being addressed through the rehabilitation project.
Harbour and marine industrial zone development trade waste assumed to be treated and disposed of onsite or to stormwater.	Low level of uncertainty. Sewerage from workforce occupancy can be accommodated by the existing scheme. Trade waste volumes from aquaculture processing are too large for the existing wastewater scheme and the chemical and biological content is unsuited for the existing treatment facilities.

Harbour Related Infrastructure

Assumption	Uncertainty & Implications of Uncertainty
New roads for Harbour and marine industrial area are assumed to be installed in line with new harbour.	High level of uncertainty. If the Harbour does not proceed there will be less emphasis on the need for these roads. As the area is already zoned for Marine Industrial development it is possible that other industries will still seek to develop although likely at a later date than currently planned.
New three waters infrastructure for Harbour and marine industrial zone assumed to be installed at cost of developers.	Low level of uncertainty. As with most subdivision developments in the past, it has been the responsibility of the developer to install new infrastructure at their cost.
Existing three waters infrastructure is assumed to have	Low level of uncertainty. Water supply capacity has already been investigated based on demands from existing industries and found to have plenty remaining.

5. Overview of Schemes

5.1 Water Supply

The purpose of the water supply activity is to provide for the environmentally safe collection, treatment and reticulation of potable water. Water supply is provided to approximately 60% of the Ōpōtiki District population with schemes servicing Ōpōtiki including Hikutaia and the Waiotahi Drifts as well as Te Kaha and Ohiwa. The Ōpōtiki scheme is relatively new and already provides adequate supply for growth. The

Hikutaia area is aging but is an ideal location for upgrade with renewal to provide for growth. The Te Kaha scheme is half way through its life with sections requiring remedial action and upgrade to maintain service pressures and provide for growth. The Ōhiwa scheme requires upgrade of treatment facilities to ensure protection of public health.

Water Scheme	Population Served	Number of Connections	Demand Average & Peak	Peak Capacity	Scheme Overview	Replacement Value
Ōpōtiki / Hikutaia	4,482	2,175	1400 m ³ /day 2800 m ³ /day	- Bore = 8600 m ³ /day - Consent = 4925 m ³ /day - Treatment = 3600 m ³ /day	- 2 water sources (bores) - 1 water treatment plant - 3 booster pump stations - 4500 m ³ reservoir - 320 m ³ header tank - 86.6 km of pipe	\$14,891,662
Te Kaha	410	220	170 m ³ /day 460 m ³ /day	- Wells = 2000 m ³ /day - Consent = 972 m ³ /day - Treatment = 480 m ³ /day	- 1 source (2 infiltration holes) - 1 water treatment plant - 1 320 m ³ reservoir - 90 m ³ booster tanks - 1 booster station - 14.9 km of pipe	\$2,632,486
Ohiwa	50 to 410 (seasonal)	17	7 m ³ /day 28 m ³ /day	- Bore = 300 m ³ /day - Consent = 32 m ³ /day - Treatment = 100 m ³ /day	- 1 source (bore) - 260 m ³ storage tank - 828 m of pipe	\$224,001
Total	4,942 – 5,302	2,412	1,827 m³/day			\$17,748,150*

5.2 Stormwater

The purpose of the stormwater activity is mitigation of the impacts of stormwater runoff and flooding on services, property and the environment. The Ōpōtiki Township is serviced by a reticulated stormwater system which directs, detains and discharges flood waters. Overland flow-paths transport floodwaters when the reticulation is overloaded. Large scale events have the potential to inundate properties and life lines,

especially with the onset of climate change. Scheme upgrades are proposed over the next 30 years to address flood levels. Planning and building controls also restrict development in high flood risk areas and set minimum floor levels. Ōpōtiki has a single stormwater scheme in the Ōpōtiki Township, details are included in the table below.

Scheme	Asset Components	Quantity	Replacement Value
Ōpōtiki Township	Piped Drains	28.8km	
	Culverts	262m	
	Pump Stations	11	
	Flood Gates	25	
	Open Drains	16.4km	
Total			\$11,492,944*

5.3 Wastewater

The purpose of the wastewater activity is to provide sanitary services to the community and dispose of sewerage in an environmentally sustainable way. The Ōpōtiki Township is serviced by an aging gravity system. The system suffers from inflow and infiltration that effects levels of service and limits growth. A rehabilitation

programme (2018-2021) is currently underway which will extend the life of the reticulation and address inflow and infiltration. Scheme extensions are planned over the next 10-30 year to address growth predictions.

Scheme	Population Served	Number of Connections	Demand Flows	Peak Capacity	Scheme Overview	Replacement Value
Ōpōtiki / Hikutaia	~3,780	1,416	Dry weather 1,400 m ³ /day Average 2,000 m ³ /day Wet weather flow 20,000 m ³ /day (Peak 3hrs)	- Pump Stations = 22,000 m ³ /day - Pond = +5,000 m ³ /day - Overflow Pond = 10,000 m ³ - Consent = 2500 m ³ /day average/6months - Soakage = 3000 m ³ /day	- 46.3km pipelines - 8 pump stations - 1 Mili Screen – Pre-treatment - 1 Imhoff Tank – Primary Treatment - 30,000m ³ Oxidation Pond – Secondary Treatment - 10,000m ³ Overflow Pond – Capacity contingency - 3km Soakage Field - Discharge	\$21,240,096
Waihau Bay	10-30	26	1-5 m ³ /day	- Pump Station = 100 m ³ /day - Consent = 23 m ³ /day - Treatment = 5 m ³ /day	- 430m pipelines - 1 pump station - 25m ³ septic tank - 25m soakage lines	\$418,480
Total	4,942 – 5,302	2,412	1,827 m³/day			\$33,192,933*

5.4 Land Transport

The purpose of the transport network is to contribute to the social and economic well-being of the community by providing for access from across the whole district to the township at Ōpōtiki, and for primary producers to State Highways 35 and 2. The roading network has a number of aging assets and a poor safety record. The

obstacles to addressing issues have been adequate renewal investment. Over the coming years the NZTA investment rate is set to increase and Council has sought additional funding through an improved evidence base within its asset management plan.

Network	Asset Components	Quantity	Replacement Value
District Wide	Carriageway	336km	
	Drainage	16km	
	Footpath	32km	
	Railings	2km	
	SW Channel	48km	
	Signage	1242	
	Bridges	64	
	Carparks	9km ²	
	Street Lighting	408	
Total			\$148,400,000

6. Key Infrastructure Solutions

6.1 Summary

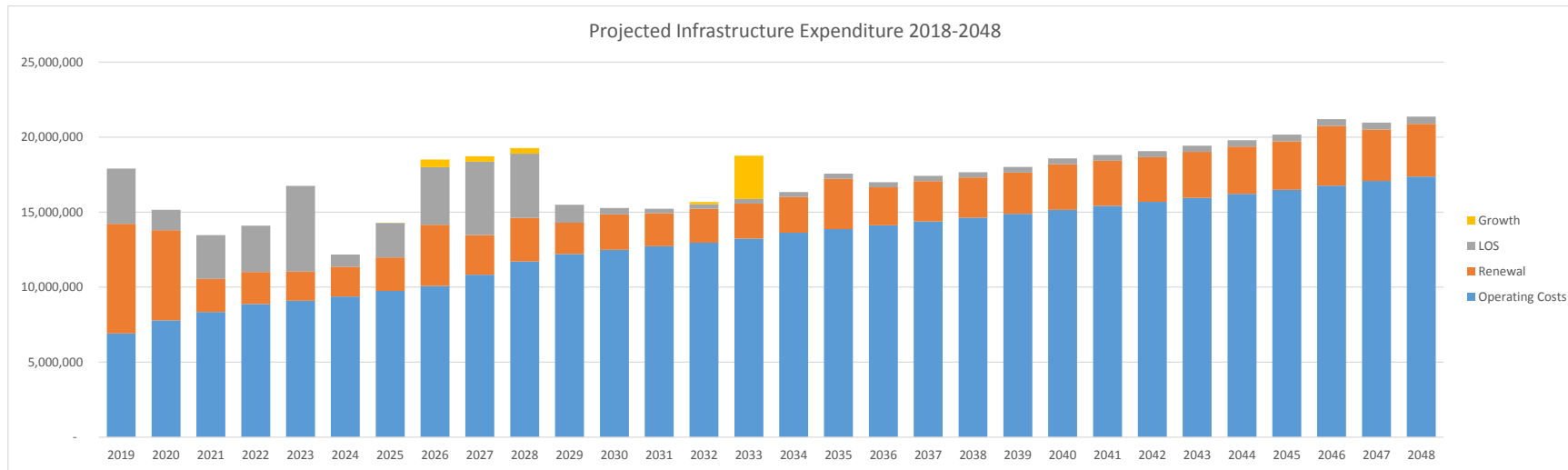
In addressing the issues identified in the key issues section of this strategy, the Ōpōtiki District Council expects to spend \$129.1 Million on new or replacement infrastructure between 2018 and 2048. Over the same period, \$265.5 Million is expected to be spent

on operating costs, labour, depreciation, materials and maintenance. These figures are anticipated to be spread across the five infrastructure asset activity areas as follows:

Infrastructure Activity	Capital Expenditure	Operational Expenditure
Wastewater	\$26.3 million	\$56.8 million
Water	\$10.4 million	\$44.7 million
Stormwater	\$9.0 million	\$25.4 million
Roading and Footpaths*	\$74.5 million	\$138.6 million
Total	\$129.1 million	\$265.5million

Values for Roding and Footpaths are yet to be confirmed by NZTA at the new 75% financial assistance rate.

6.2 Expenditure Highlights



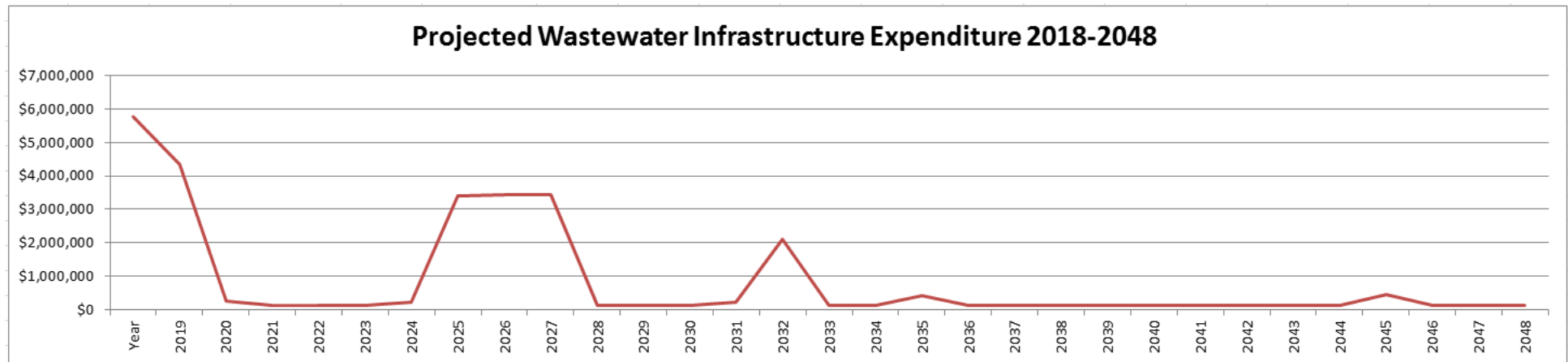
The chart above shows that expenditure across the four infrastructure activity areas will continue to be dominated by operational requirements (operating costs, labour, depreciation, materials and maintenance) between 2018 and 2048.

Total infrastructure expenditure is high in the early years of the 30 year term due to significant renewal work being required, and also associated level of service expenditure required to respond to growth and increase in demand. It increases only

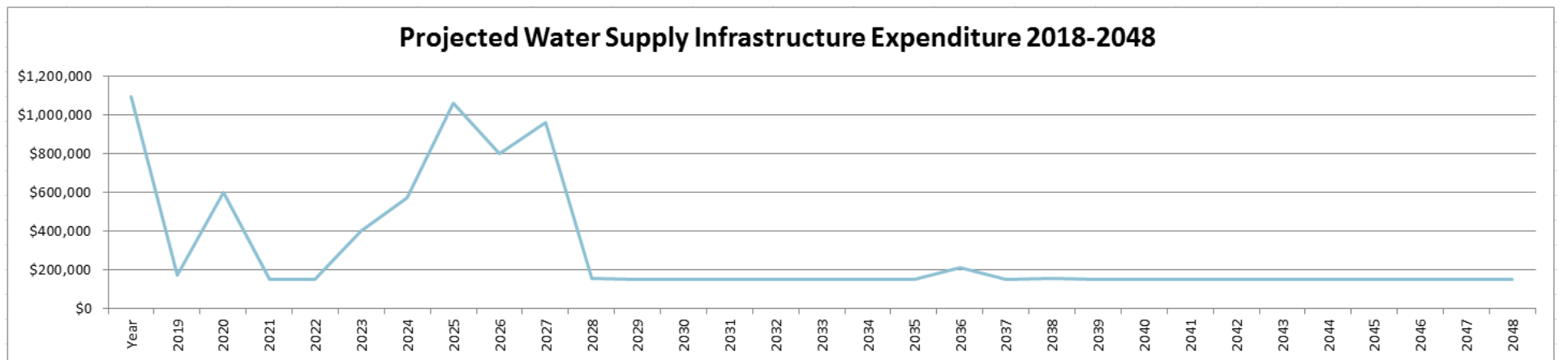
marginally from around \$5 to \$10 million in the earlier years to around \$15 to \$20 million at the end of the 30 year period. The primary driver for this increase alongside the proposed works in the early part of the period is the inflationary impact upon the operational expenditure.

6.3 Project Infrastructure Expenditure

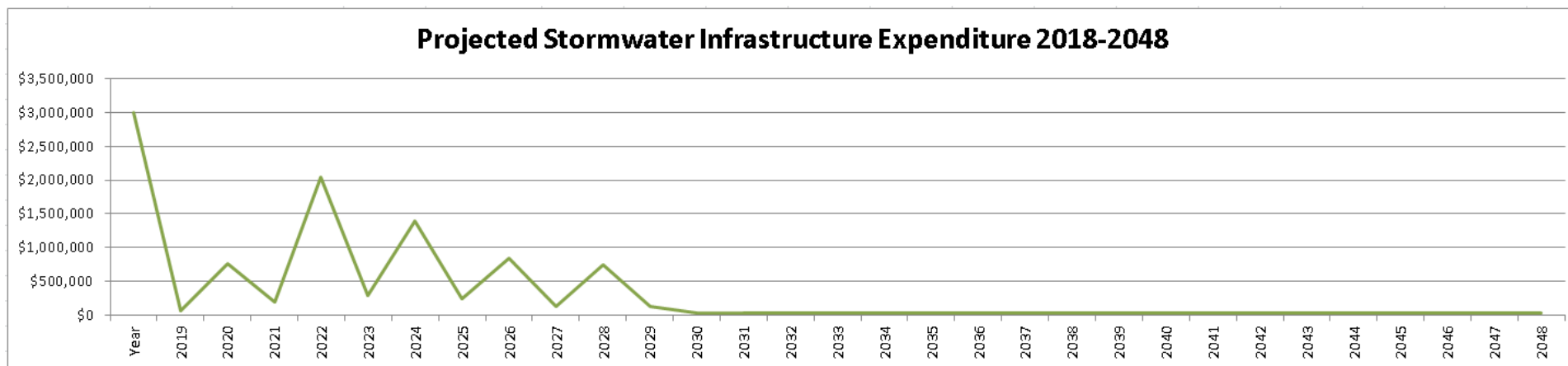
The charts below show the projected infrastructure spend for each of the four infrastructure activity areas.



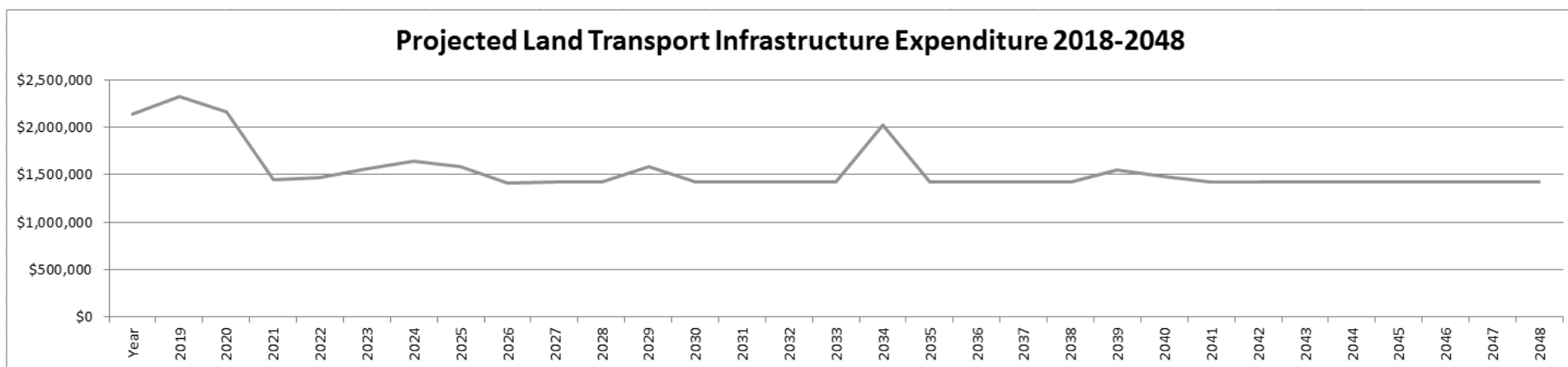
There are significant spends in wastewater infrastructure in the earlier years due to the replacement of the Ōpōtiki reticulation network which has reached the end of its useful life. There is a spike in 2026, 27, and 28 as we extend the wastewater reticulation network out to Hikutaia, where we expect some of the future growth to develop. There is another spike around 2032 for further extension to potential greenfields locations around Hikutaia.



For water supply there are several resilience based projects for all three schemes in year one followed by a couple of renewal and public health projects for Ōpōtiki and Te Kaha in 2020. Through 2024 to 2027 there is significant spending for renewal and upgrade of the Hikutaia and Te Kaha networks to address aging pipelines and to allow for growth. We see a reasonably flat period in the later 20 years as all networks settle in to the early/middle years of their predicted lives.



We see some significant spikes in the stormwater activity in the first 10 to 15 years as new ponding areas, pump stations and upgrades to reticulation are brought on line to reduce the flooding levels across the township in extreme weather events that present a risk to dwellings and commercial premises. Projects in the later part of this 10 year period continue to build a good base network to provide for the onset of climate change. There is very little spending in the later parts of the 30 year period as it is currently unknown and difficult to predict whether small diameter pipelines will require upgrade alongside renewal. At present an annual \$35k long run renewal average has been allowed for component renewals around the network in these later years.



The Land Transport – or roading and footpath network is relatively stable, and we don't expect a lot of growth in this area apart from building a few new roads early on out to the Harbour Entrance. Any future expansion of the roading network will likely be done at a residential subdivision level to respond to growth. At this stage these are too difficult to predict. Aside from new roads around the Harbour there are few small spikes over the course of the 30 years corresponding to bridge component replacements, generally decks and railings. With the latest revision of the financial assistance rate these graphs do not currently include additional small changes to footpaths, street lighting and kerb and channel minor works budgets. These budgets will likely be adjusted in the 2019 annual plan.

6.4 Link to Financial Strategy

In accordance with section 101B of the Local Government Act the Infrastructure Strategy is required to show a link to Council's Financial Strategy.

The Financial Strategy has been updated through the development of the 2018 LTP. The Financial Strategy has a 10-Year horizon and helps the Council and the community to understand the long-term financial impacts and sustainability of the Council's budget and plans. The Financial Strategy describes the impact on debt and rates of the Council's budget. Over the next 10 years debt will remain within a prudent debt to revenue limit of 250% while funding an increased investment into existing assets and new infrastructure.

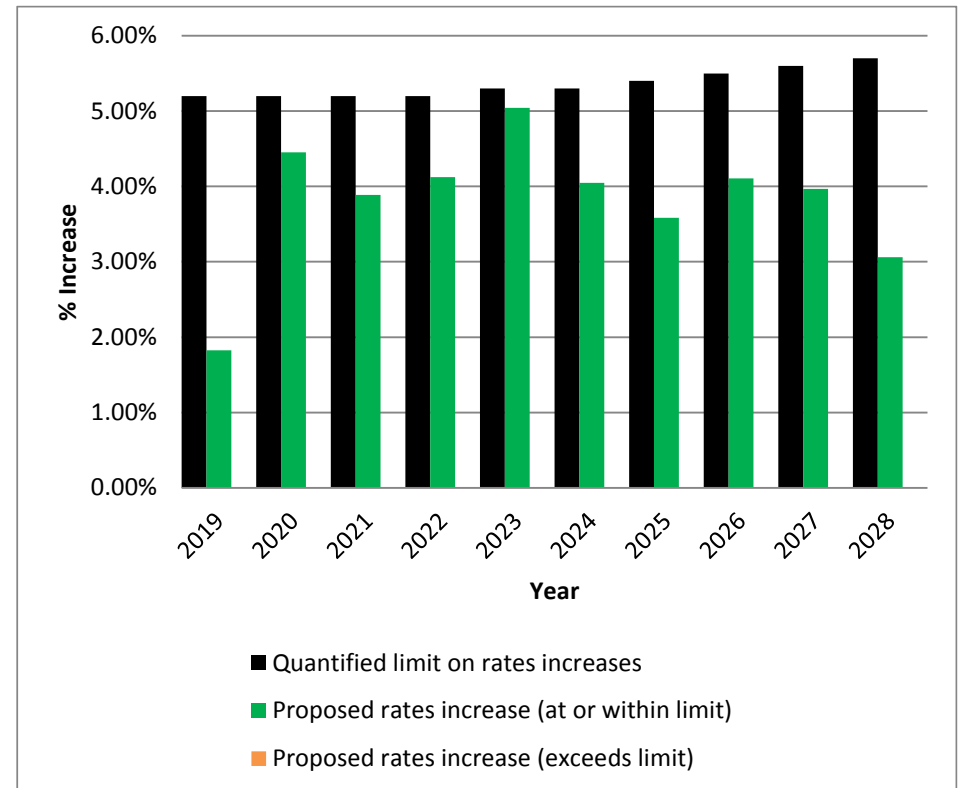
Rates Affordability Benchmark

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.

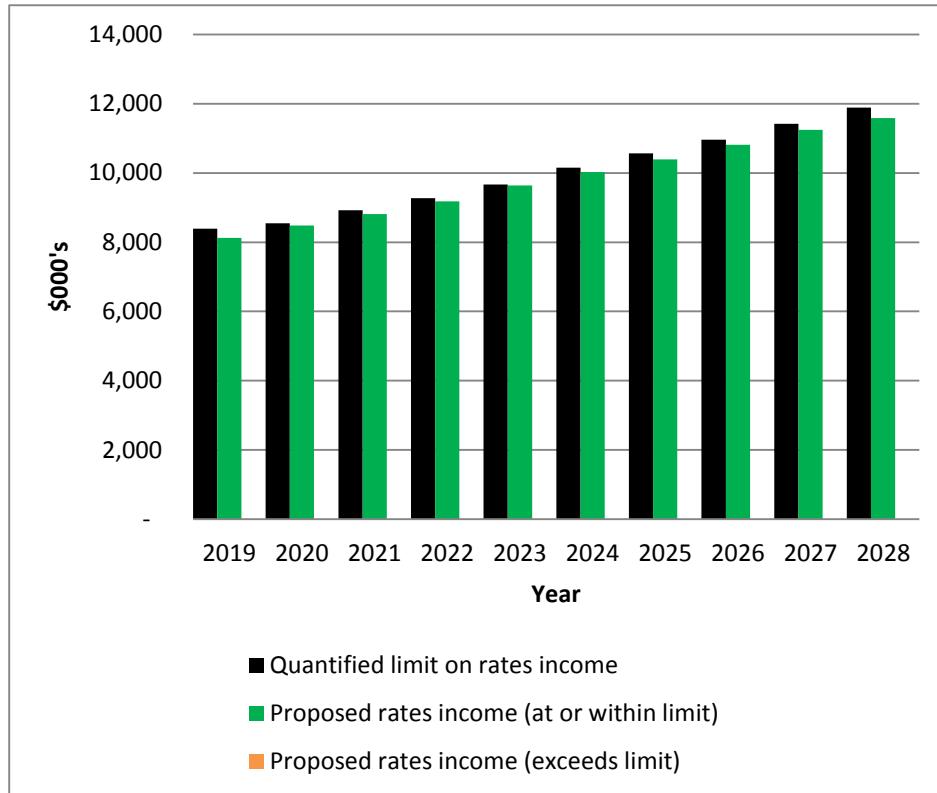
Rates (increases) Affordability – General Rates

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 plus 3%.



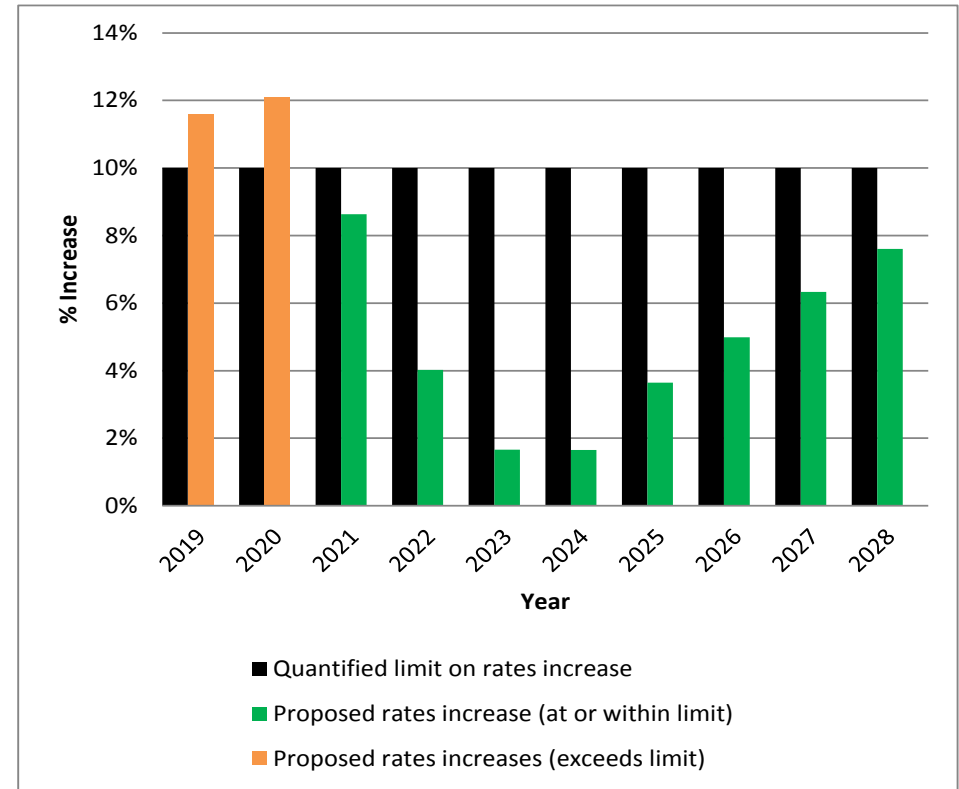
Rates (Income) Affordability – General Rates

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 forecast rate revenue represents Council's agreed quantified limit on rates, prior year general rates plus LGCI plus 3%.



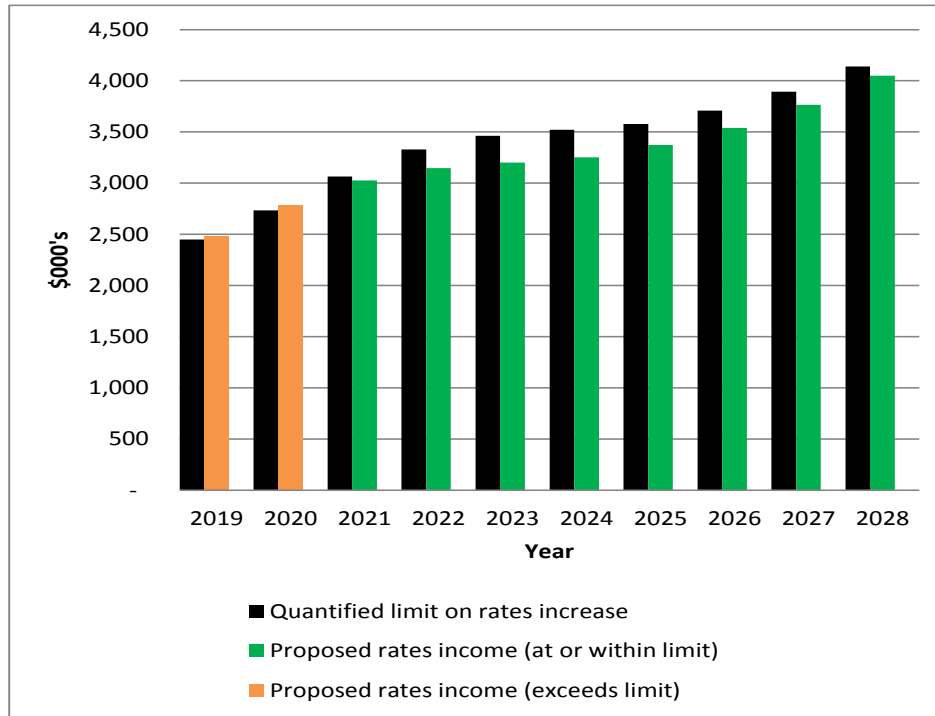
Rates (increases) Affordability– Targeted Rates

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

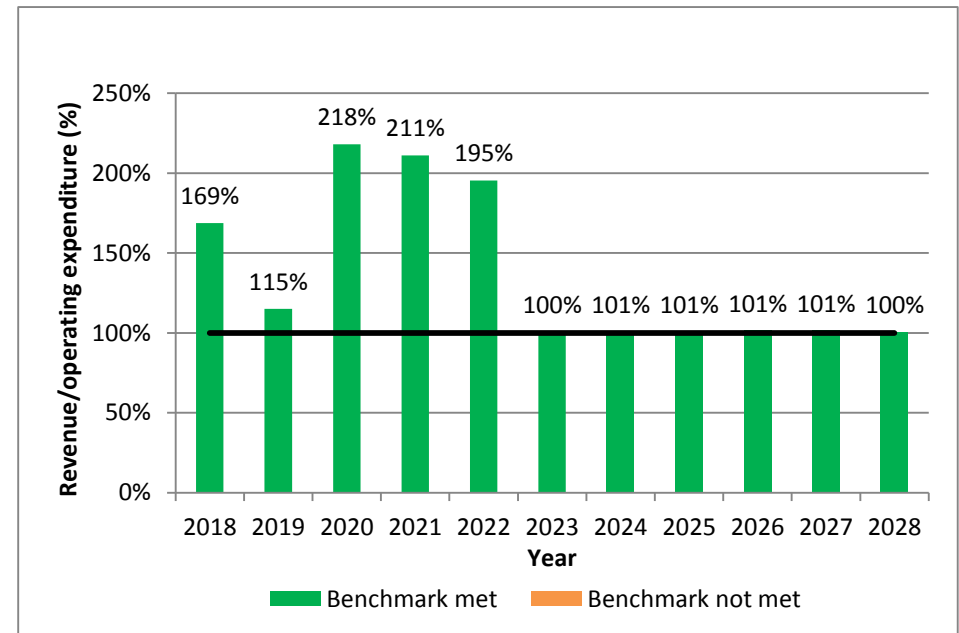
The following graph compares the council's planned targeted rates with a quantified limit on targeted rates contained in the financial strategy included in this long-term plan. The quantified limit is prior year targeted rates plus 10%.



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).

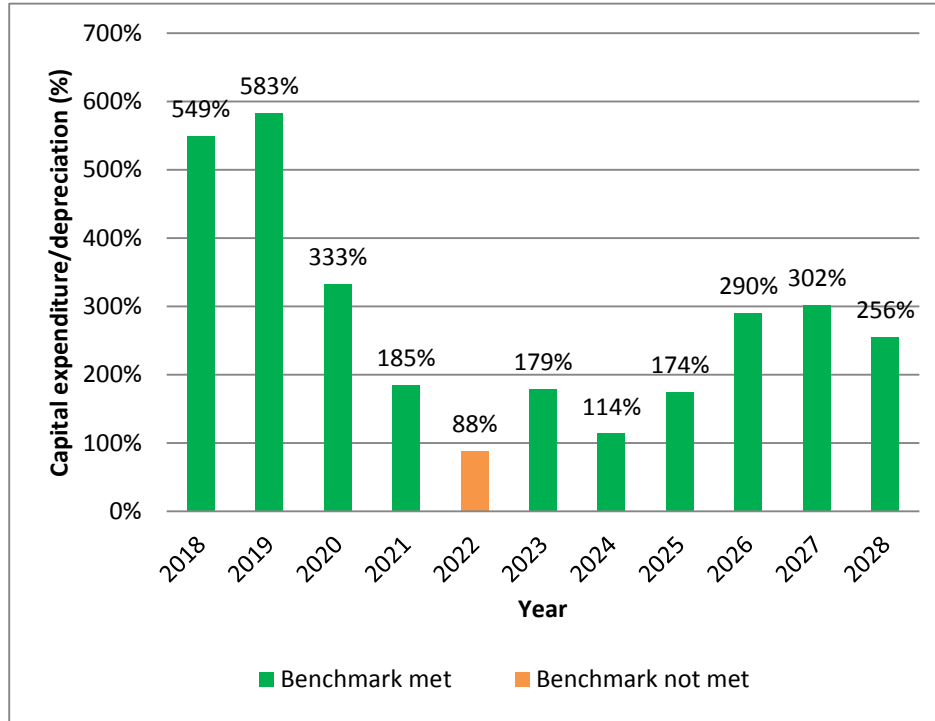
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



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.

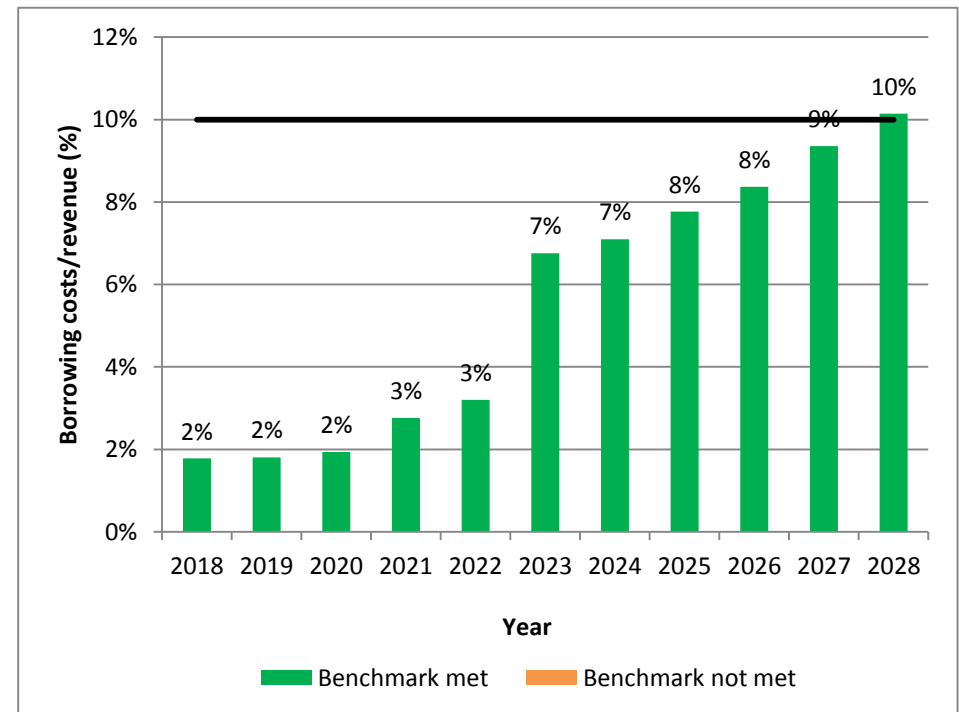
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



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.

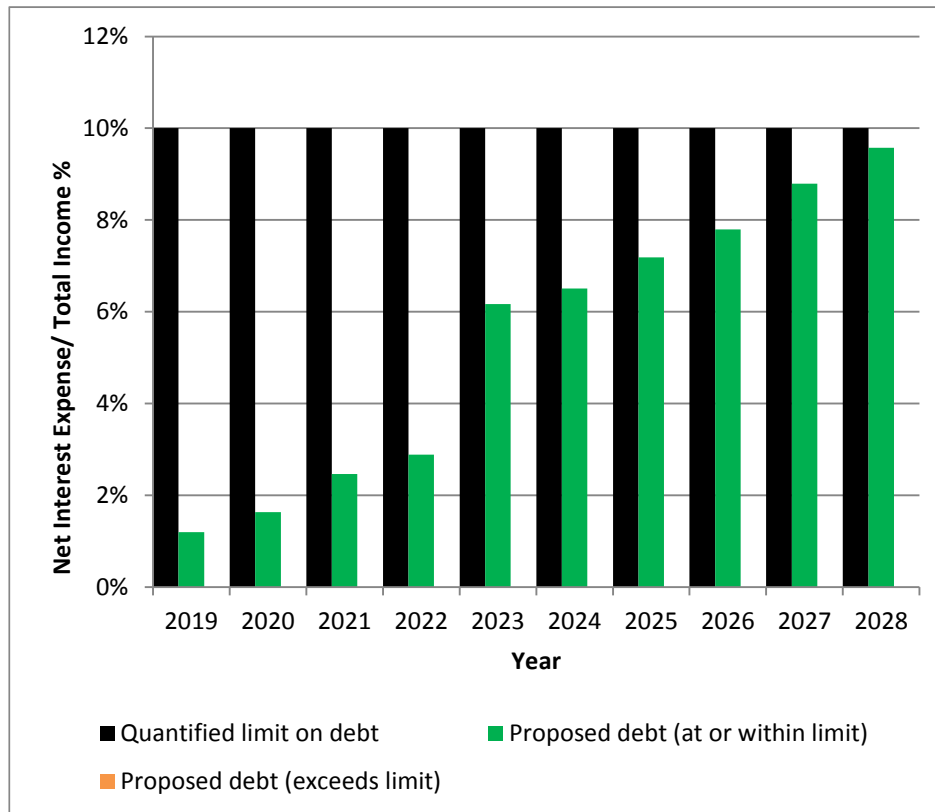


Debt Affordability Benchmark

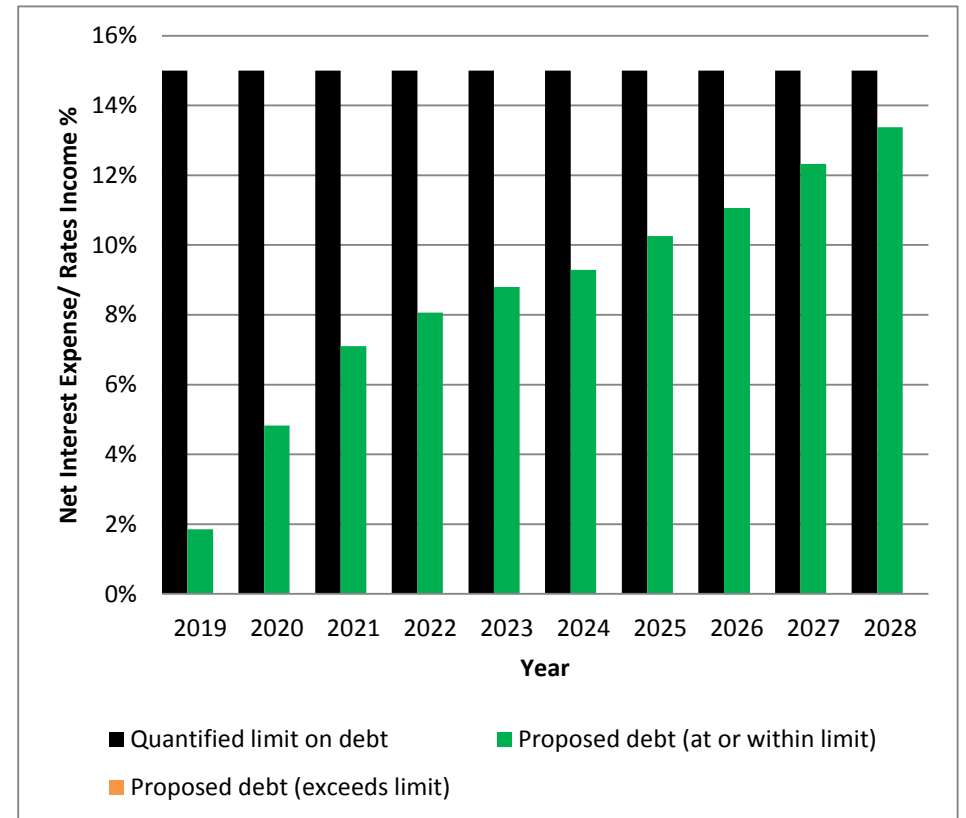
The Council meets the debt affordability benchmark if its planned borrowings is within each quantified limit on borrowing. The following graphs compare the Council's planned debt with the quantified limits on borrowing contained in the financial strategy included in this Long Term Plan.

The quantified limits are:

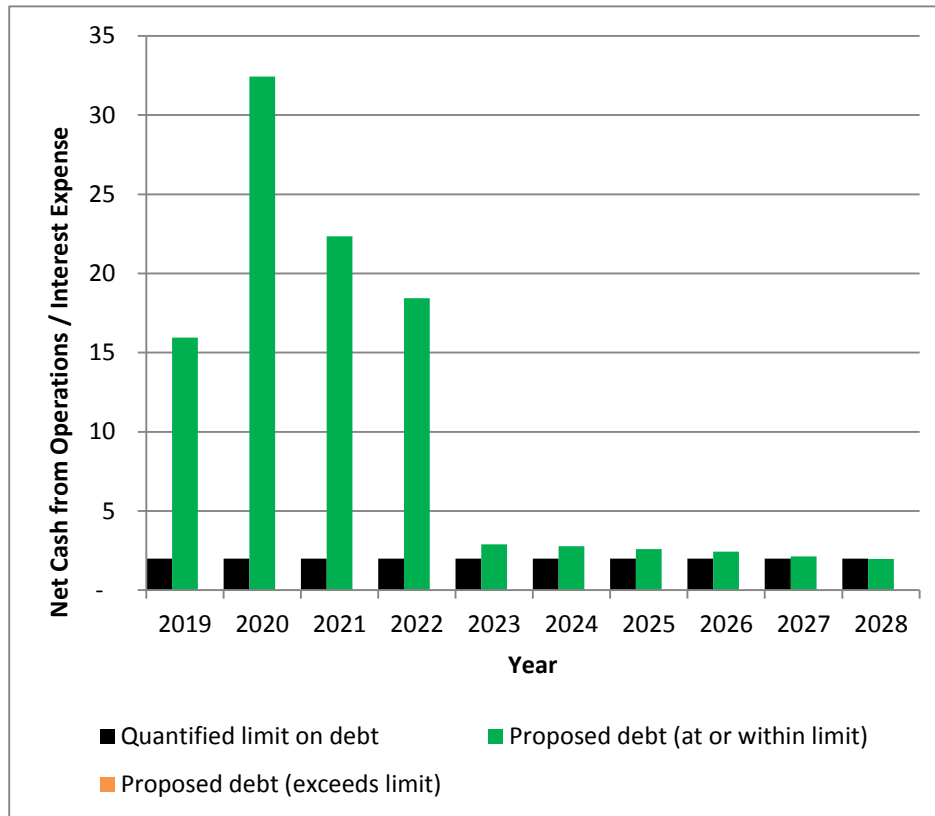
Net interest expense/total revenue less than or equal to 10%



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



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



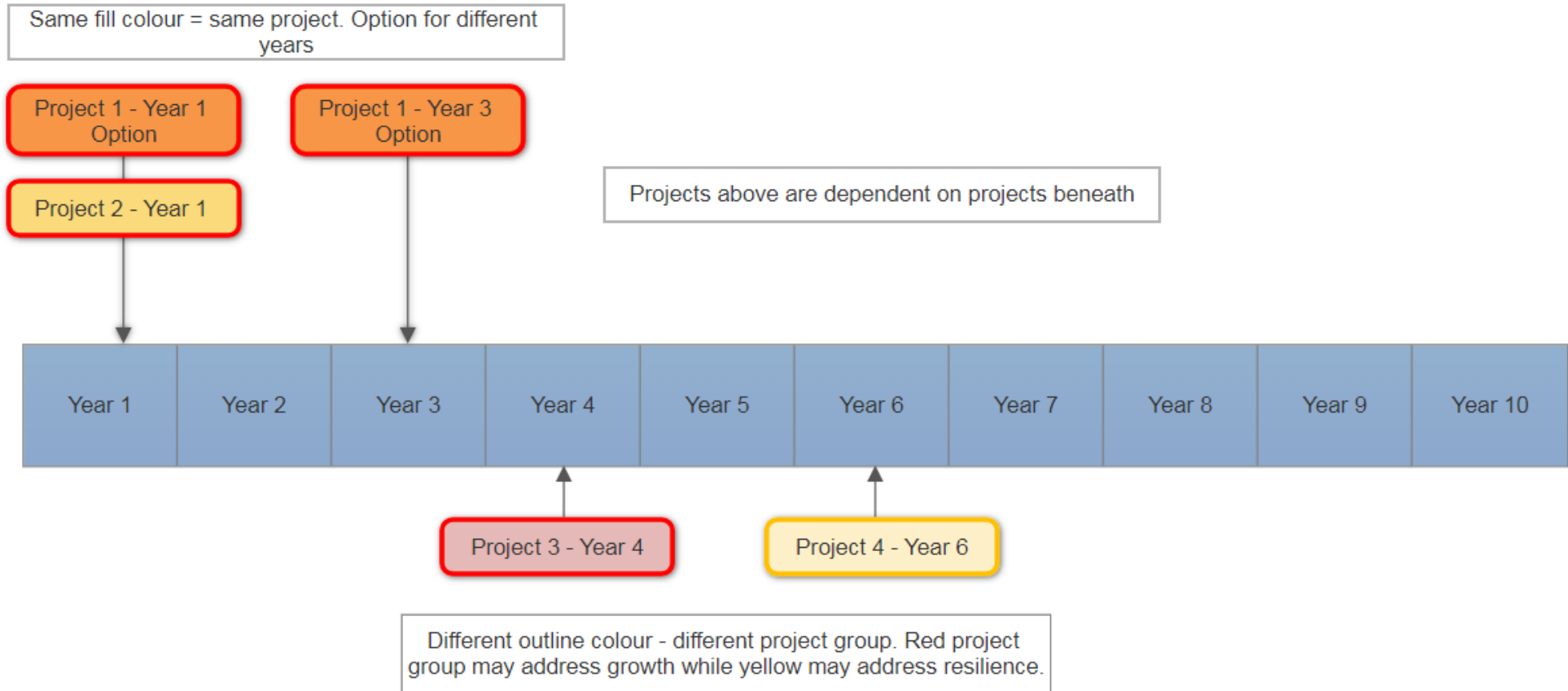
Benchmarks not met

Council meets all benchmarks in all years of the LTP apart from the cap on the targeted rate and the essential services benchmark.

The cap on the targeted rate is exceeded in years 1 and 2 of the LTP due to Council undertaking a number of targeted rate funded works now and over the early years of the LTP. These are funded as per the Revenue and Financing Policy through targeted rates and it is not considered fair to charge these through the general rate as they are services such as wastewater and solid waste collection. In year 1 the increase is due to the wastewater reticulation replacement, and year 2 is due to the increase in cost for a combination of the wastewater and solid waste service level changes.

The essential services benchmark is not met in 2022 where Council only spends 88% of the funded depreciation on capital expenditure for infrastructural assets. This is not a concern considering in all other years there is significant capital spend.




Project Timeline Key



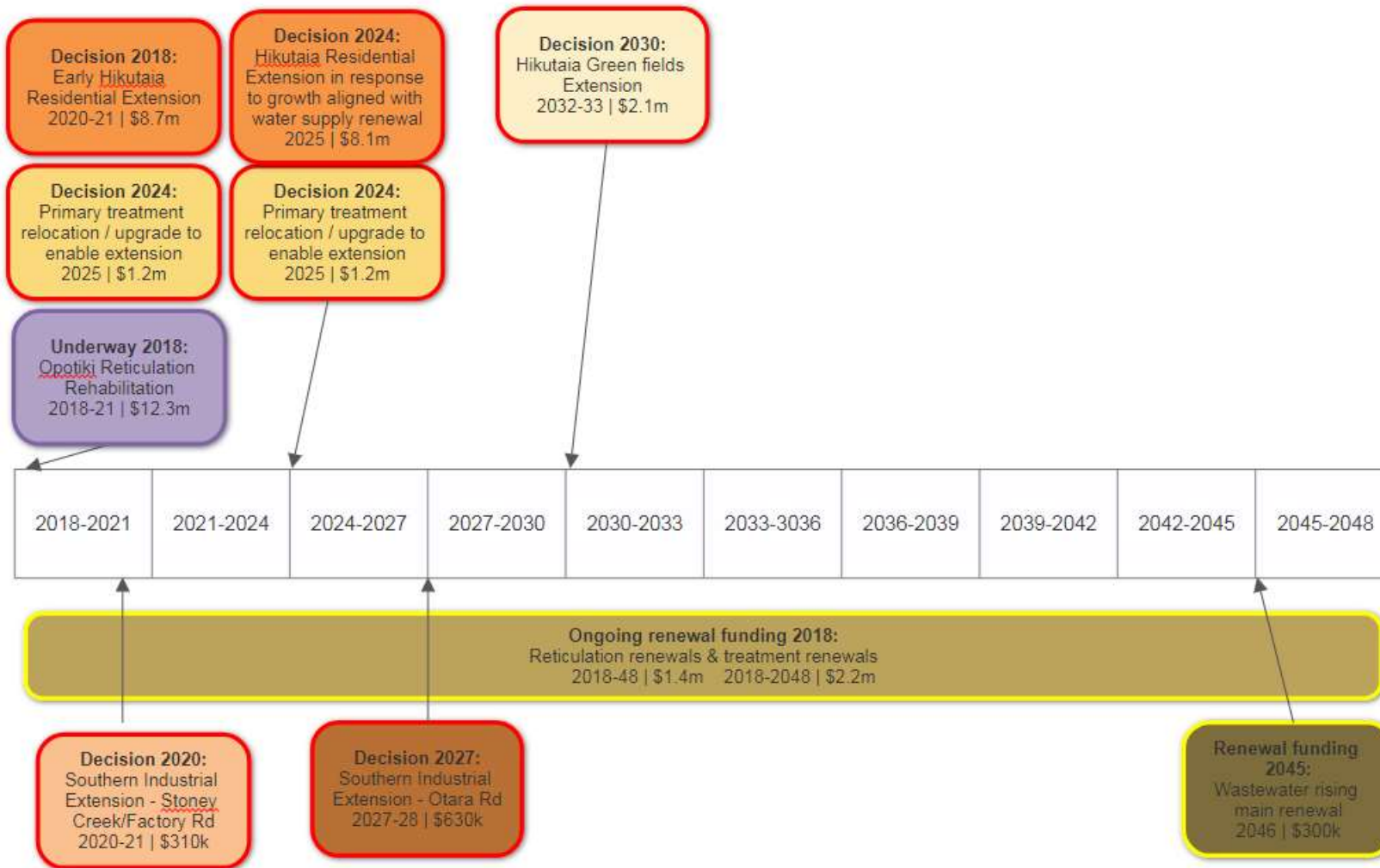
6.5 Major Wastewater Capital Works Solutions

Key strategic issues for Ōpōtiki’s wastewater infrastructure are primarily driven by growth, levels of service, climate change and effective life cycle management.

Major works for wastewater infrastructure can be categorised into 3 groups listed in the table below and discussed in greater depth beyond under their relative groups.

Major Works	Cost	Timing	Key
Ōpōtiki & Hikutaia reticulation extensions and treatment upgrades. – Investment Decision To provide for growth and promote growth in climate change resilient areas	\$10.3 million	2020-2028	
Ōpōtiki reticulation rehabilitation - To provide for growth, levels of service, address environmental and public health concerns and provide resilience	\$12.3 million	2018-2020	
Ōpōtiki reticulation and treatment renewals - According to effective life cycle management considerations	\$3.9 million	2018-2048	

Wastewater Project Timeline



Note some project timeframes may have changed from projected infrastructure expenditure commitments in the LTP. These changes affect projects beyond the 3 year term and are based on reassessment of priority post 2018 LTP finalisation.

Ōpōtiki & Hikutaia reticulation extensions and treatment upgrades

Reticulation extensions are proposed for the Hikutaia area. The need for extensions, the area selected and the optimum timing are listed below as they relate to the key strategic issues.

- Climate change – Hikutaia is located on high ground
- Growth – Hikutaia has an existing water supply scheme and is ideal for infill
- Life cycle management- Water supply reticulation around Hikutaia is due for renewal.

Treatment relocation is required for this extension. Treatment relocation and upgrade is also proposed to allow for growth and the installation of stormwater ponding in the current treatment location.

Key Investment Decision

Reticulation of the Hikutaia area presents a key investment decision. The option is available to carry out the extension in the next 3 year period, pre-empting growth or alternatively complete the extension alongside water supply renewal taking advantage of potential savings. Council could also rely on large scale private development to cater for growth. Both options include treatment upgrade of \$1.2m. Treatment upgrade is necessary as a standalone project.

Option 1: Complete Hikutaia extension 2020-21. for \$9.9m

Option 2: Complete Hikutaia extension 2026-28 for \$9.3m

Option 3: Do nothing. Rely on private development.

Uncertainty

There is a medium level of uncertainty surrounding the timing of these works as growth trends may vary and the timing of renewal of water supply reticulation may change as condition information improves. The uncertainty surrounding the necessity and location of extension is considered to be low due to the certainty of climate change and the viability of the area.

Ōpōtiki reticulation rehabilitation

Rehabilitation of the existing Ōpōtiki Township reticulation is already underway with completion of a comprehensive investigation and options analysis. The rationale behind the rehabilitation is listed below as they relate to key strategic issues:

- Growth – The scheme has reached the end of its life and presently suffers from the inflow of stormwater and infiltration of groundwater. I&I limits the capacity for the reticulation to service additional infill customers

- Climate change – Climate change is expected to increase the frequency and intensity of storms and raise sea levels. Each of these factors exacerbates the causes of I&I
- Levels of service, environment and public health – The presence of I&I overburdens the wastewater network resulting in loss of service and overflows
- Resilience – The aged scheme is vulnerable to earthquakes.

Uncertainty

There is a low level of uncertainty surrounding the need, timing and methodology to rehabilitate the wastewater reticulation. The options analysis undertaken at the completion of the 3 year investigation into the network identified rehabilitation as the favoured option due to the following reasons

- Affordability – Rehabilitation was estimated to be at least half the cost of full replacement options includes alternative technologies
- Life extension – With certain low lying areas of the township at risk of being marginalised by rising ground water levels due to climate change, a shorter life span at a lower cost was preferable to avoid unnecessary investment.

Ōpōtiki reticulation and treatment renewals

Reticulation and treatment renewal works have been programmed based on predictive models extracted from Council's asset management information system.





Uncertainty

There is a medium degree of uncertainty surrounding the renewal profile of assets. Though the asset management information system is considered to be at a high level of integrity and has been populated with key data such as criticality and condition/performance of critical assets, there are still gaps. The gaps are for the most part unavoidable; data on low criticality assets is limited or non-existent primarily due to the cost and impracticality of attaining it. In general, data is accounted for in the normalisation of the renewal profiles however there is still potential for cost spikes across the 30 year term with certain assets lasting beyond and others less than, their design lives.

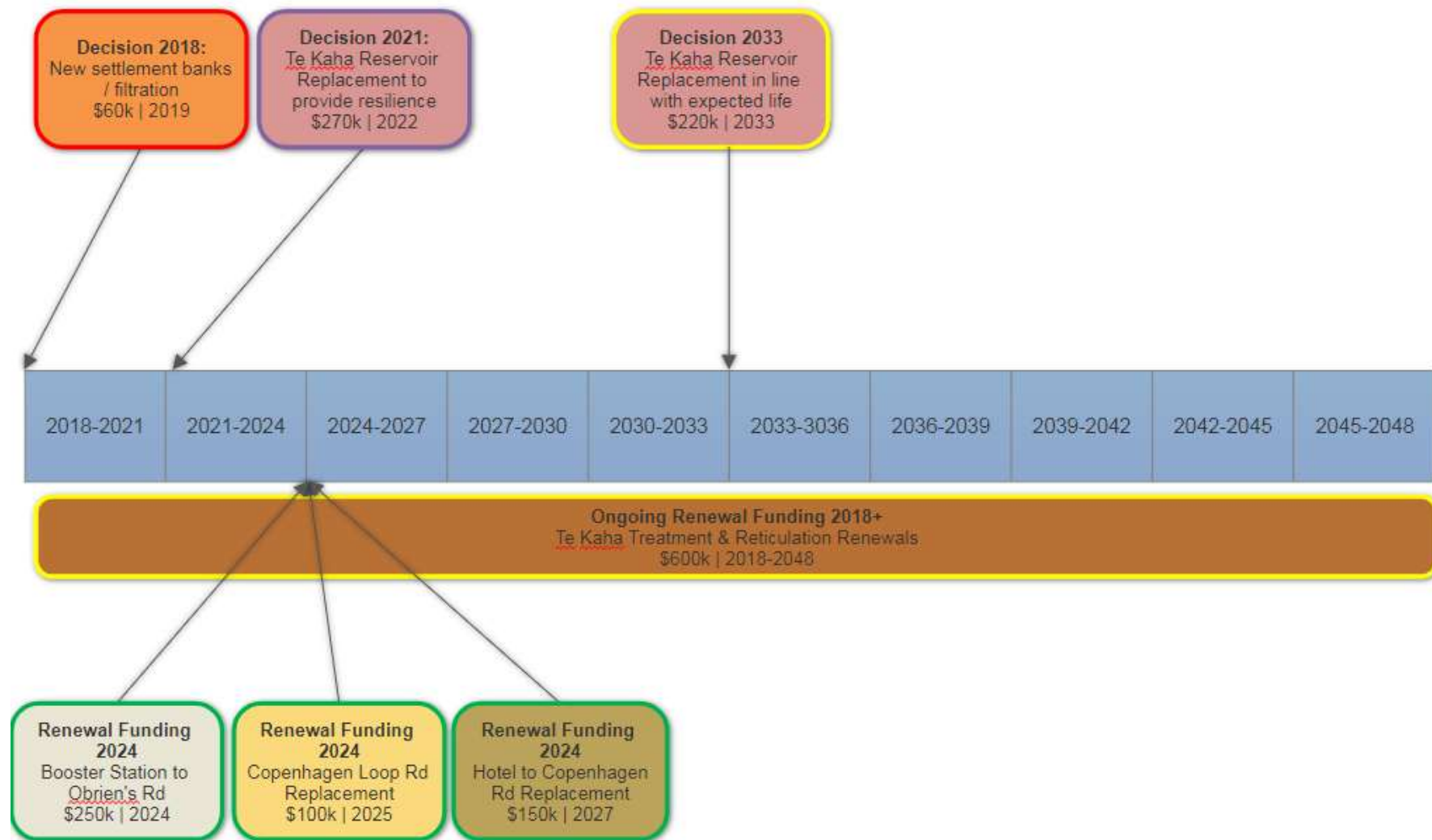
6.6 Major Water Capital Works Solutions

Key strategic issues for Ōpōtiki’s water supply infrastructure are primarily driven by resilience to natural hazards, growth, levels of service, public health and effective life cycle management.

Major works for water supply infrastructure can be categorised into 4 groups listed in the table below and discussed in greater depth beyond under their relative groups.

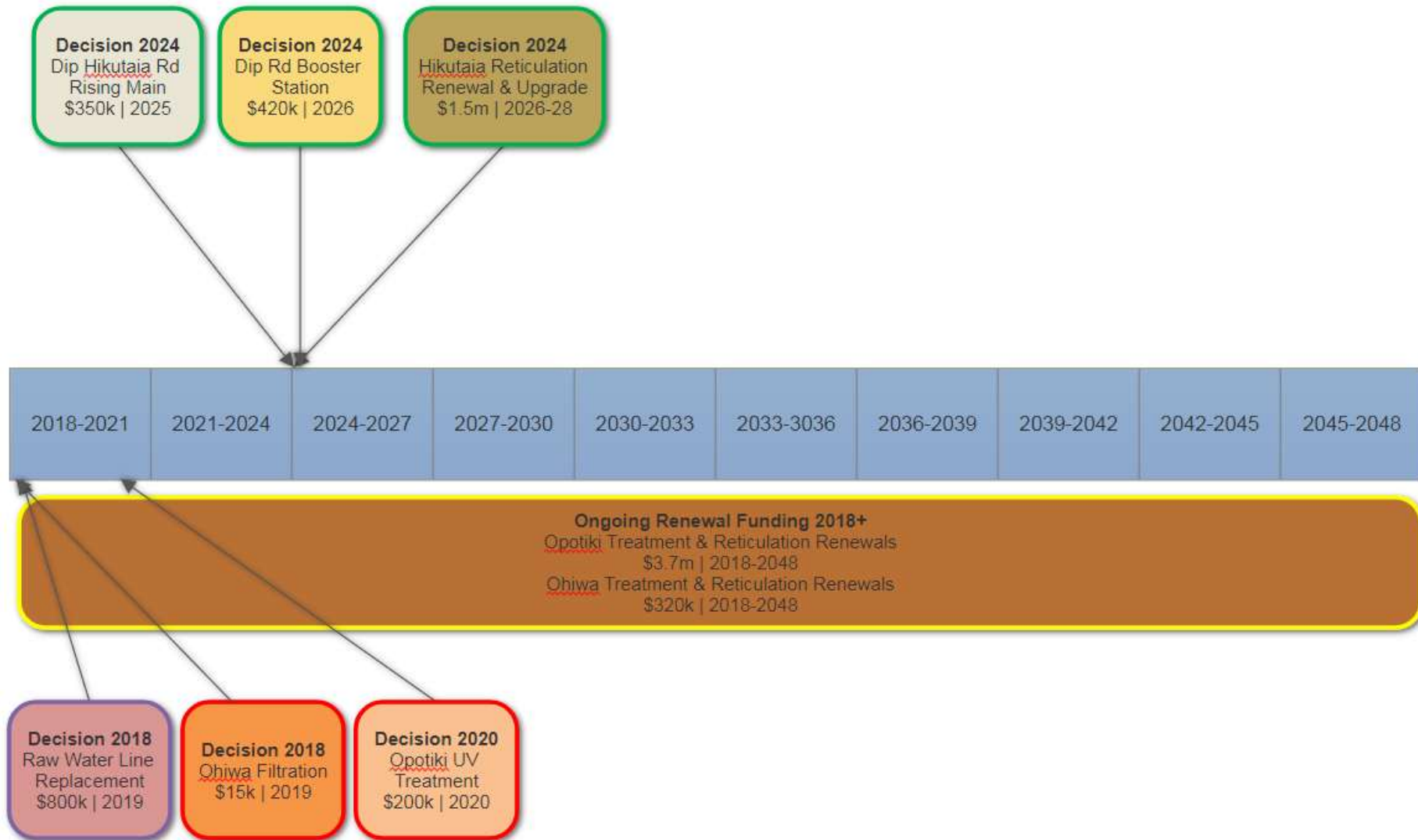
Major Works	Cost	Timing	Key
Ōpōtiki & Te Kaha reticulation renewals and upgrades To provide for growth, levels of service and public health	\$2.8 million	2018-2027	
Ōpōtiki, Te Kaha & Ōhiwa new treatment components. To ensure public health and comply with legislation	\$275k	2018-2020	
Vulnerable treatment and reticulation renewals. To provide resilience and mitigate risk of asset failure	\$1.1 million	2018-2022	
Ōpōtiki, Te Kaha and Ōhiwa treatment and reticulation renewals. According to effective life cycle management considerations	\$4.9 million	2018-2039	

Te Kaha Water Supply Project Timeline



Note some project timeframes may have changed from projected infrastructure expenditure commitments in the LTP. These changes affect projects beyond the 3 year term and are based on reassessment of priority post 2018 LTP finalisation.

Opotiki & Ōhiwa Water Supply Project Timeline



Note some project timeframes may have changed from projected infrastructure expenditure commitments in the LTP. These changes affect projects beyond the 3 year term and are based on reassessment of priority post 2018 LTP finalisation.

Ōpōtiki & Te Kaha reticulation renewals and upgrades

The primary renewal project for water reticulation is in Hikutaia. The reticulation around this area was not renewed at the same time as the Ōpōtiki township and is 1950's & 60's asbestos cement (AC). AC pipe has a reduced estimated life of 60 years based on national findings. The need for renewals and the timing is based on the following key strategic issues

- Growth – The Hikutaia area is ideal for infill and the existing AC lacks capacity for the increased pressures required
- Climate Change – Hikutaia is located on high ground
- Life Cycle Management – The Hikutaia reticulation is due for renewal in the next 10 years and could line up with the extension of the wastewater scheme.

Uncertainty

There is a medium level of uncertainty surrounding the timing of these works as growth trends may vary and the timing of renewal of water supply reticulation may change as condition information improves. The uncertainty surrounding the necessity and location of extension is considered to be low due to the certainty of climate change and the viability of the area.

Ōpōtiki, Te Kaha and Ōhiwa new treatment components

In 2017 Havelock North experienced a serious *Campylobacter* outbreak that resulted in numerous illnesses and some deaths. The consequent enquiry has provided a report and recommendation to central government which is likely to result in a change to water supply legislation and management. While Ōpōtiki Council schemes are considered to be of a high standard some areas of ongoing improvement and key points from the report will very likely necessitate several new treatment components.

Ōpōtiki

The Ōpōtiki treatment facility was renewed in the 90's and is of a very high standard. To date it has been compliant with the current water supply legislation however the enquiry report highlights one key point that could affect the treatment scheme. This point is the potential cessation of secure source status. Secure source status has been historically and is currently awarded to water supply schemes that draw water from a confined aquifer that had been 'proven' to have suitably aged water. If the secure source status evidence basis is changed or the status itself is entirely removed from legislation the Ōpōtiki treatment scheme may require a UV treatment component.

Te Kaha

The Te Kaha treatment system was renewed in the 2010's. It was brought up to a high standard but has unfortunately suffered difficulties attaining full compliance due to occasional turbidity spikes during heavy weather events. The treatment components in place at Te Kaha are designed to address this issue but experience failures due to the share volume of fine material suspended in the water in these events. The proposed and most affordable solution for this is a set of settle banks however a much more expensive pre-treatment setup may be needed in future.

Ōhiwa

The Ōhiwa scheme has historically been exempt from legislation due to the small population serviced, despite this, the Ōhiwa scheme has had several upgrades including Chlorination facilities to get it '90%' of the way there Recommendations from the enquiry suggest that no water supply should be exempt from a defined minimum standard. The present plan for Ōhiwa is to include filtration however; if a minimum standard is applied the inclusion of more expensive UV may be required.

Uncertainty

The level of uncertainty for the above projects ranges from low to high. The cheaper components currently proposed are considered low because they address concerns that existed prior to the Havelock North enquiry, the further more expensive potential options i.e. UV treatment for Ōpōtiki and Ōhiwa are much less certain. For Ōpōtiki it is possible that secure source status will not be completely revoked and that Council will have the opportunity to prove that they indeed have a fully confined aquifer and that water will always be sufficiently aged. For Ōhiwa the risk basis that has been in place for decade's i.e. low population consideration may continue to apply.

Vulnerable treatment and reticulation renewals

Across all of Council infrastructure there are critical pumps that can take months to replace due to manufacture and supply timeframes. In the event of sudden and unpredictable failure which can and does occur, timely replacement is vital to ensure service is not lost. The Ōpōtiki water supply reticulation also has one critical trunk line that is still particularly vulnerable to earthquake. Renewal of this line will not make the reticulation completely resilient to earthquake but will ensure primary supply is not lost or at minimum can be re-established quickly in the event of a medium sized earthquake.

Uncertainty

The level of uncertainty for these renewals is considered very low as the reasoning behind them is clear and well understood.

Ōpōtiki, Te Kaha and Ōhiwa treatment and reticulation renewals

Reticulation and treatment renewal works have been programmed based on predictive models extracted from Council's asset management information system.




Uncertainty

There is a medium degree of uncertainty surrounding the renewal profile of assets. Though the asset management information system is considered to be at a high level of integrity and has been populated with key data such as criticality and condition/performance of critical assets, there are still gaps. The gaps are for the most part unavoidable; data on low criticality assets is limited or non-existent primarily due to the cost and impracticality of attaining it. In general, data is accounted for in the normalisation of the renewal profiles however there is still potential for cost spikes across the 30 year term with certain assets lasting beyond and others less than, their design lives.

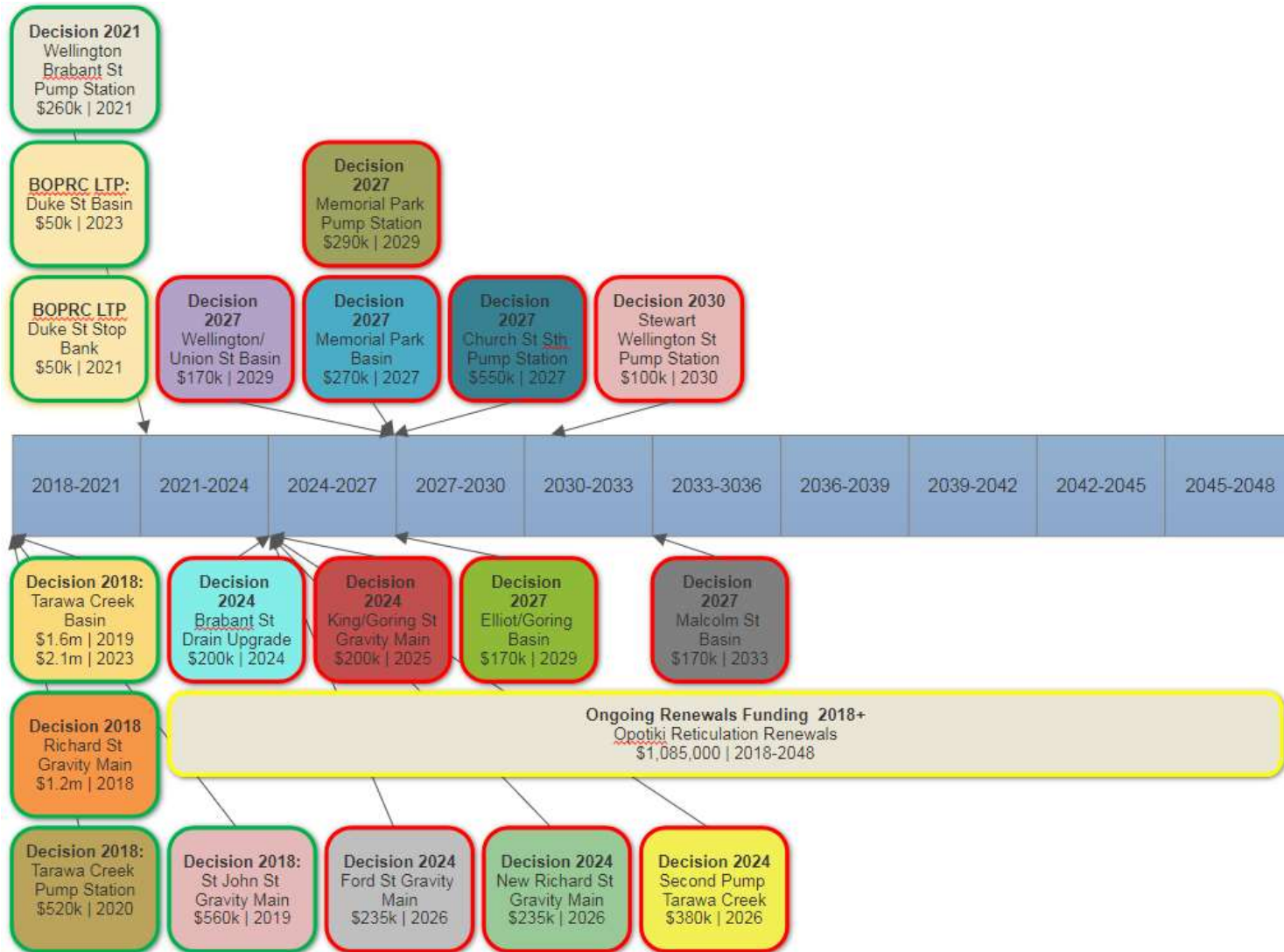
6.7 Major Stormwater Capital Works Solutions

Key strategic issues for Ōpōtiki’s stormwater infrastructure are primarily driven by climate change and levels of service.

Major works for stormwater infrastructure can be categorised into 2 groups listed in the table below and discussed in greater depth beyond under their relative groups.

Major Works	Cost	Timing	Key
Ōpōtiki pump station, reticulation and ponding upgrades – Investment Decision Critical Infrastructure to ensure levels of service in flood events	\$5.2 million	2019-2024	
Ōpōtiki pump station, reticulation and ponding upgrades – Investment Decision To address the onset of climate change and ensure levels of service in flood events	\$5.2 million from above +\$2.9 million	2024-2029	
Ōpōtiki reticulation renewals- According to effective life cycle management considerations	\$1.1 million	2018-2048	

Stormwater Project Timeline



Note some project timeframes may have changed from projected infrastructure expenditure commitments in the LTP. These changes affect projects beyond the 3 year term and are based on reassessment of priority post 2018 LTP finalisation.

Ōpōtiki pump station, reticulation and ponding upgrades

The Ōpōtiki stormwater reticulation and discharge scheme has historically been overlooked as the least critical waters scheme. With the global recognition of climate change and the improvement in engineering investigation methodologies over the past 10 years, appreciation for effective stormwater infrastructure has dramatically increased. The Ōpōtiki Township is particularly vulnerable to poor flood management due its location bounded on three sides by the Waioeka and Otara Rivers and their stopbanks. These three sides are also the lowest points of the township, as may be expected, resulting in a big basin to which water from upper catchments flow. In extreme events the river levels elevate, cutting off fast gravity outflow, forcing water to pond up and flood the township.

There are three means of dealing with Stormwater flooding across the township.

1. Discharge Pump Stations – Pump stations continually discharge stormwater over or through the stop banks when river levels are elevated. They are designed to alleviate the continuous runoff from the low intensity rainfall during storms.
2. Ponding areas – Ponding areas or basins are designed to store water runoff from the high intensity rainfall spikes that occur sporadically during storms. These spikes result in a sudden rush of water that pump stations cannot discharge quickly enough. The ponding areas provide a low lying area for the water to be detained until the pump stations catch up. Without sufficient designated ponding areas residential and commercial areas are flooded instead.
3. Reticulation – Reticulation includes pipe lines and sometimes additional pump stations to transport stormwater from upper portions of catchments to discharge outlets, ponding areas and discharge pump stations. Reticulation serves to prevent overland flows in minor events and drain residual flooding over time after major events.

There are numerous pump station, reticulation and ponding area upgrades planned across the township over the next 30 years. Critically Ōpōtiki lacks designated ponding areas with most stormwater storage going to existing low lying areas earmarked in the district plan as susceptible to ponding. While major ponding areas have already been investigated and discussed with Council's elected members for primary catchments, there are numerous smaller ponding areas proposed for the later years of the 30 year term that will be required to address ponding in sub-catchments. It is recommended that Council attains and retains land parcels wherever possible to allow for these ponding areas.

Key Investment Decision

Development of stormwater infrastructure including pump stations, reticulation and ponding upgrades presents a key investment decision. There are three potential options available. The first is to complete all proposed projects to mitigate adverse effects according to levels of services to address both current flooding and provide for the onset of climate change, the second is to complete only critical projects that address only current flooding or maintain the status quo.

Option 1: Complete stormwater infrastructure upgrades to allow for the onset of climate change. 2019-29 for \$8.1m. Includes \$5.2m from Option 2.

Option 2: Complete stormwater infrastructure upgrades to address current flooding 2019-24 for \$5.2m

Option 3: Maintain status quo.

Uncertainty

The level of uncertainty for all stormwater upgrades is considered to be low due to the serious effects of climate change as well as the high integrity stormwater modelling that has been completed to date. Though the stormwater modelling does not go into a level of detail that addresses minor effects, such as those that may be found for small diameter reticulation, the major effects of overland flow and flood levels have been verified through real world observation.

Ōpōtiki Stormwater reticulation renewals

Reticulation and treatment renewal works have been programmed based on predictive models extracted from Council's asset management information system.





Uncertainty

There is a medium degree of uncertainty surrounding the renewal profile of assets. Though the asset management information system is considered to be at a high level of integrity and has been populated with key data such as criticality and condition/performance of critical assets, there are still gaps. The gaps are for the most part unavoidable; data on low criticality assets is limited or non-existent primarily due to the cost and impracticality of attaining it. In general, data is accounted for in the normalisation of the renewal profiles however there is still potential for cost spikes across the 30 year term with certain assets lasting beyond and others less than, their design lives.

6.8 Major Land Transport Capital Works Solutions

Key strategic issues for Ōpōtiki's Land Transport network are primarily driven by levels of service and economic growth.

Major works for land transport infrastructure can be categorised into 2 groups listed in the table below and discussed in greater depth beyond under their relative groups.

Major Works	Cost	Timing	Key
Low Cost Low Risk – Minor Improvements - Improvements to lighting, footpaths, kerb and channel and drainage to meet levels of service	\$3.3 million	2018-2028	
Harbour Development New Roads - To provide for development of the Harbour and industries located in the Harbour Marine Zone	\$1.6 million	2020-2021	
Walking and Cycling Facilities - To provide alternative means of transport and support tourism in line with government policy statement.	\$1.75 million	2019-2021	
Land Transport Renewals - According to effective life cycle management considerations	\$7.4 million	2018-2028	

Land Transport Programme Timeline



Note some project timeframes may have changed from projected infrastructure expenditure commitments in the LTP. These changes affect projects beyond the 3 year term and are based on reassessment of priority post 2018 LTP finalisation.

Land Transport General

Unlike three waters infrastructure, roading capital works relies on financial assistance from NZTA. The financial assistance rate for Ōpōtiki has just increased as of May 2018, from 54% to 75% starting 2018-19. To receive this funding however Ōpōtiki District must submit business cases to NZTA to provide robust justification for funding sought. Through the development of this infrastructure strategy Council's Land Transport Activity Management Plan also underwent a full review and development. The primary focus of the AMP over the past month was to determine the need for and justify increased maintenance spending, the largest financial output in the land transport programme. The secondary objective was to identify capital works for at least the next 3 years and key works in the next 10 years. The Land Transport AMP will continue to be refined and further capital works will be identified, scoped and submitted to NZTA for approval over the course of the next 3 years. The programme will also require Council resolution as the late change in funding missed the LTP process timeframe. Due to the change in FAR the net change results in a reduction in Council contribution despite an increase in overall spend on the programme.

Low Cost Low Risk – Minor Improvements

Street lighting and footpaths across the Ōpōtiki District do not meet minimum standards in many places. A programme to upgrade and add new components of this infrastructure is needed over the next 10 years to meet levels of service, with special consideration for mobility impaired members of the community. Further to this programme a number of streets around the township do not have kerb and channel, footpaths or piped drainage presenting safety issues and unattractive streetscapes

Uncertainty

The level of uncertainty surrounding minor improvements is considered to be low. Minor improvements are exactly that – minor. Initial communications have been undertaken with NZTA and indications suggest these works will be accepted based on justification to meet minimum standards.

Harbour Development – New Roads

New roads through the marine industrial zone serve a dual purpose of providing suitable infrastructure to connect the proposed harbour construction sites to existing roads as well provide infrastructure for future development of associated industries. New roads for the harbour have been tentatively planned for 2020-21 but are entirely dependent on the development of the harbour training walls.

Uncertainty

There is a high level of uncertainty surrounding new roads for the harbour development due to its reliance on the harbour training walls project attaining funding from central government first.

Walking and Cycling Facilities

With the latest government policy statement put a high emphasis on alternative modes of transport walking and cycling facilities have been afforded increased funding to supplement funding already available under the national cycle way fund. Great Rides, Heartland rides and urban cycling networks provide key tourism infrastructure across the country, collectively these initiatives provide connecting routes between urban centres, networks with centres and tours of the natural environment. Ōpōtiki already has the Mōtū trails a component of NZ great rides. Funding for additional facilities will go toward connecting Ōpōtiki with adjacent centres starting with Whakatāne and toward safe cycle way within the urban centre.

Uncertainty

There is low level of uncertainty surrounding funding for walking and cycling facilities due to the priority coming down from central government, there are dual driving forces behind alternative transport, one is to support tourism and second is to reduce reliance on motor vehicles in consideration of climate change and urban congestion. There is a medium level of uncertainty surrounding where and at exactly what cost facilities will be developed. Business cases will be developed over the years and a clearer picture will form.

Land Transport Renewals

Renewals across all Land Transport components have been developed through the activity management plan to adhere to good life cycle management practice.

Uncertainty

There is a low level of uncertainty surrounding renewals as the AMP programme has undergone initial review by NZTA who are satisfied with the justification provided.

Appendix A – Capital Works Projects Detail and Options

Water Supply

Issues	Principal Options (Cost Year Criticality)	Implications
Effective Life Cycle Management Cost Year Criticality (1 – High 5 –Low)		
<p>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 Hikutaia area is reaching the end of its design life. The majority of the reticulation, namely pipelines are either not due for renewal within the term of the 30 year plan or in Hikutaia's case will be replaced alongside upgrades to provide for growth. Renewals identified through predictive modelling for the most part include point and plant assets such 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.</p> <p>The Ōhiwa reticulation is relatively new. Renewals mainly consist of aging treatment components.</p>	<p>Option 1 Renew assets according to predictions.</p> <p>Ōpōtiki \$3,670,000 2018-2048</p> <p>Te Kaha \$623,000 2018-2048</p> <p>Ōhiwa \$320,000 2018-2048</p> <hr/> <p>Option 2 Run assets to failure \$-Unknown</p>	<p>Assets renewals have been modelled using the AssetFinda asset management system and engineering analysis. Renewals are based on industry standard base lives, condition assessments and performance modelling. Failure modes and criticality have also been considered.</p> <p>Option 1 Implications Renewal modelling has been extended over a 100 year term to identify and ideally smooth peaks in renewals expenditure. The renewal profile provides the optimum timeline for expenditure in order to maintain levels of service in the most affordable manner possible. Over the course of the next 30 years further condition and performance assessment will improve the data and accuracy.</p> <p>Option 2 Implications 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>

Issues	Principal Options (Cost Year Criticality)	Implications
Mitigate Risk of Asset Failure – Resilience Cost Year Criticality (1 – High 5 –Low)		
<p>Ōpōtiki Raw Water Line Replacement The Ōpōtiki raw water supply main that routes along Otara Road from Clarks Cross Road to the booster station opposite the water treatment plant is approximately 95 years old. Joints in 220 mm diameter wrought steel pipe are at risk of failure in an earthquake or if high flow demands are required.</p>	<p>Option 1 Install replacement 300 mm diameter main. This larger pipe will accommodate the higher flow demand and will not have the joint failure risk that exists with the old pipe main. \$800,000 2018/19</p> <p>Option 2 Continue to operate the old supply pipe until growth in demand occurs. Retain specially manufactured steel jointing fittings in readiness for failures.</p>	<p>The reservoir at the plant holds 4500m³ of treated water and daily demand is in the order of 1300 with peak daily at 3000m³. If there is 3-4 days of high use it is then necessary to draw from the bores at a flow rate that produces high risk of joint failure.</p> <p>Option 2 Implications A joint repair can take 3-6 hours to complete (which can extend if it occurs outside business hours) during which time the continuity of supply to the township is at risk if the reservoir has not refilled sufficiently.</p>
<p>Ōpōtiki and Te Kaha Pump Spares Pumps for all three schemes are required to be on continuous standby for proper scheme operation. In the event of pump failure a replacement should ideally be in place within 1-2days. Unfortunately most pumps are not available off the shelf and can take 1-2 weeks to arrive.</p>	<p>Option 1 Procure spare pumps for all critical operations to ensure acceptable timeframes for resuming service.</p> <p>Ōpōtiki \$100,000 2018 Te Kaha \$50,000 2018</p> <p>Option 2 Order pumps when failure occurs.</p>	<p>Option 1 Implications After the initial expense of establishing and inventory of spare pumps there will be no additional costs involved as they are replaced as a part of the renewal programme.</p> <p>Option 2 Implications Ordering pump when failure occurs increases the risk of operational shutdown including associated risks to public health and service provision. Furthermore running secondary pumps for prolonged periods is detrimental to the condition of those pumps.</p>

Issues	Principal Options (Cost Year Criticality)	Implications
<p>Te Kaha Reservoir Replacement The Te Kaha Reservoir is half way through its expected life however condition assessments have identified various vulnerabilities in the concrete walls which could fail in an earthquake.</p>	<p>Option 1 Replace reservoir with modern equivalent steel or plastic tank. \$270,000 2022</p> <p>Option 2 Replace reservoir at a later date closer to original expected life.</p>	<p>Option 1 Implications Replacing the reservoir ahead of the previously expected renewal timeframe will increase the cost burden on the relatively small Te Kaha scheme.</p> <p>Option 2 Implications Replacing the reservoir in line with originally expected renewal timeframes increases the risk of failure in an earthquake. While the probability of this is low the consequence is reasonably high. In the event of reservoir failure the scheme would (depending on the time of day) likely continue to provide water however water restrictions would need to be put in place. Furthermore deterioration of the integrity of the reservoir increases the risk to public health over time with the potential for contamination.</p>

Issues	Principal Options (Cost Year Criticality)	Implications
Provide for Growth and Maintain Levels of Service Cost Year Criticality (1 – High 5 –Low)		
<p>Hikutaia Reticulation Replacements and Upgrades Reticulation lines in Hikutaia are reaching the end of their useful lives. Increasing the risk of failure. The Crooked Rd reservoir is poorly located and the rising/falling main to it lies in boggy terrain. The Hikutaia area provides an optimum location for growth in line with key strategic issues i.e. encouraging development in area that negate or minimise the effects of climate change.</p>	<p>Option 1 Renew and upgrade the reticulation and install new storage and pump station to replace reservoir.</p> <p>Hikutaia Reticulation Renewal and Upgrade \$1,550,000 2026-28</p> <p>Dip/Hikutaia Rd Rising Main \$350,000 2025</p> <p>Dip Rd Booster Station & Storage \$420,000 2026</p> <p>Option 2 Defer renewal and carry out responsive maintenance when failures occur.</p>	<p>Option 1 Implications Renewing and upgrading reticulation in Hikutaia will imply a slight increase in cost due to minor advancement in the renewal timeframe. Furthermore renewing and upgrading on this slightly advanced timeframe should growth not occur would result increased costs to existing rate payers.</p> <p>Option 2 Implications Electing to defer renewal and upgrade creates the risk that capacity will not be available should growth occur resulting in diminishing service pressures.</p>
<p>Te Kaha Reticulation Replacements and Upgrades Firefighting and peak use service pressure currently inadequate due to undersized 50mm & 80 mm diameter mains from Copenhagen Road to Hotel Road and Booster station to O'Brien's store respectively.</p>	<p>Option 1 Copenhagen Loop Rd \$110,000 2025 Hotel to Copenhagen Rd \$150,000 2027 Te Kaha Booster Station to Obrien's Rd \$250,000 2024</p> <p>Option 2 Defer projects until end of useful lives. Approx. 30 years.</p>	<p>Option 1 Implications Advancing the renewal timeframe will cause a slight increase in costs to ratepayers.</p> <p>Option 2 Implications Electing to replace assets at a later date may inhibit growth and will prolong the risk of instances of insufficient firefighting pressures occurring.</p>

Issues	Principal Options (Cost Year Criticality)	Implications
Protect Public Health and Comply with Legislation Cost Year Criticality (1 – High 5 –Low)		
<p>Te Kaha New Settlement Banks / Filtration Solution The Te Kaha Water Treatment Plant is currently unable to adequately filter high turbidity from the raw water source during weather events. Despite being designed to cater for these turbidity levels the filtration systems require either upgrade or a primary settlement system needs to be put in place. At present instances of high turbidity result in protozoa compliance failure.</p>	<p>Option 1 Construct treatment shed and install a Ultra-violet treatment unit. \$60,000 2017/18/19</p> <p>Option 2 Continue operation as existing</p>	<p>Option 1 Implications The cost of upgrading filtration or installing settlement banks is relatively low and not expected to imply a significant increase in costs for the rate payers.</p> <p>Option 2 Implications While failure to comply with protozoa requirements is identified in Council water safety plans and actions in this event are accepted by the district water assessor short term, prolonging the risk to public health is considered unacceptable.</p>
<p>Ōhiwa Filtration The Ōhiwa scheme has only 23 connections. As such it has historically been exempt from water compliance measures. With the revelations of the Havelock North campylobacter outbreak greater criticality is now applied to all water supply schemes. Proposed plans made in the previous LTP sought to install expensive UV treatment at time in the future when it would be more affordable to the scheme. Since this time alternative options are considered preferable due to cost.</p>	<p>Option 1 Install filtration banks at Ōhiwa water treatment plant to address protozoa compliance \$15,000 2017/18/19</p> <p>Option 2 Continue operation as existing</p>	<p>Option 1 Implications Though the cost of upgrading is relatively low for such a small scheme the cost to the rate payer is expected to be high.</p> <p>Option 2 Implications While failure to comply with protozoa requirements is identified in Council water safety plans and actions in this event are accepted by the district water assessor short term, prolonging the risk to public health is considered unacceptable.</p>

Issues	Principal Options (Cost Year Criticality)	Implications
<p>Ōpōtiki UV treatment</p> <p>The Ōpōtiki Water Treatment plant has historically been fully compliant with water supply legislation. The outcomes from the Havelock enquiry may however change this, if the scheme secure bore water status is revoked. In this event UV would be the missing treatment component for the water supply to remain compliant. There is however another possibility that will not be known until central government completes its review of the enquiry. This possibility could be that Council is given the opportunity to prove it bore is secure.</p>	<p>Option 1 Install UV treatment</p> <p>\$200,000 2020</p> <p>Option 2 Carry out secure bore water source investigation to potential new standard.</p> <p>\$100,000 2020</p>	<p>Option 1 Implications</p> <p>Installation of UV treatment provides a barrier to protozoa contamination. Though Ōpōtiki treatment doesn't presently need this, it would if secure source status was revoked. It is difficult to predict if this will occur because central government has yet to update legislation based on the Havelock North enquiry. Expert advice however, is that if legislation is changed, there will be an expectation to become compliant with 2-3 years.</p> <p>Option 2 Implications</p> <p>As with option 1 change in legislation could vary. Option 2 is more affordable however it assumes that investigation will prove secure source to the new standard. In the event that this cannot be proven Option 1 would need to be carried out regardless.</p>

Stormwater

Issues	Principal Options for Response	Implications
Address Climate Change and Maintain Levels of Service Cost Year Criticality (1 – High 5 – Low)		
<p>Duke St Stop Bank Modelling of stormwater flow paths and flood levels have identified an over flow path from the rural catchment south of Ōpōtiki into the urban Tarawa Creek catchment. Modelling suggests this overflow has the potential to contribute significantly to flooding depending on the scale of the event. Initial discussions have been carried out with Bay of Plenty Regional Council to address this issue. BOPRC has allowed for further investigation of the issue and potential solutions in its 2018-2021 LTP. Though the eventual solution will be the responsibility of Regional Council some aspects remain ODC’s responsibility and though expected cost is low the criticality of the issue warrants inclusion in Council’s strategy.</p>	<p>Option 1 Construct stop bank along Duke St \$50,000 2021 1</p> <hr/> <p>Option 2 Construct alternative overflow mitigations \$-unknown 2021</p>	<p>Option 1 Implications Construction of a stop bank along Duke St has already been investigated at a base level by Ōpōtiki District Council and is at present considered to be a suitable solution to address rural flooding overflow. Planned expenditure by Ōpōtiki District Council has been reserved to allow for urban stormwater that contributes in the reverse to the rural catchment. In any case the benefits of these projects are considered to outweigh the minor costs involved.</p> <p>Option 2 Implications Upon completion of further investigation Bay of Plenty Regional Council may identify an alternative means of mitigating rural overflow. If this was to occur, depending on the alternative adopted, planned expenditure may no longer be necessary or possibly insufficient. This eventuality is considered unlikely however.</p>

Issues	Principal Options for Response	Implications
<p>Ōpōtiki Pump Station Upgrades With the onset of climate change numerous pump stations around the Ōpōtiki Township will no longer provide the level of service that they currently do. In order to provide protection to private property and maintain current levels of service, pump station upgrades are required over time based on the severity and consequences of flooding in the catchments that they service. Pump stations are critical to deal with the prolonged rainfall experienced during heavy weather events. Without suitably sized pump stations stormwater is forced to pond around properties and across roadways whenever river levels are elevated.</p>	<p>Option 1 Upgrade pump stations. Church St South Pump Station and Pipe Upgrade \$550,000 2027 4 Memorial Park Pump Station \$290,000 2029 4 Stewart/Wellington St Pump Station \$100,000 2030 5 Tarawa Creek Pump Station \$520,000 2020 2 \$380,000 2026 4 Wellington/Brabant St Pump Station \$260,000 2019-21 2</p> <p>Option 2 Elect to complete only high criticality pump stations on proposed timeframe and extend lower criticality pump stations to later dates.</p> <p>Option 3 Maintain pump stations at present capacity.</p>	<p>Option 1 Implications Upgrade of pump stations across the township alongside reticulation upgrades and ponding developments address both significant and lesser risks such as floor level flooding, limitations on growth and prolonged property flooding. Completing all projects also establishes good base infrastructure to accommodate climate change over time. These upgrades do however bring a significant increase in cost to the rate payer.</p> <p>Option 2 and 3 Implications Electing to defer low criticality pump station upgrades will limit growth and leave lesser risks such as prolonged property flooding and loss of access unaddressed. Climate change will elevate lesser risks over time with no base infrastructure in place. Deferring all upgrades will leave significant risks such as floor level flooding and loss of life lines unaddressed. This risk will also increase slowly over time as the effects of climate change are realised.</p>

Issues	Principal Options for Response	Implications
<p>Ōpōtiki Reticulation Upgrades Multiple sections of the Ōpōtiki Townships stormwater reticulation are presently undersized for severe weather events with annual exceedance probabilities in excess of 10% (likelihoods less than once every 10 years). Upgrading these sections of reticulation minimise the severity of overland stormwater flows which inundate private properties, access ways and roading lifelines. In larger events such as the 1 in 50 year event, trunk mains including the St John St gravity main and the Richard St gravity main lessen the extent of overflow that presently threatens several existing floor levels.</p>	<p>Option 1 Upgrade reticulation and open drains</p> <p>Brabant St Drain Upgrade</p> <ul style="list-style-type: none"> • \$200,000 2024 4 <p>King/Goring St Gravity Main</p> <ul style="list-style-type: none"> • \$200,000 2025 3 <p>New Ford St Gravity Main</p> <ul style="list-style-type: none"> • \$235,000 2026 4 <p>New Richard St Gravity Main</p> <ul style="list-style-type: none"> • \$235,000 2026 4 <p>New St John St Gravity Main</p> <ul style="list-style-type: none"> • \$560,000 2025 3 <p>New Richard St Gravity Main</p> <ul style="list-style-type: none"> • \$1,200,000 2018 1 <p>Option 2 Elect to complete only high criticality reticulation upgrades on proposed timeframe and extend lower criticality reticulation to later dates.</p> <p>Option 3 Maintain reticulation at present capacity</p>	<p>Option 1 Implications Upgrade of reticulation across the township alongside pump station upgrades and ponding developments address both significant and lesser risks such as floor level flooding, limitations on growth and prolonged property flooding. Completing all projects also establishes good base infrastructure to accommodate climate change over time. These upgrades do however bring a significant increase in cost to the rate payer.</p> <p>Option 2 and 3 Implications Electing to defer low criticality reticulation upgrades will limit growth and leave lesser risks such as prolonged property flooding and loss of access unaddressed. Climate change will elevate lesser risks over time with no base infrastructure in place.</p> <p>Deferring all upgrades will leave significant risks such as floor level flooding and loss of life lines unaddressed. This risk will also increase slowly over time as the effects of climate change are realised.</p>

Issues	Principal Options for Response	Implications
<p>Ōpōtiki Ponding Upgrades Ōpōtiki has five large catchments that cover approximately 90% of the Township. Catchments include the Tarawa Creek catchment, the Memorial Park catchment, the Duke St catchment, the High St catchment and the Forsyth St catchment. There are also numerous smaller catchments. In severe weather events in excess of 2% (likelihoods less than once every 50 years) ponding areas are critical to provide capacity for stormwater resulting from the high intensity periods of the storm.</p>	<p>Option 1 New and upgraded ponding areas</p> <p>Duke St Basin (BOPRC Project with ODC benefit)</p> <ul style="list-style-type: none"> • \$50,000 2021-2023 1 <p>Elliot/Goring Basin</p> <ul style="list-style-type: none"> • \$170,000 2029 5 <p>Malcolm St Basin</p> <ul style="list-style-type: none"> • \$170,000 2029 5 <p>Memorial Park Basin</p> <ul style="list-style-type: none"> • \$270,000 2027 4 <p>Wellington/Union St Basin</p> <ul style="list-style-type: none"> • \$170,000 2029 5 <p>Option 2 Elect to complete only high criticality ponding areas on proposed timeframes and extend lower criticality ponding areas to later dates.</p> <p>Option 3 Don't install new ponding areas.</p>	<p>Option 1 Implications Development of new ponding areas across the township alongside pump station and reticulation upgrades address both significant and lesser risks such as floor level flooding, limitations on growth and prolonged property flooding. Completing all projects also establishes good base infrastructure to accommodate climate change over time. These upgrades do however bring a significant increase in cost to the rate payer.</p> <p>Option 2 and 3 Implications Electing to defer low criticality ponding areas will limit growth and leave lesser risks such as prolonged property flooding and loss of access unaddressed. Climate change will elevate lesser risks over time with no base infrastructure in place.</p> <p>Deferring all ponding areas will leave significant risks such as floor level flooding and loss of life lines unaddressed. This risk will also increase slowly over time as the effects of climate change are realised.</p>

Issues	Principal Options for Response	Implications
<p>Tarawa Creek Stormwater Storage Area The Tarawa Creek stormwater storage area is the most critical ponding area for the mitigation of stormwater flooding in Ōpōtiki. The Tarawa Creek catchment covers approximately 60% of the Township. The Volkner’s Island area proposed for the storage area is the only suitable area for mass storage of stormwater. Until recent investigation the area was considered ideal as it is already low lying and sits at the termination point of the catchment. Geotechnical investigations completed over the past two years have revealed the presence of a historical landfill in the area. The presence of the landfill has raised a number of implications including increased cost, contamination and stop bank stability.</p>	<p>Option 1 Tarawa Creek Stormwater Storage Area</p> <ul style="list-style-type: none"> • \$1,600,000 2019 1 <p>Tarawa Creek Stormwater Storage Area Stage 2</p> <ul style="list-style-type: none"> • \$2,100,000 2023 3 <p>Option 2 Complete both or one of the stages of the storage area at a late date.</p>	<p>Option 1 Implications</p> <p>Contamination – The presence of the historical landfill in the Volkner’s Island area is likely a source of ongoing leachate into Tarawa Creek and the Waioeka River receiving environment. The remediation of the landfill by way of removal or containment addresses an outstanding environmental concern. A concern that Council likely would have elected to or be required to address whether the storage area project was proposed or not.</p> <p>Stop bank stability – The development of a stormwater storage area could have implications on stop bank stability. It is important that this is investigated thoroughly and BOPRC is satisfied the stopbanks are not comprised.</p> <p>Cost – The increased cost to develop the Tarawa Creek stormwater storage area implies a significant cost to rate payers, simultaneously however in remediating the landfill and any contamination it may be causing to the environment the project is effectively achieving two objectives at once.</p> <p>Option 2 Implications The Tarawa Creek catchment has the highest risk of flooding causing damage to private property, when overburdened the catchment overflows into the Memorial Park catchment. Deferring Stage 1 of the storage area prolongs the current risk and limits the capacity of future Tarawa Creek pump station upgrades.</p>

Issues	Principal Options for Response	Implications
Mitigate Risk of Asset Failure Cost Year Criticality (1 – High 5 –Low)		
Stormwater Pump Spares Stormwater pumps are required to be on continuous standby for proper scheme operation. In the event of pump failure a replacement should ideally be in place within 1-2days. Unfortunately most pumps are not available off the shelf and can take 1-2 weeks to arrive.	Option 1 Procure spare pumps for all critical operations to ensure acceptable timeframes for resuming service. <ul style="list-style-type: none"> • \$100,000 2018 1 	Option 1 Implications <ul style="list-style-type: none"> • After the initial expense of establishing and inventory of spare pumps there will be no additional costs involved as they are replaced as a part of the renewal programme. Option 2 Implications <ul style="list-style-type: none"> • Ordering pumps when failure occurs increases the risk of operational shutdown including associated risks to public health and service provision. Furthermore running secondary pumps for prolonged periods is detrimental to the condition of those pumps.
Effective Life Cycle Management Cost Year Criticality (1 – High 5 –Low)		
Ōpōtiki Stormwater Reticulation Renewals The Ōpōtiki stormwater scheme is approximately half way through its life. There are shortlived components of the reticulation pumps, valves and electronic equipment that will need replacement over the next 30 years.	Option 1 Renew assets according to predictions. Ōpōtiki <ul style="list-style-type: none"> • \$1,085,000 2018-2048 	Assets renewals have been modelled using the AssetFinda asset management system and engineering analysis. Renewals are based on industry standard base lives, condition assessments and performance modelling. Failure modes and criticality have also been considered. Option 1 Implications <ul style="list-style-type: none"> • Renewal modelling has been extended over a 100 year term to identify and ideally smooth peaks in renewals expenditure. The renewal profile provides the optimum timeline for expenditure in order to maintain levels of service in the most affordable manner possible. Over the course of the next 30 years further condition and performance assessment will improve the data and accuracy. Option 2 Implications <ul style="list-style-type: none"> • 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.

Wastewater

Resilience and Level of Service Issues	Principal Options for Response	Implications
Provide for Growth, Effective Life Cycle Management and Maintain LOS Cost Year Criticality (1 – High 5 –Low)		
<p>Ōpōtiki Wastewater Rehabilitation</p> <p>The Ōpōtiki Wastewater reticulation currently suffers from inflow and infiltration (I&I) due to complications arising from poor installation practice in the 1950's use of oval seconds pipe installation, difficulties caused by ground water and soil strata.</p> <p>Levels of service are difficult to maintain in heavy weather events when reticulation becomes overloaded. From symptomatic assessment of I&I, pipe displacement, degradation, slumping etc appear to wide spread offering poor resilience and little to no room for growth.</p> <p>A 3 year investigation into the extent, severity and localisation of I&I has been completed and a preferred remediation option has been resolved by Council.</p> <p>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, rather than replacing it like for like or with an optimised design, the life of the asset is extended by a sufficient timeframe to gain good value for money whilst avoiding over commitment to an asset that may in some places be made redundant due to factors such as climate change.</p> <p>Rehabilitation is expected to reduce I&I by at least 70% providing spare capacity for growth and greatly reducing the likelihood of levels of service failures.</p>	<p>Option 1</p> <p>Ōpōtiki Wastewater Rehabilitation</p> <p>The rehabilitation programme includes the repair of private property pipelines, repair of manholes and relining of main lines over 3 years.</p> <p>Private Pipelines \$3,000,000 2018-20</p> <p>Rehabilitation Stage 1 \$2,475,000 2017-18</p> <p>Rehabilitation Stage 2 \$3,725,000 2018-19</p> <p>Rehabilitation Stage 3 \$3,100,000 2019-20</p> <p>Eliminated Options</p> <p>Other options included like for like replacement and optimised design replacement with similar or alternative technologies such as low pressure grinder pumps or vacuum systems. These options were considered in the investigation phase and eliminated based on cost/benefit.</p>	<p>Implications</p> <p>The extent of I&I across the township is now known to be severe and widespread. While the rehabilitation project represents a significant cost to ratepayers it has been found to be the best value for money option as well as the lowest cost option available. Failure to resolve I&I issues across the township would limit growth and leave an outstanding risk to the environmental contamination, levels of service would also continue to degrade.</p> <p>Presently resource consent has been obtained to dispose 3600 cubic metres of effluent from the oxidation pond to the overflow pond, this volume should be sufficient in most severe weather events however an extreme event may cause a breach of this consent.</p>

Resilience and Level of Service Issues	Principal Options for Response	Implications
Provide for Growth Cost Year Criticality (1 – High 5 –Low)		
<p>Hikutaia Wastewater Extensions</p> <p>The Hikutaia area presents an ideal area for wastewater extension due to its proximity to existing treatment facilities, the capacity of the area for infill and greenfields 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>Existing Residential Extension</p> <p>Extension from the Waiotahi Drifts line or direct from treatment facilities to the existing residential area around Hikutaia</p> <p>Option 1: Respond to growth align with water supply renewal \$8,100,000 2026-28</p> <p>Option 2: Pre-empt growth \$8,700,000 2020-2021</p> <p>New Residential Extension</p> <p>Further greenfields extension around Hikutaia</p> <p>\$2,100,000 2032-33</p> <p>Relocate & Upgrade Primary Treatment</p> <p>Option 1: Aligned with Option 1 above. \$1,230,000 2025</p> <p>Option 2: Aligned with Option 2 above. \$1,230,000 2020</p>	<p>Implications</p> <p>The implications for new extension to the Hikutaia area are limited. There are few alternative areas that provide the same affordability and resolution of strategic issues as the Hikutaia area. The scheme mechanics should not present significant difficulties in design. Furthermore both scheme extensions should provide a sufficient rating base to prevent the general wastewater rate for Ōpōtiki increasing.</p> <p>The only real implication of this extension is the incorporation of the Hikutaia residents into the wastewater rates collection.</p>
<p>Southern Industrial Extensions</p> <p>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.</p>	<p>Option 1</p> <p>Complete extensions at, before or later than dates listed below in line with interest</p> <p>Stoney Creek Rd/Factory Rd Extension \$310,000 2020-2021</p> <p>Otara Rd Extension \$630,000 2027-2028</p> <p>Option 2</p> <p>Complete extensions at specific dates</p>	<p>Option 1 & 2 Implications</p> <p>Completing extensions at specific dates raises a cost liability for Council if industrial development doesn't follow suit. The presence of the industrial zoning is sufficient incentive for developers to express interest. Interest has already been expressed for the Factory Rd Extension, if this interest materialises it is recommended the Factory Rd and Stoney Creek Rd extension be brought forward to capture the additional rating base without cost liability from lack of interest on Factory Rd.</p>

Resilience and Level of Service Issues	Principal Options for Response	Implications
Effective Life Cycle Management Cost Year Criticality (1 – High 5 –Low)		
<p>Ōpōtiki Wastewater Treatment and Reticulation Renewals</p> <p>The Ōpōtiki Wastewater scheme has reached the end of its life. As discussed under the Wastewater rehabilitation project the majority of the reticulation will be remediated over the next 2-3 years. There are however multiple other components of the reticulation and treatment such as pump stations, rising mains, valves and electronic equipment that will need replacement over the next 30 years. Some of these components will be major works that will be assembled into specific projects in later iterations of this strategy. In the meantime the renewal profile assembled from the asset management information system predictive model provides a good baseline for expenditure over the course of the next 30 years.</p>	<p>Option 1 Renew assets according to predictions.</p> <p>Ōpōtiki \$3,865,000 2018-2048 Waihau Bay \$126,800 2018-2048</p>	<p>Assets renewals have been modelled using the AssetFinda asset management system and engineering analysis. Renewals are based on industry standard base lives, condition assessments and performance modelling. Failure modes and criticality have also been considered.</p> <p>Option 1 Implications Renewal modelling has been extended over a 100 year term to identify and ideally smooth peaks in renewals expenditure. The renewal profile provides the optimum timeline for expenditure in order to maintain levels of service in the most affordable manner possible. Over the course of the next 30 years further condition and performance assessment will improve the data and accuracy.</p> <p>Option 2 Implications 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>

Transport

Resilience and Level of Service Issues	Principal Options for Response	Implications
Route Security		
<p>Secure access to Ōpōtiki. Access to Ōpōtiki via the Waioeka SH 2 bridge in event of major flood, catastrophic structural failure or ongoing aging and need for replacement.</p> <p>SH Detour routes are not suitable for HCV access in the event of SH closure from Emergency events.</p>	<p>Options</p> <ul style="list-style-type: none"> • Collaborate with NZTA (Agency) to ensure that the bridge is maintained and the future renewal is planned. • Emergency response by NZTA by construction of temporary bridge access during repair or reconstruction of the Waioeka SH 2 bridge. • Work with NZTA to upgrade detour routes with realignment and structural upgrades to provide all vehicle access. • Progress Harbour development to allow emergency supplies to township by sea. 	<p>Implications</p> <p>Interruptions to traffic as a result of the closure of the bridge will have major negative social and economic impacts on the Ōpōtiki town and district, the eastern BoP and the Gisborne district. Negative social and economic effects from closure will be exacerbated in the event of catastrophic failure and extended isolation. SH detour routes that are not fit for HCV access have economic impacts for transport and industry for the district.</p>
<p>Flooding on Sections of the network. Flooding of road network as a result of high rainfall events; and potential flooding as a result of sea-level rise due to the effects of climate change. Prime examples include sections around both sides of the Ohiwa Harbour, Waiotahi River estuary, Gabriels Gully, Waiotahi Valley and Browns Roads, Otara East and Pakihi Roads, lower Motu Road. Sections of the state highway network are also affected such as coastal sections of SH2 and at Matekerepu. Lower lying parts of SH 35 such as Raukokere and Hawaii are also affected.</p>	<p>Options</p> <ul style="list-style-type: none"> • Ongoing assessment will be necessary to plan interventions should climate change effects exacerbate circumstances. • Work with NZTA to prioritise maintenance and Emergency response operations for SH35 as a lifeline route. • Undertake drainage maintenance, renewals and upgrades of infrastructure to ensure drainage system performs as required. 	<p>Implications</p> <ul style="list-style-type: none"> • Ongoing assessment will be necessary to plan interventions should climate change effects exacerbate circumstances. • NZTA has undertaken route security assessments on the state highway and have developed options which include raising sections and detour routes onto local roads. Projects of this type have relatively low priority in the State highway AMP but are established as the watch on climate change impacts continues. • Currently the local road flooding issues are of relatively short duration and of low economic impact.

Resilience and Level of Service Issues	Principal Options for Response	Implications
Levels of Service		
<p>Operation and maintenance of the district network to required level of service. Road sections have been classified in accordance with the NZTA/MoT nationwide One Network Road Classification (ONRC) system. Levels of service consistent with road classification will be assessed in accordance with ONRC guidelines.</p>	<p>Options</p> <ul style="list-style-type: none"> Align Levels of Service for Network with ONRC technical measures Consider funding implications of retaining/ achieving higher standards if Council/community demands these. 	<p>Implications</p> <p>In the 30 years covered by the strategy \$52.3 million is projected to be spent on this activity.</p> <p>The FAR review outcome has identified the Ōpōtiki district FAR will move from the current 54 % to 75% in 6 years.</p> <p>If higher standards are to be met (which will not then obtain NLTP funding) then the NZTA share may have to be met by local residents, or district wide rates funding will be required for specific non-subsidised LoS improvements.</p>
<p>Expectation from Community for ongoing urban street upgrades.</p>	<p>Option</p> <ul style="list-style-type: none"> Continue with urban street upgrade programme in conjunction with town storm water and waste water upgrade programmes 	<p>Implications</p> <p>Council LTP has provisions in the transport activity through the Low Cost Low Risk (LCLR) subsidised works programme for continuing upgrades on an annual basis of approximately \$150,000.</p>
<p>Ongoing demand for pedestrian, cycleway, horse tracks alongside rural roads and for upkeep of maintenance on urban footpaths.</p>	<ul style="list-style-type: none"> Continual engagement with NZTA to address this issue along the State highway routes where the interaction is at highest risk. Continue to assess provisions on local routes and develop a strategy and implementation plan to upgrade facilities to appropriate standards. Continue with urban street upgrade programme (includes installing new footpath where none exists) Continue to renew and maintain footpaths to agreed LoS as part of annual expenditure plans. 	<ul style="list-style-type: none"> NZTA have included safety improvement works on SH 2 and SH 35 in the SH AMP, however these have been given relative low priority. Council has included an ongoing budget provision in the transportation programme which will provide funding for these projects. Council has included ongoing budget of \$35,000 for footpath renewal/ maintenance in the LTP. If these projects are not ongoing: <ul style="list-style-type: none"> there is high risk of negative road safety outcomes particularly as traffic volumes grow into the future, and there could be adverse effect on the reputation of the District as a place of choice for lifestyle and retirement.

Resilience and Level of Service Issues	Principal Options for Response	Implications
<p>Ongoing demand for Seal Extensions Pressure is expected to continue from affected communities to have their roads sealed to address both social (quality of life) and economic activities (farming and horticulture) located along the routes.</p>	<ul style="list-style-type: none"> Review the Council's Seal Extension Policy Ongoing assessment of roads for sealing and review of priority programme. 	<ul style="list-style-type: none"> Capital costs estimate of \$4.1M will complete 19.6km seal extension works in the district. A 10-year plan to undertake these is projected. Local share of funding for seal extensions will need to come from communities for the programme to be completed. Non completion of the seal extension programme will negatively affect commuters, residents and economic activities located along the routes. It could also have adverse effect on the reputation of the District as a place of choice for lifestyle and retirement.
Road Safety		
<p>Road Safety Speed Management and minor safety improvements.</p>	<p>Options</p> <ul style="list-style-type: none"> Undertake speed management review for the district Continue programme of Minor improvements through LCLR programme to address intersection improvements. 	<p>Implications</p> <ul style="list-style-type: none"> Social cost of death and serious injury road crashes over the 2007 to 2016 period was \$66M for the district. Speed is a major factor in crashes for the district and a failure to address the issue will result in a continuing increasing trend in serious crashes.
<p>Inadequate Seal Width Seal Widening on rural roads to provide a consistent seal width suitable to the traffic volumes and mix.</p>	<p>Options</p> <ul style="list-style-type: none"> Sections of Wainui Road requiring seal widening have been identified in the Coastal Arterial Route Study. Further sections of rural routes, in particular those associated with state highway detour routes have been identified for upgrades. Provide a consistent width for ONRC classifications. 	<p>Implications</p> <ul style="list-style-type: none"> Cost associated with the seal widening works is \$1.5M however if the SH routes are fully funded by the NLTP fund a major part of this will not impact on Council budgets. Non completion of the seal widening works will not help address the high personal crash risks on Arterials and Secondary Collector roads for the network.

Resilience and Level of Service Issues	Principal Options for Response	Implications
Renewals		
<p>End of Life Bridges There are 12 bridges on the network that will reach the end of Remaining useful life and will require major capital investment for complete structure or component replacement.</p>	<p>Options</p> <ul style="list-style-type: none"> • Prioritise bridge replacement/renewals in accordance with condition and structural assessments. • The Council will work collaboratively with NZTA to secure funding for bridge replacement programme. • Council may need to consider discontinuing with the provision of service in some areas where alternative options for route security and availability provide a greater long term value for money opportunity for the districts ratepayers. 	<p>Implications</p> <ul style="list-style-type: none"> • Affordability for the district for the required bridge renewals and replacements may result in reduction of level of service. • Non completion of the bridge replacement and structures programme will negatively affect commuters, residents and economic activities located along the routes. • NLTP funding may be restricted in some locations where there are low traffic volumes, low economic return and may require Council to meet a greater share of cost. This may lead to the withdrawal of service/ decommissioning of some bridges.
<p>Obsolete Traffic Services Replacement of street lights with LED technology. Improvements to district street lighting level of service to upgrade to AS/NZS 1158 standard. Upgrading of delineation for consistency of Service levels across ONRC classification.</p>	<p>Options</p> <ul style="list-style-type: none"> • The installation of low energy LED Street lighting is being undertaken • Utilise energy savings to undertake prioritised upgrading of lighting network to provide AS/NZS 1158 lighting standard. • Upgrade delineation to provide consistency across ONRC classifications. 	<p>Implications</p> <ul style="list-style-type: none"> • Failure to invest in lighting and delineation will result in low levels of service for the community. This will impact on road and community safety outcomes for the district.
<p>End of Life Pavements Renewals, Rehabilitation, resurfacing, associated improvements to maintain the life of the pavement asset.</p>	<p>Options</p> <ul style="list-style-type: none"> • Prioritise pavement asset renewal works for the District on an on-going review basis. • Programme works in accordance with asset data, LoS, in-field inspections and annual budgets. 	<p>Implications</p> <ul style="list-style-type: none"> • Ageing infrastructure will require an increasing maintenance and renewals expenditure to maintain levels of service. • Failure to invest in pavement renewals will result in lower levels of service and higher reactive maintenance costs for the district.

Resilience and Level of Service Issues	Principal Options for Response	Implications
<p>End of Life road drainage systems. Drainage Renewals, Kerb and channel, culverts, associated improvements to maintain and manage drainage within the road corridor.</p>	<p>Options</p> <ul style="list-style-type: none"> • Prioritise drainage asset maintenance and renewal works for the District. • Programme works in accordance with asset condition data and annual budgets. 	<p>Implications</p> <p>During the 30 year term</p> <ul style="list-style-type: none"> • Costs associated with providing renewals of existing facilities are forecast to increase as there will be a greater need for asset renewal. • Costs associated with a need to provide additional or upgraded facilities to address increased demand from Climate change. • Non completion of the renewals and upgrades will negatively affect management of storm water and increase the risk of flooding and storm damage to the district.

Appendix B: Three Waters Levels of Service

Levels of service consider community outcomes, contribution of the activity, negative effects and sustainable solutions to establish levels of service goals. Goals are then broken down into key performance measures and corresponding indicators.

Ongoing annual iterations of performance results against key indicators provide direction and focus for the development of operational and asset activities and their associated risks.

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, Hikutaia, Waiotahi Drifts and Ōhiwa. Efficient, safe and sustainable water supplies are essential for the social, economic and environmental well-being of the District. Reliable drinking water supports public health outcomes, industry growth and development and community safety by way of providing firefighting capacity in urban areas.

This significant activity includes:

- Extraction, Treatment and Reticulation of potable water.

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

Potential Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environment	
Growth could exceed the capacity of the water supply infrastructure.		✓	✓		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/upgraded reticulation.
Excessive abstraction of raw water at the point of intake has the potential for negative impact on the environment.				✓	Robust assessment of effects carried out in support of resource consent to take water. BOPRC monitoring of Aquifer. Water losses monitored and minimised.
Inadequate treatment of water raises the risk to public health.		✓	✓		Effective asset management planning of capital investments and operational activates ensures compliance with minimum standard for safe potable water.

Levels of Service Goals

- Pleasant tasting and looking drinking water is provided from Council operated supplies
- Council will provide safe drinking water
- Council provides supplies that are reliable and are managed at the lowest possible all of life costs
- Failures and service requests are responded to promptly
- Water resources are used efficiently and sustainably
- Water supply is adequate for firefighting purposes.

Performance

The below table list each of the current key performance measures for the water supply activity. Performance indicators for each measure are shown adjacent. Green dots indicate a pass, red dots indicate a fail.

		2015/16		2016/17		2017/18	
Measure of customers who are satisfied with the quality of their drinking water.		>85%	●	>85%	●	>90%	●
Number of complaints about; drinking water clarity per 1000 connections		<5	●	<5	●	<5	●
Number of complaints about; drinking water taste per 1000 connections		<5	●	<5	●	<5	●
Number of complaints about; drinking water odour per 1000 connections		<5	●	<5	●	<5	●
Compliance with NZ Drinking Water Standards 2005 (revised 2008).							
Opotiki	Bacterial	100%	●	100%	●	100%	●
	Protozoa	100%	●	100%	●	100%	●
Te Kaha	Bacterial	100%	●	100%	●	100%	●
	Protozoa	100%	●	100%	●	100%	●
Ohiwa	Bacterial	100%	●	100%	●	100%	●
	Protozoa	100%	●	100%	●	100%	●
Measure of customers served by Council supply who are satisfied with the reliability and cost of their water supply services.		80%	●	85%	●	85%	●
Percentage of capital and renewal projects as set out in the LTP implemented on time and within budget so that level of pressure and flow are not affected by decline in service and growth.		100%	●	100%	●	100%	●
For urgent call outs; median time from notification to personnel on site		<4 hours	●	<4 hours	●	<4 hours	●
For urgent call outs; median time from notification to resolution of problem		<1 day	●	<1 day	●	<1 day	●
For non-urgent call outs; median time from notification to personnel on site		<1 day	●	<1 day	●	<1 day	●
For non-urgent call outs; median time from notification to resolution of problem		<4 days	●	<4 days	●	<4 days	●
Number of complaints about drinking water pressure of flow per 1000 connections		<10	●	<8	●	<8	●

Number of complaints about continuity of supply per 1000 connections	<10	●	<8	●	<8	●
Number of complaints about council's response to any of the drinking water issues per 1000 connections	<5	●	<5	●	<5	●
Average consumption of drinking water per day per resident	<400L	●	<400L	●	<400L	●
Percentage of real water loss from networked reticulation system						
Ōpōtiki	<10%	●	<10%	●	<10%	●
Te Kaha	<10%	●	<10%	●	<10%	●
Ohiwa		NA		NA	<10%	●
Minimum of six fire hydrants tested and meeting tri-annual compliance test with fire fighting standards.	6	●	6	●	6	●

Performance Discussion

Compliance with NZ Drinking Water Standards

Compliance with drinking water standards has not been achieved for Te Kaha and Ōhiwa to date due to a lack of necessary infrastructure. The risks associated with this lack of compliance have been identified in previous asset management plans and water safety plans and has been found acceptable by drinking water assessors in consideration of 'reasonably practicable' planned improvements. Recommendations from the enquiry into the campylobacter outbreak in Havelock North have identified this old rationalisation of 'reasonably practicable' as unacceptable. While the risk to public health has not changed an advanced programme to become compliant has been recommended by leading associations including water NZ.

Solutions/Actions

- Improvement projects have been proposed within the 2018 LTP to achieve full compliance in all schemes.

Real Water Loss

The Ōpōtiki scheme is still relatively new having been installed in the 90's. It does however still incorporate the older Hikutaia reticulation which is due for replacement in the next 10 years. The Te Kaha scheme is also aging with most parts of the reticulation approximately 50% through their design life.

Both the Ōpōtiki and Te Kaha schemes have had water losses increase by 5% over the past 6 years. With water losses calculated at 22% for Ōpōtiki and 16% for Te Kaha as at December 2018. Water loss in 2018 spiked significantly in comparison with previous years. These losses suggest water leaks have opened up in the older sections of reticulation. Some of the leaks have been found and remediated but whether all major leaks have been found and fixed will require further monitoring.

The Ōhiwa scheme currently suffers misrepresentation of real water loss due to the nature of use across the scheme. The scheme is very small and is mostly unused throughout the year. Water supply schemes in general suffer unavoidable losses on a continuous basis; due to the low annual use in Ōhiwa the ratio of these losses over use presents real water loss as significant when in reality this is not the case.

It should be noted that the measurement of real water loss as a percentage of water produced is an outdated and inaccurate method. Current industry practice utilises the Infrastructure Leakage Index (ILI). When Ōpōtiki and Te Kaha's water loss are converted to ILI they measure as moderate on the national scale in line with the majority of Council's.

Solutions/Actions

- Water loss investigations have been proposed in the 2018 LTP.
- Water loss measurement methodology and performance is proposed to be supported by ILI results and set to be no more than moderate.
- The current mandatory DIA percentage water loss measure will be kept for reporting purposes. The percentage water loss indicator is recommended to be set at 20% for both Ōpōtiki and Te Kaha, consistent with moderate water loss.
- It is recommended that Ohiwa not be added to water loss monitoring performance measures due to the nature of the scheme. Water loss will still be monitored to ensure leaks are managed effectively.

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.

This significant activity includes:

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

Community Outcomes	How Activity Contributes
Development and protection of natural environment	To protect public health and property from sewage overflows. To enable economic growth with quality of life benefit. To protect the environment from the adverse effects of wastewater.
Development supports the community	
Services and facilities meets our needs	

Potential Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	Social	Economic	Environmental	
Groundwater infiltration could overload the treatment and reticulation systems, limiting new connections and causing overflows– a barrier to community growth and development.		✓	✓	✓	Robust wastewater asset management planning and design avoids adverse effects on the environment. Council’s dedication to a sustainable reticulation renewal programme will mitigate against groundwater infiltration.

Levels of Service Goals

- A reliable removal and treatment service is provided in areas serviced by Council operated sewerage systems
- Service requests and failures are responded to as they come in
- Sewage is managed without risk to public health
- The quality of effluent leaving the treatment plant is of a standard required by consents.

Performance

The below table list each of the current key performance measures for the wastewater activity. Performance indicators for each measure are shown adjacent. Green dots indicate a pass and red dots indicate a fail.

	2015/16		2016/17		2017/18	
Number of complaints about sewerage system faults per 1000 connections	<5	●	<5	●	<5	●
Number of complaints about sewerage system blockages per 1000 connections	<5	●	<5	●	<5	●
Number of complaints about council's response to issues within the sewerage system per 1000 connections	<10	●	<10	●	<7	●
Median fault attendance time; time from notification to personnel on site	4 hours	●	4 hours	●	4 hours	●
Median fault attendance time; time from notification to resolution of problem	4 days		4 days		4 days	
Number of complaints about sewerage odour per 1000 connections	<10	●	<10	●	<10	●
Number of sewage overflows into habitable buildings due to faults in the wastewater system.	0	●	0	●	0	●
The number of dry weather sewerage overflows per 1000 connections	2	●	2	●	2	●
Number of Abatement notices regarding discharge compliance	0	●	0	●	0	●
Number of Infringement notices regarding discharge compliance	0	●	0	●	0	●
Number of Enforcement orders regarding discharge compliance	0	●	0	●	0	●
Number of Convictions regarding discharge compliance	0	●	0	●	0	●

Performance Discussion

Overflow into habitable buildings

The Ōpōtiki wastewater scheme has reached the end of its useful life. Installed in the 1950's the scheme suffers from the inflow of stormwater and the infiltration of groundwater. Inflow and infiltration (I&I) fills the network with water, overburdening pipes and pump stations resulting in loss of service, overflows and in rare cases overflows into dwellings. Over the past three years, an investigation into the extent and severity of I&I has been carried out and found it to be widespread. An options analysis undertaken at the completion of the investigation found rehabilitation of the existing network to be the most affordable solution.

Solutions/Actions

- Continue with programme to rehabilitate existing wastewater reticulation due for completion in 2021.

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 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.

This significant activity includes:

Stormwater collection and disposal.

Community Outcomes	How Activity Contributes
Development and protection of natural environment	To protect the environment from the adverse effects of stormwater. To protect public health and property.
Development supports the community	Facilities and services that meet the expectations of the community for quality of life.
Services and facilities meet community needs	

Significant Negative Effect	Affected Well-being				Sustainable Solution
	Cultural	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.
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.		✓	✓	✓	Reduce the risk by upgrading urban drainage systems according to catchment modelling of storms including effects of climate change. Ensure buildings have appropriate stormwater design and suitable drainage fittings.

Levels of Service Goals

- The urban stormwater activity is managed to protect people and property from the impacts of flooding.
- Service requests and complaints are processed as they come in.
- Stormwater water quality will be managed effectively for 365 days of the year.

Performance

The below table list each of the current key performance measures for the wastewater activity. Performance indicators for each measure are shown adjacent. Green dots indicate a pass and red dots indicate a fail.

	2015/16		2016/17		2017/18	
The number of flooding events that occur in the district	5	●	5	●	5	●
For each flooding event the number of habitable floors affected per 1000 connections	0	●	0	●	0	●
Median response time to attend a flooding event, from notification to personnel on site	3 days	●	3 days	●	3 days	●
Number of complaints about the performance of the stormwater system per 1000 connections	<5	●	<5	●	<5	●
The number of Abatement notices received regarding discharge compliance	0	●	0	●	0	●
The number of Infringement notices received regarding discharge compliance	0	●	0	●	0	●

The number of Enforcement orders received regarding discharge compliance	0	●	0	●	0	●
The number of convictions regarding discharge compliance	0	●	0	●	0	●

Performance Discussion

Stormwater performance complaints

The Ōpōtiki stormwater system is generally under designed. Historically stormwater has been considered the least critical of the three waters, however with increasing knowledge around climate change and improvements in computer aided modelling stormwater has quickly become a key focus. The key to understanding the performance of stormwater infrastructure is understanding the nature of stormwater events. Stormwater events are measured in levels of probability, generally denoted as Annual Exceedance Probability (AEP) or likelihood of occurring in any given year e.g. an event likely to occur once in any 5 year period would be a 20% AEP or 1 in 5 year event.

The below events have been listed with their expected performance measures.

- 1 in 1 year event. 100% AEP. Regular event. Flood levels should be minimal and relieved almost immediately after rainfall has ceased.
- 1 in 5 year event. 20% AEP. Medium event. The design level for roads to remain unflooded.
- 1 in 10 year event. 10% AEP. Large event. Property and road flooding unavoidable. Flood levels relieved within 6 hours after rainfall has ceased.
- 1 in 50 year event. 2% AEP. Very large event. Dwellings and commercial premises unflooded. Flood levels relieved within 12 hours after rainfall has ceased.
- 1 in 100 year event. 1% AEP. Extreme event. Some dwellings and commercial premises flooded. Key roading lifelines passable. Stop banks protect against rivers. Flood levels relieved within 3 days after rainfall has ceased.

Solutions/Actions

- Stormwater storage basins, pump station and reticulation upgrades have been proposed in the 2018 LTP.
- Stormwater performance measures proposed to be expanded to consider the event probability.

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.



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The sparkling waters of Waihou Bay, Opotiki.

Ōpōtiki District Council Organisational Structure

	<p>Chief Executive Officer Aileen Lawrie</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>Engineering and Services Group Manager Ari Erickson</p>	<p>Consultancy BU Solid Waste Roading Rural Fire Sewerage Stormwater</p>	<p>Water Supply Parks Reserves Airport Cemetery</p>	
	<p>Planning and Regulatory Group Manager Gerard McCormack</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>Finance and Corporate Services Group Manager Bevan Gray</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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Opotiki District Council
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