Ōpōtiki District Council Long Term Plan 2024-2034

Te huarahi whakamua mo te rohe o Ōpōtiki

Ōpōtiki District Council
STRONG COMMUNITY STRONG FUTURE

Contact us

Council Office

Address	Ōpōtiki District Council 108 St John Street ŌPŌTIKI 3122
Telephone	+64 (07) 315 3030
Email	info@odc.govt.nz
Website	www.odc.govt.nz

Bankers

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Audit New Zealand, Tauranga

Insurance Brokers

AON Tauranga (New Zealand)

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Te Whakatōhea deed of settlement signing with the Crown 27 May 2023

Message from the Mayor and the CEO

Mayor David Moore

CEO Stace Lewer

It has been a period of rapid growth and change for the Ōpōtiki District since our last Long Term Plan (LTP) adopted in 2021, and we have seen the fruits of our labour in economic activity, job opportunities, and new and improved facilities in our rohe. Many long-term aspirations for the district have come to life during this period. At the same time, we, like the rest of Aotearoa and the world, have grappled with the long-lasting social and economic aftereffects of COVID and the subsequent economic instability.

As we look to planning for the next ten years, our emphasis is on affordability for our community, while intentionally and carefully ensuring the district continues to see positive flow-on effects from new economic activity. We must find the balance between supporting development and the ability to fund.

It is an exciting time for the Ōpōtiki District and there is no shortage of work to ensure the opportunities continue. At the same time, we must acknowledge the national pressures we are all feeling, such as inflation, cost of living, national housing affordability, and changing/increasing mandates from central government. It is a time for careful and prudent management.

Mayor and Councillors

From left to right: Councillor Steve Nelson, Councillor Barry Howe, Councillor Maxie Kemara, Mayor David Moore, Councillor Tom Brooks, Deputy Mayor Shona Browne, Councillor Dean Petersen.

Elected representatives		*Coast Community Board members*	
Mayor **David Moore** Ward District Ph 07 315 3030 Mob 027 244 2628 Email davidm@odc.govt.nz	*Councillor* **Tom Brooks** Ward Ōpōtiki Mob 021 0231 3107 Email tomb@odc.govt.nz	*Councillor & Chairperson of the Coast Community Board* **Maxie Kemara** Ward Coast Mob 027 569 963 Email maxiek@odc.govt.nz	*Board Member* **Linda Steel** Mob 027 348 6237 Email lindasteel@teaohou.org.nz
Deputy Mayor **Shona Browne** Ward Ōpōtiki Mob 027 477 3761 Email shonab@odc.govt.nz	*Councillor* **Steve Nelson** Ward Waioeka-Waiōtahe-Otara Mob 027 637 0549 Email steven@odc.govt.nz	*Deputy Chairperson of the Coast Community Board* **Allen Waenga** Ph 07 315 5516 Email ajwaenga@yahoo.co.nz	*Board Member* **Tiaki (Jack) Parata** Ph 07 325 2772 (home) Ph 07 325 2726, extn 713 (work) Mob 027 498 9213 Email jack@apanui.co.nz
Councillor **Barry Howe** Ward Ōpōtiki Ph 07 315 6003 (home) Ph 07 315 6335 (work) Mob 027 315 6345 Email barryh@odc.govt.nz	*Councillor* **Dean Petersen** Ward Waioeka-Waiōtahe-Otara Mob 027 622 7009 Email deanp@odc.govt.nz	*Board Member* **Michael (Spike) Collier** Mob 027 429 2432 Email spikeopotiki@gmail.com	

Consultation Document

Council is required, under the Local Government Act, to prepare a consultation document as a method to communicate with our community about the Long Term Plan.

Over a period of six weeks, Council invited submissions from the community on matters contained within the document and any other matters of importance.

The key purpose of the document is to provide an easier way to consult with the community, and it enables councils to be more innovative in the ways they do this.

Consultation documents are required to outline the key issues that are planned for, over the next 10 years. For Ōpōtiki District Council, the three key issues we consulted on were:

1. Making do with what we have: we're going to focus on renewing what we have, and limit our spending on any new stuff
2. Reducing services to reduce running costs: fewer services to find savings: events, engineering, parks and reserves and Toi EDA (economic development agency)
3. Paying for the running costs of the harbour: Council wants to delay funding the harbour from rates until at least 2026.

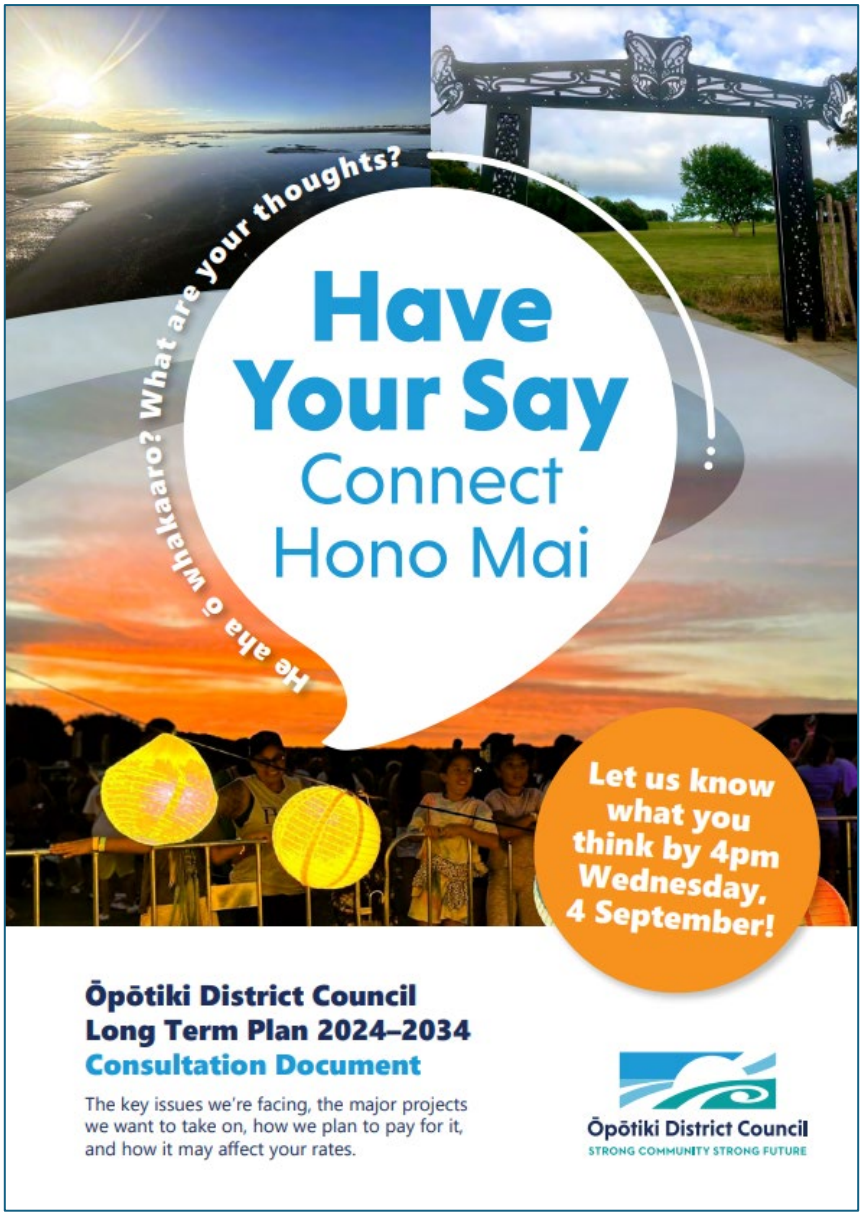
During the pre-engagement phase of the LTP, Council also presented other matters to the community including our updated Community Priorities, an updated Significance and Engagement Policy, the 2024/25 Fees and Charges Schedule and other finance policies including the Revenue and Financing Policy and Rates Remissions and Postponement Policy.

During the consultation period, council received 56 submissions. In addition to the specific issues consulted on, the themes of the submissions included the general impact of the rates increase and suggestions for cost savings, the desire to see user-pays models for the harbour maintenance costs, concerns about debt-financing, climate change and partnerships.

On Issue 1, we received 31 submissions. Of the submissions 24 supported Council's preferred option to pull back on the capital works programme and 7 submissions supported continuing with the capital works as planned.

On Issue 2, we received 35 submissions. Of the submissions 21 supported maintaining the same level of service delivery and 14 supported reducing service levels in events, engineering, parks and reserves and ToiEDA.

On Issue 3, we received 29 submissions. Of the submissions 8 supported rate funding the operational and maintenance costs of the harbour from the 2024/25 financial year and 21 supported deferring it until at least 2026.


He aha ō whakaaro? What are your thoughts?
Have Your Say
Connect
Hono Mai
Let us know what you think by 4pm Wednesday, 4 September!
Ōpōtiki District Council
Long Term Plan 2024–2034
Consultation Document
The key issues we're facing, the major projects we want to take on, how we plan to pay for it, and how it may affect your rates.
Ōpōtiki District Council
STRONG COMMUNITY STRONG FUTURE

Part One – Council direction

What the priorities are for the Council, and how we are going to get there.

Introducing the Ōpōtiki District

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

The role of Council

The purpose of all councils is to promote the social, economic, environmental and cultural well-being of the community it serves.

There are two arms of a Council. One is the **political arm:** this is made of a Mayor and Councillors, and they are elected by the community every three years. The other arm is the **operational arm:** this is made of the staff, employed by the Chief Executive to do the day-to-day tasks.

Ōpōtiki District Council currently has one Mayor elected at large from the district, and six councillors who represent three wards.

Our Strategic Direction

Our vision statement: Strong Community, Strong Future

Every Long Term Plan is required to include 'Community Outcomes' which are statements intended to guide council decision making over the life of the long term plan.

In this long term plan, we have called them 'Community Priorities'. We think Priorities far better reflect how we want to structure our Long Term Plan, the day-to-day mahi we do, and priorities enable the district to achieve outcomes in the long term.

Under each Community Priority are four or five goals which are all aligned to the day-to-day work the Council does to achieve the targets to align to our priorities.

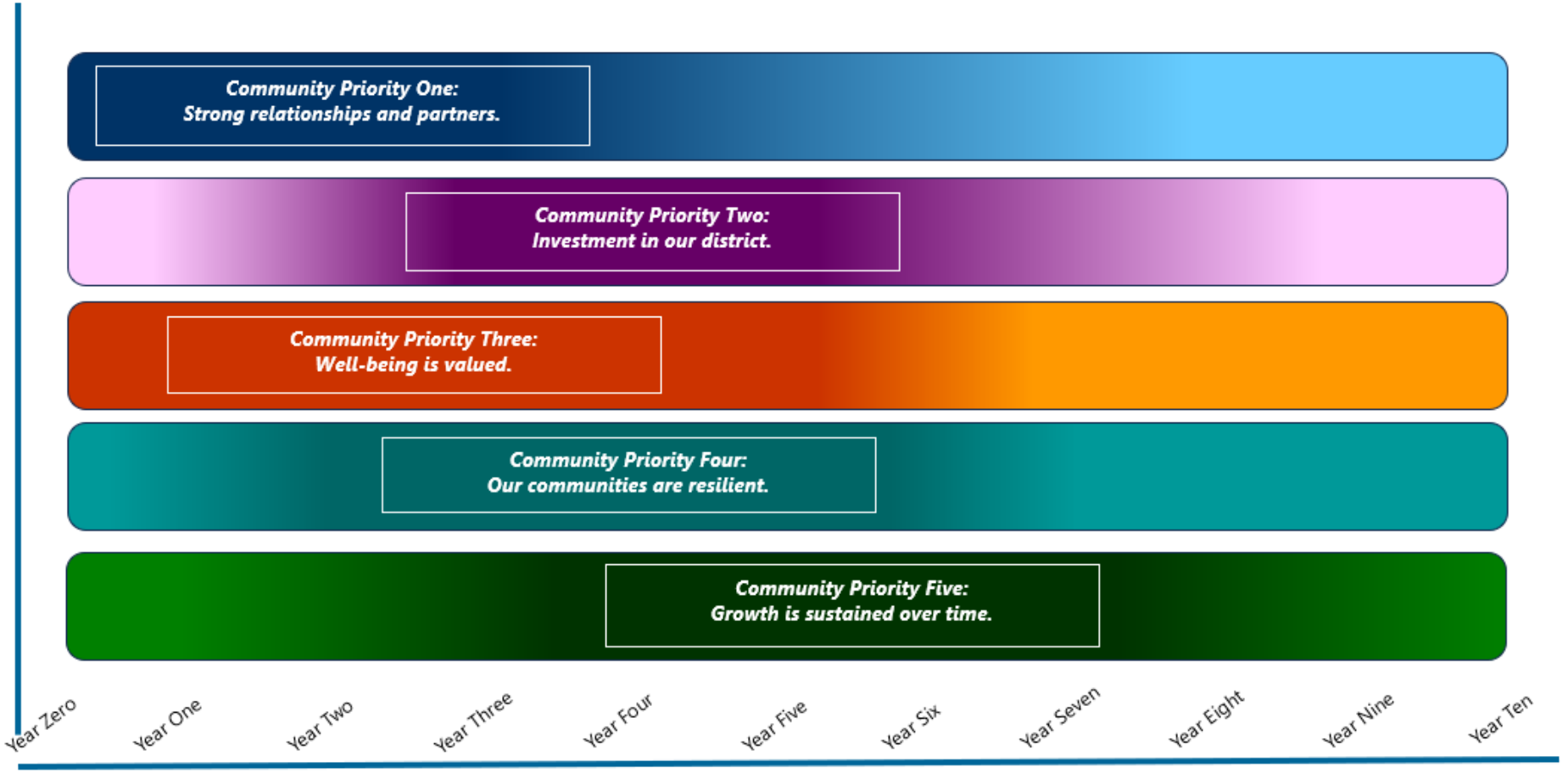
These goals, combined with Key Performance Indicators (which you can read about in the 'Activity Structure' section) and our annual residents survey let us know whether we are working toward achieving the priorities we set for the LTP.

You will see that we have created a timeline to show when we want to action some community priorities, and which ones we think are best to action later in the life of the LTP. If the bar has a darker colour, that is when we will focus our efforts.

The community priorities are the guiding principles of the long term plan, and everything we do lines up to achieve these.

Our Community Priorities

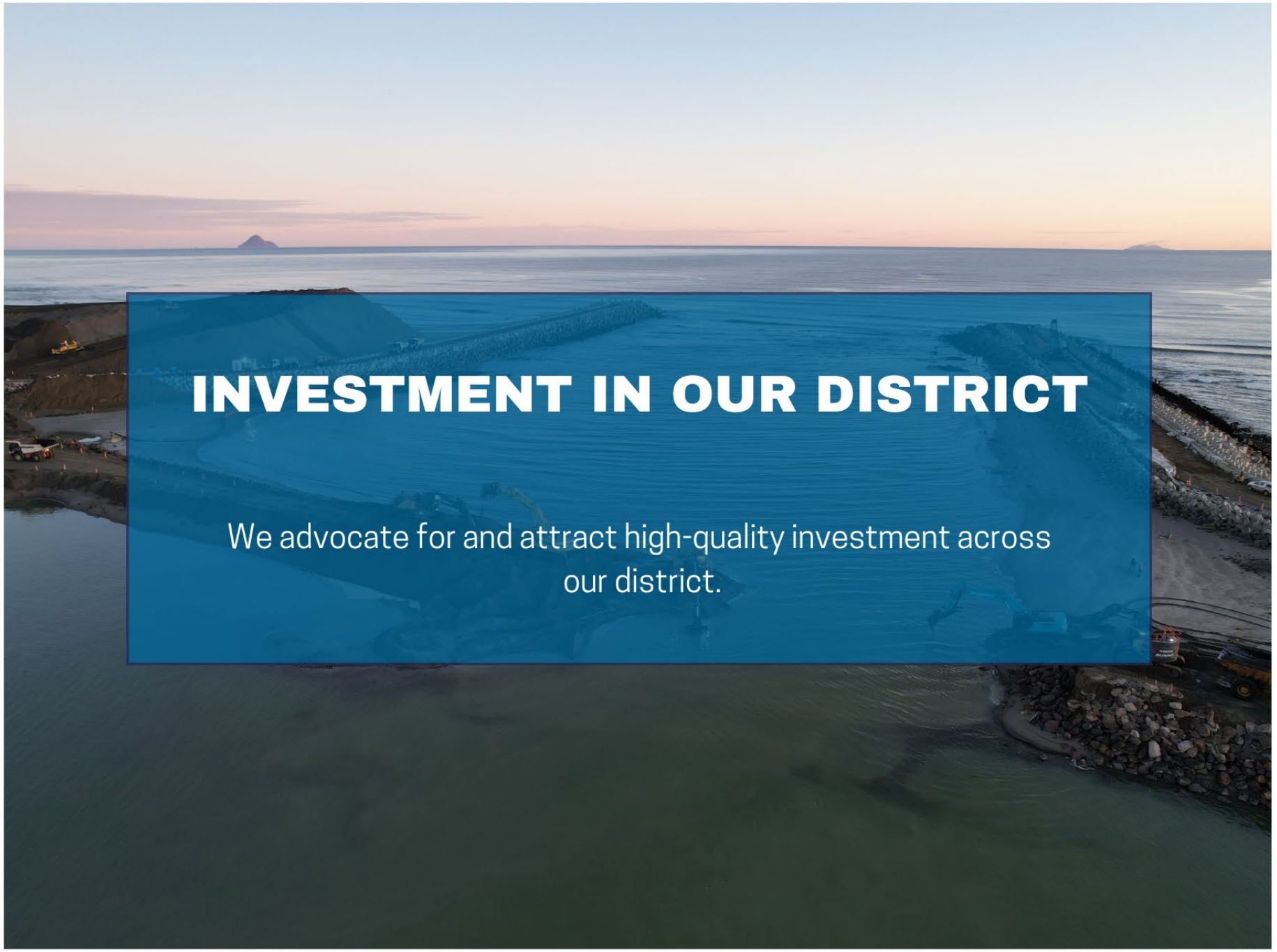
Whakaarotau tuatahi: Whanaungatanga Ka whai tikanga ki te whakarite, te whakawā me te whakamau i ngā hononga pono ki ngā iwi, ngā hapū, te hāpori me te hunga whaipānga.	*Community Priority One: Strong relationships and partners* We strive to establish, develop and maintain genuine relationships with iwi and hapū, community groups and stakeholders.
Whakaarotau tuarua: Kia pūmau ki ngā hiahia o te rohe Ka hāpai me te tono ki ngā pūmautanga o te rohe.	*Community Priority Two: Investment in our district* We advocate for and attract high-quality investment across our district.
Whakaarotau tuatoru: Orangatonutanga Ka kaingākaunui ki te orangatonutanga, te toi ora me te urunga o ngā hāpori, tumata nei tae noa ki anamata.	*Community Priority Three: Well-being is valued* We value the well-being, toi ora and engagement of all our communities, now and into the future.
Whakaarotau tuawha: He ngākau titikaha te hāpori Ka tautoko i ngā hāpori ki te whakarite i ngā whakaaro nui o te ngākau titikaha me te urutau.	*Community Priority Four: Our communities are resilient* We support our communities to make informed decisions about resilience and adaptation.
Whakaarotau tuarima: Toitū ki te anga whakamua Ka whakaaro nui ki te tiro whakamua me te whakatipu ake o tēnei rohe.	*Community Priority Five: Growth is sustained over time* We plan for a district which is future focused and ready for growth.


Community Priority One:
Strong relationships and partners.
Community Priority Two:
Investment in our district.
Community Priority Three:
Well-being is valued.
Community Priority Four:
Our communities are resilient.
Community Priority Five:
Growth is sustained over time.
Year Zero
Year One
Year Two
Year Three
Year Four
Year Five
Year Six
Year Seven
Year Eight
Year Nine
Year Ten

STRONG RELATIONSHIPS AND PARTNERS

We strive to establish, develop and maintain genuine relationships with iwi and hapū, community groups and stakeholders.

Whakaarotau Tuatahi: Whanaungatanga	*Community Priority One: Strong relationships and partners*
Ka whai tikanga ki te whakarite, te whakawā me te whakamau i ngā hononga pono ki ngā iwi, ngā hapū, te hāpori me te hunga whaipānga	*We strive to establish, develop and maintain genuine relationships with iwi and hapū, community groups and stakeholders.*
Kei kitea e mātou te Kaunihera ki te hononga take nui me te mahi tahi ki ngā hua ā-tahi nei, e puta atu. Ko te hiahia o te hāpori, kia pono nei te hononga ki te mana whenua,. Ko te maramatanga nei, he mea nui te whanaungatanga, kia tutuki i ngā whakaarotau.	As a council, we recognise the importance of relationships of purpose and the value in working with partners toward shared outcomes. Our community wants Council to have a meaningful relationship with mana whenua. There is an understanding that strong relationships are essential, in the achievement of all our priorities.
Whāinga 1 Mā te urunga o ngā hāpori, o te mana whenua hoki, kia tau ai ngā hononga pono	*Goal 1* Build respectful relationships with partners through engagement.
Whāinga 2 Me hāngai tika te mahi o te Kaunihera, kia tautoko ana i ngā hua o ngā hāpori me te mana whenua	*Goal 2* Ensure our service delivery aligns with supporting shared outcomes for our partners.
Whāinga 3 Me hāngai tika ngā ratonga o te Kaunihera ki te tautoko ake ngā hua o ngā hāpori me te mana whenua.	*Goal 3* Align how we deliver services to better support shared outcomes for partners.
Whāinga 4 Whakamahukitia ngā huarahi o te Kaunihera kia mana ai ngā whanake me ngā whakaarotau o ngā iwi.	*Goal 4* Simplify our regulatory processes to enable development and the priorities of iwi.
Whāinga 5 Kia mana, kia hapai i runga i te kotahitanga ki ngā mana whakahaere me ētahi atu hunga whai panga.	*Goal 5* Influence and advocate as a collective to central government and other stakeholders.



INVESTMENT IN OUR DISTRICT

We advocate for and attract high-quality investment across our district.

Whakaarotau tuarua: Kia pūmau ki ngā hiahia o te rohe	*Community Priority Two: Investment in our district*
Ka hāpai me te manawa reka ki ngā pūmautanga o te rohe	*We advocate for and attract high-quality investment across our district.*
Ko te haumitanga i ngā whakatipuranga me te orangatonutanga o ngā hāpori. Ko te tikanga o te Kaunihera, ko te whakawhanaungatanga me ngā hononga, kia anga whakamua i ngā āheinga. E mōhio ana te Kaunihera, ka maha ake ngā mahi me te orangatonutanga o ngā tāngata nā te nui atu o ngā ahumoni me ngā pakihi. Ko te mea nui o te rohe, mā te mahi haumi ka ea ngā tōnuitanga.	Investment in our district will support growth and create sustained well-being for our communities. Council's role is to create relationships and connections to drive opportunities. We recognise increased commercial and business activity drives jobs and well-being for our people. Our community sees the important role investment can make in achieving prosperity.
Whāinga 1 Me tika katoa ngā kaupapa me ōna tikanga e tautoko ana i ngā momo haumi (ara, te mahere whaitua, te mahere o te rohe, ngā mahere matua) kia whanake, kia mārama, kia pono.	*Goal 1* Ensure mechanisms which support investment (e.g., spatial plan, district plan, masterplans) are developed, understood, and fit for purpose.
Whāinga 2 Me matua mōhio, me matua mātau ki ngā aheinga me te mārama ki ōna haumi roroa me ngā utu mai i ngā haumitanga	*Goal 2* Be well informed and prepared to act on opportunities with a clear understanding of the long term costs and returns from the investment.
Whāinga 3 Me hāngai tika i ngā tikanga me ngā tukanga hei tautoko i ngā haumitanga noa atu nei.	*Goal 3* Align decisions and actions to support a return on current investments.
Whāinga 4 Whārikihia ngā whakaritenga o ngā pūmautanga o te anamata, hei awhi i ngā orangatonutanga e whā o te rohe.	*Goal 4* Implement processes to enable future investment to contribute to the four well-beings for our district.


WELLBEING IS VALUED
We value the well-being, toi ora and engagement of all our communities, now and into the future..

Whakaarotau tuatoru: Orangatonutanga	*Community Priority Three: Well-being is valued*
Ka kaingākaunui ki te orangatonutanga, te toi ora me te urunga o ngā hāpori, tumata nei tae noa ki anamata.	*We support the well-being, toi ora and engagement of all our communities, now and into the future.*
E manawanui ana te Kaunihera ki ngā tikanga, mā te āta urunga noa me te whakawhiti kōrero ka whārikihia nei e ngā hāpori. Ko te wāhi nui o te Kaunihera, ki te whakatau nei i ngā ratonga, ngā whakaurunga me ngā kaupapa e tautoko, e whakapai i te orangatonutanga o te hāpori. Ko ngā whakatairanga kitea me ngā whakatairanga whaimōhio e wawatahia nei e te rohe.	Council is committed to making decisions which are informed by our communities through timely engagement and communication. Our overarching role as a council is to ensure the services, facilities, and projects we deliver support and enhance the well-being of our community. This includes visible and informed advocacy of the needs of our district.
Whāinga 1 Mahi pū i ngā mahi me te tuku i ngā āheinga kotahitanga mō te hāpori	*Goal 1* Continue to deliver our core services and provide opportunities for our community to come together.
Whāinga 2 Hei whakakaha, hei tautoko hoki i te orangatonutanga me te toiora i roto i ngā wāhi katoa.	*Goal 2* Ensure our places and spaces support and enhance well-being and toi ora.
Whāinga 3 Whakatau nei i ngā āhuatanga kia mana ōrite, kia whaimōhio i ngā tikanga katoa.	*Goal 3* Implement mechanisms to support equitable and informed decision making.
Whāinga 4 Hāpaitia, tautokohia i ngā tāngata e whai kaha nei i te orangatonutanga o te rohe.	*Goal 4* Advocate and support others to enhance the well-beings of our district.


OUR COMMUNITIES ARE RESILIENT
We support our communities to make informed decisions about resilience and adaptation.

Whakaarotau tuawha: He ngākau titikaha te hāpori	*Community Priority Four: Our communities are resilient*
Ka kaingākaunui ki te orangatonutanga, te toi ora me te urunga o ngā hāpori, tumata nei tae noa ki anamata.	*We enable our communities to make informed decisions about resilience and adaptation.*
E manawanui ana te Kaunihera ki ngā tikanga, mā te āta urunga noa me te whakawhiti kōrero ka whārikihia nei e ngā hāpori. Ko te wāhi nui o te Kaunihera, ki te whakatau nei i ngā ratonga, ngā whakaurunga me ngā kaupapa e tautoko, e whakapai i te orangatonutanga o te hāpori. Ko ngā whakatairanga kitea me ngā whakatairanga whaimōhio e wawatahia nei e te rohe.	Our communities are aware of climate change and want to better understand the risks in order to be prepared, respond, and recover. Council is taking a proactive approach to understand the implications and financial responsibilities and ensuring our communities are not burdened with the impact.
Whāinga 1 Mahi pū i ngā mahi me te tuku i ngā āheinga kotahitanga mō te hāpori	*Goal 1* Have an understanding of the risks facing our communities and work with others to proactively address these risks
Whāinga 2 Hei whakakaha, hei tautoko hoki i te orangatonutanga me te toiora i roto i ngā wāhi katoa.	*Goal 2* Enable emergency management to be well planned and delivered using a strengths-based model for our communities.
Whāinga 3 Whakatau nei i ngā āhuatanga kia mana ōrite, kia whaimōhio i ngā tikanga katoa.	*Goal 3* Ensure strategic infrastructure is identified, planned for, and prioritised.
Whāinga 4 Hāpaitia, tautokohia i ngā tāngata e whai kaha nei i te orangatonutanga o te rohe.	*Goal 4* Support our communities to adapt and change as needed through our regulatory and planning processes.


GROWTH IS SUSTAINED
OVER TIME
We plan for a district which is future focused and ready for growth.

Whakaarotau tuarima: Whakaarotau Tuarima: Toitū ki te anga whakamua	*Community Priority Five: Growth is sustained over time*
Ka whakaaro nui ki te tiro whakamua me te whakatipu ake o tēnei rohe	*We plan for a district which is future focused and ready for growth*
Tokomaha ake nga tāngata o te rohe nei, nā reira, he nui hoki ngā tono me ngā momo whiringa whare. Ko ngā hua o ngā momo whiringa whare mō te rohe, ko te pakaritanga pakihi me ngā mahi, ā, te taituara hoki mō te whānau. Ka anga atu ai te whanake i te rohe nei, ana ko te pūtake nui o ngā whakaritenga hei kōkiri i ngā pūnaha	Our district is growing and there is a demand for a range of housing options. We understand the benefit that housing options brings to the district, such as supporting business growth and jobs, and providing security for our whānau. Council wants to enable development to occur within the district, this includes careful planning and development of supporting infrastructure.
Whāinga 1 Kia marama pai i ngā rawa e tautoko ana i ngā pikinga, hei kōkiri whakamua i ngā āhuatanga o te rohe.	*Goal 1* Understand the drivers to support growth and utilise the mechanisms we have within our sphere of influence (e.g., targeted, rates, development contributions).
Whāinga 2 Mā te āhuatanga mātau ka whakaiti noa nei i te hoko whenua i te rohe.	*Goal 2* We work toward limiting land banking though rating mechanisms.
Whāinga 3 Kia tautoko, kia hāpaingia i ngā whanake ā-mahi me ōna pukenga auaha huri noa i te rohe nei.	*Goal 3* Support and advocate for workforce development and innovation across the district.
Whāinga 4 Whakanuia nei te ngākau o te taone hei poka pūm, hei ratonga matua mō te rohe, a, puta noa atu.	*Goal 4* Promote our CBD to be a community hub and service centre for our district and wider.
Whāinga 5 Kia hira ngā kaupapa here me ngā rautaki mō ngā whakaritenga me ngā pūnaha ki ngā kaupapa matua pū.	*Goal 5* Ensure our polices and strategies for planning and infrastructure prioritise growth and development in identified areas.

Planning Assumptions

Schedule 10 (clause 17) of the Local Government Act 2002 talks about "significant forecasting assumptions". Councils are required to identify significant forecasting assumptions and risks underlying the financial estimates in their long term plans.

A long term plan is forecasting a period of ten years, so we need to make assumptions about the environment, constraints, and opportunities we will face over time.

Where there is a high level of uncertainty about an assumption, we are required to state the reason for the uncertainty and provide an estimate of the potential effects on our financial forecasts. However, it is good practice for every key assumption to include narrative and reasoning.

It is usual for councils to roll over their assumptions from the previous long term plan, and to update the current assumptions based on new data and information. There have been changes in the local government operating environment in the past three years which require Council to be identifying assumptions and risks which have a high level of uncertainty, and how assumptions effect the long term plan.

This section sets out the significant forecasting assumptions which have been used in the preparation of the 2024-34 Long Term Plan, together with their perceived level of uncertainty and perceived risk to the integrity on the LTP.

NO.:	ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
1.	Water services entities and legislation	*High*	*Medium to High*
2.	Operation of the Ōpōtiki Harbour	*Low*	*Medium*
3.	Central government legislation reform (excluding water reform)	*Medium*	*Low*
4.	Useful life of infrastructure assets and depreciation rates	*Low*	*Low*
5.	New Zealand Transport Agency Subsidy Rates	*Medium*	*Medium*
6.	Global pandemic	*Medium*	*Low*
7.	Climate change	*Low*	*Low*
8.	Natural hazards and natural disasters	*Medium to High*	*Medium to High*
9.	Future price changes and rate of inflation	*Low*	*Medium*
10.	Future Treasury Changes	*Low*	*Low*

NO.:	ASSUMPTION	LEVEL OF UNCERTAINTY	IMPACT ON INTEGRITY OF LTP
11.	Revaluation of infrastructure assets	*Low*	*Low*
12.	Growth and population	*Medium*	*Medium*
13.	Te Tiriti o Waitangi Settlements	*Low*	*Low*
14.	Ability to deliver	*High*	*Medium*
15.	Availability of staff and contractors	*Medium*	*Medium*
16.	Sources of funds for future asset replacement	*Low*	*Low*
17.	Insurance	*Low*	*Low*
18.	LGFA Borrower Notes	*Low*	*Low*
19.	Affordability	*Low*	*Low*

1. Water services entities and legislation

Since the 2021-31 LTP was adopted, a new government has been elected and has repealed the water service entity legislation and passed a new Local Government (Water Services Preliminary Arrangements) Bill that requires Council to develop a Water Service Delivery Plan for the Ōpōtiki community.

The preliminary arrangements of how water infrastructure is delivered is captured under the package called *Local Water Done Well.*

This LTP includes wastewater, water supply and stormwater infrastructure assets in its Infrastructure Strategy, asset management plans and financial modelling. The LTP forecasts the rating impact on the community to deliver water services over the life of the LTP.

This assumption has a 'High' level of uncertainty. Council does not know what the exact requirements will be to deliver 'Local Water Done Well'.[1] Central government has indicated it will have the following key principles:

- introducing greater central government oversight, economic and quality regulation
- fit-for-purpose service delivery models and financing tools, such as improving the current council-controlled organisation (CCO) model, and developing a new class of financially separate CCOs
- setting rules for water services and infrastructure investment; ensuring water services are financially sustainable. Financial sustainability means revenue sufficiency, balance sheet separation, ring-fencing, and funding for growth.

This assumption is therefore assessed to have a 'Medium to High' effect on the integrity of the LTP. Council is able to understand and forecast the approximate cost of delivering water services infrastructure for the district over the life of the asset base, and budget appropriately for the

[1] Letter sent Minister for Local Government to Mayor Moore, 14 December 2023.

LTP period (see *Infrastructure Strategy)*. What Council is not able to do is predict precisely what central government legislation will require of councils, or what it will take to implement a 'Local Water Done Well' model for Ōpōtiki district.

Assumption	Local government will be required to continue to own and maintain water infrastructure and must show this in their long term planning documents and financial models.
Level of uncertainty	High Legislative changes and national direction, particularly with regard to water infrastructure, is highly dependent on the political direction and priorities of the current government.
Impact on integrity of LTP	Medium to High This assumption is limited to water services entities and legislation. Council has been able to anticipate changes in legislation about water infrastructure, but the scale and scope of what Council will be required to deliver as part of the 'Local Water Done Well' package is not yet decided. Changes could significantly impact Council's financial position, depending on the structure of 'Local Water Done Well' and it could impact Council's level of debt, forecast capital and operational expenditure and income. However, the actual impact cannot be quantified at this point.
Implication	The implication of the uncertainty of this assumption reflects the changeable nature of legislation. Council will continue to fund and deliver water services to the community and will respond to legislative requirements as they become available to Council. Legislative changes could impact Council's level of debt, forecast capital and operational expenditure and income but the high uncertainty is reflection of the changeable nature of national legislation.

2. Operation of the Ōpōtiki Harbour

In the 2021-31 Long Term Plan, the *Ōpōtiki Harbour Redevelopment* was listed as a key assumption. The 2021-31 LTP outlines the previous agreements Council has entered where maintenance of the harbour will transfer to the Council once the project was scheduled for completion on 1 July 2024.

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

The 2021-31 LTP included a $5.4 million loan funded operational expenditure budget, as it was a long standing Council agreement.[2] The rationale of loan funding the operational expenditure for the harbour is to cover the funding gap between post-construction and the aquaculture industry scaling up.

[2] Ōpōtiki District Council, 2021, 2021-31 Long Term Plan

Since the 2021-31 LTP was adopted, several factors of this assumption have changed. Mainly:

> the Council has not received the Operations and Maintenance manual for the harbour so is unsure of what the day-to-day operating expenses and workload is. Therefore, it is not clear the $5.4 million OPEX contribution is an adequate amount to cover two years of harbour operation and maintenance.

The wider implications of the delay to the marina for Council's 2024-34 LTP relate to the uncertainty of the time gap between the Council's allocated budget to loan fund the operations of the harbour and the aquaculture industry scaling up to a point where a viable revenue flow exists. Substantial and careful research is required to understand what assumptions and decisions we are going to make for the 2024-34 LTP, with regard to the operation of the harbour.

For this LTP, the assumption is Council is not going to use the reserved $5.4 million of loan funding to pay for the operational costs of the harbour.

Assumption	Ōpōtiki District Council will fund the operation of the harbour and wharf from 1 July onward. Council will implement alternative funding arrangements to defer the rating impact of the harbour operations on the ratepayer base for year 1 and 2 of this LTP. The operation of the harbour will be rate-funded from year 3 onward.
Level of uncertainty	Low Council has a high degree of certainty around the funding arrangements because Council controls the rate funding process.
Impact on integrity of LTP	Medium This assumption is limited to the harbour activity and the funding associated with that activity. If the non-rate funding is not available as indicated in the assumption there will be a substantial impact on Council's ability to deliver the activity or Council's rate requirement.
Implication	The implication is the funding sources for this activity in the long term plan may be different to those disclosed. This may mean the activity needs to be rate-funded earlier or later than currently indicated.

3. Central government legislation reform (excluding water reform)

Successive governments have typically imposed additional responsibilities on local government without associated funding recovery mechanisms. The administration of new and changing legislation over time has been a factor for increased costs for local government across Aotearoa New Zealand.

The current government was elected in October 2023. During the first few months of the term, several pieces of legislation were repealed as part of the "first 100 days" action plan. One piece was the Water Services Entities Act and associated acts, and the other related to the resource management including the Natural and Built Environments Act and the Spatial Planning Act. Both pieces of legislation have effects on the national planning system, and they will have an effect on the day-to-day operation of Council in the longer term.

Like any territorial authority, Council will implement legislation handed down by the government. Looking ahead, it appears central government

will be creating legislation which requires councils to establish council-controlled organisations to own and operate water infrastructure. Other pieces of legislation Council can anticipate within the life of this LTP include Te Tiriti o Waitangi settlement legislation, updated RMA planning legislation including changes to consenting, changes to emissions targets, and potential changes to the form of local government with regard to Māori ward and constituencies.

It is unlikely other changed legislation will have a major effect on the integrity of the LTP, as Council has its own internal mechanisms and policies to adequately respond to changed legislation as required. We continue to anticipate that no funding relief will be provided by central government to implement any changes to central government legislation and incremental and cumulative changes and costs will continue to rise over time.

Assumption	Changes to central government legislation will have a medium impact on the role and form of local government.
Level of uncertainty	Medium Legislative change and national direction is dependent on the government of the day and their political priorities. Council will continue to plan its functions on a business-as-usual approach and will respond to legislative changes as required.
Impact on integrity of LTP	Low This assumption excludes legislation relating to water services entities. Council has a higher degree of certainty with regard to legislative change outside of water services legislation, but not fully. Some changes to the delivery of services could occur through legislative changes. Costs associated with the impact of legislative change are unlikely to be recovered.
Implication	The implication of the level of uncertainty is reflective of the fact that Council has little to no influence over central government legislative changes. We are able to monitor trends and anticipate changes, and provide submissions on bills, but cannot be certain of the outcome. However, Council is able to choose how it responds internally and will continue to do so in a way which meets national requirements without generating undue cost for the organisation.

4. Useful life of infrastructure assets and depreciation rates

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

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

with replacement works being planned in accordance with standard asset management and professional practices.

Depreciation estimates are prepared on the 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 which 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.

The approach to funding of renewals on a long run average renewal basis will limit the impact of these distortions on Council's rate requirements.

Assumption	Asset lives and allowances for depreciation are adequate for the life of the LTP.
Level of uncertainty	Low The condition of our assets is monitored to ensure that maintenance or replacement is optimised, and this information informs the asset renewals programme.
Impact on integrity of LTP	Low The impact on the integrity of the LTP is low because our asset life cycle drives our renewals and maintenance schedules, and the long run average renewal approach to funding will reduce distortions.
Implication	The asset life cycle drives the renewal and maintenance schedule and informs the funding approach (Long Run Average Renewal method).

5. New Zealand Transport Agency Subsidy Rates

The New Zealand Transport Agency (NZTA) subsidy for the maintenance, renewal and improvement of the local roading network is Council's single largest source of income after rates revenue.

Recent funding changes from NZTA have been made available to the Council as this LTP was being finalised, with details updated for the first three years. There is an increased level of uncertainty from year 4 onward which is reflected in the assessment of the assumption.

The forecast funding rates for this LTP are:

YEAR	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
RATE	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%

Further changes in subsidy rate and variation in criteria for inclusion in subsidised works programme does represent a level of uncertainty for the Long Term Plan. NZTA funding priorities may change over the life of the LTP as aspects of the review process are ongoing.

Whilst it is possible that the criteria and level of funding available could vary over the life of the plan the likelihood of that occurring is

considered to be medium. Given council's reliance on the NZTA subsidy as a source of operation revenue, the impact on the LTP is considered to be medium.

For 2024 – 2026 NZTA have not approved any funding of the Low Cost Low Risk programme for years 1, 2 and 3. However, NZTA have indicated there is a high likelihood that funding could be confirmed in years 1, 2 and 3. Council's approach is to set aside a 25% local share budget that will be available to contribute to and match NZTA funding if this becomes available.

Assumption	NZTA subsidy rates will continue at planned-for levels.
Level of uncertainty	Medium The level of uncertainty for this assumption is reflective of the fact council is unable to predict the rate of subsidy it receives from NZTA. Council is moderately comfortable it will continue to receive subsidies from NZTA for its transport network but there is the possibility the level of funding received will change due to the ongoing challenges NZTA has faced in recent years (reduced income, severe weather events).
Impact on integrity of LTP	Medium Council plans its transport capital works programme on the assumption the subsidy rate will continue at current rates. Should the rate change, this will have an effect on the financial forecasts, infrastructure strategy and transport asset management plan over the life of the plan, the degree of which could only be understood after any change to the subsidy rate.
Implication	Council will be required to adjust its transport funding, or transport network capital works programme (or potentially both) if the level of subsidy received from NZTA changes. It will require an agile approach from the organisation.

6. Global pandemic

From 2020 to 2023, the globe responded to the international COVID-19 pandemic. That time was characterised with restrictions on the movement of people and goods, an increase of the number of patients affected with the novel virus, and in New Zealand, a deliberate push toward nation-wide public health measures such as large-scale vaccination.

The effect that this period had on Ōpōtiki district was distinct. It was characterised most notably with a drop in consumer spending due to restricted work opportunities[3] but was matched with a large amount of central government investment into the district through the Provincial Growth Fund, where "shovel ready" projects were funded through the

[3] Infometrics, Quarterly Economic Monitor | Ōpōtiki District | Consumer Spending

provision of approximately $20 million for capital projects which Council was ready to implement as they had been identified in the 2021-31 LTP.

During the COVID-19 period, Council was able to continue delivering critical and essential services to the community and played an active Civil Defence role.

On 14 August 2023, the government removed all remaining restrictions applicable to COVID-19. While people and goods have been able to move about the country freely for nearly two years, there has been a notable trend of slower consumer spending in the district, and at a regional and national level. This is likely as a result of the high-inflationary environment, rising interest rates and slower wage growth. GDP in Ōpōtiki district was provisionally down 2.3% for the year to December 2023, compared to the previous year.[4]

What this provides for the LTP is the assumption that the community has less income to use, and the tail-end effects of COVID-19 will likely continue for the next few years. The effects on household income are more than what would have been otherwise expected. Council's challenge will continue to be finding an appropriate balance in its budget and rate setting processes through the Long Term Plan and Annual Plan processes in light of macro-economic conditions.

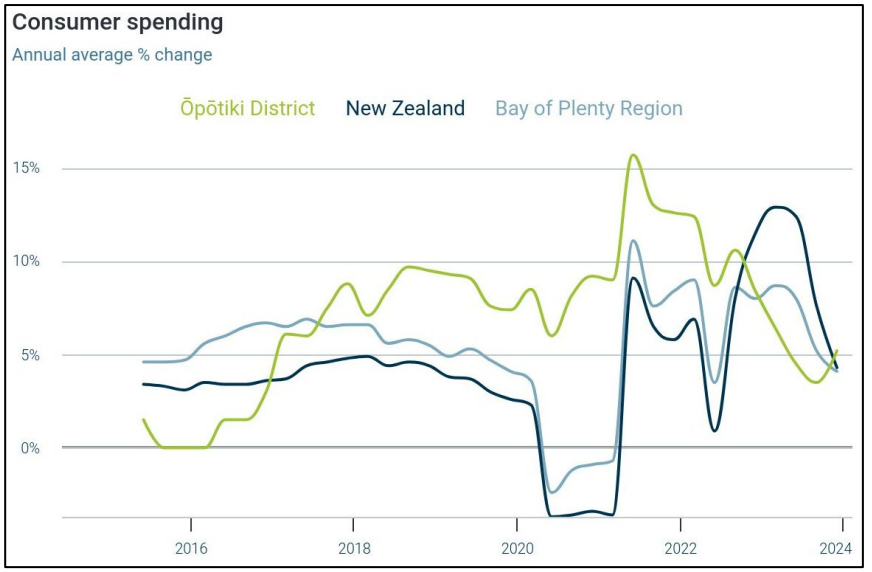


Figure 1: consumer spending percentage change, Ōpōtiki district 2016 to 2024

[4] Infometrics, Quarterly Economic Monitor | Ōpōtiki District | Gross Domestic Product

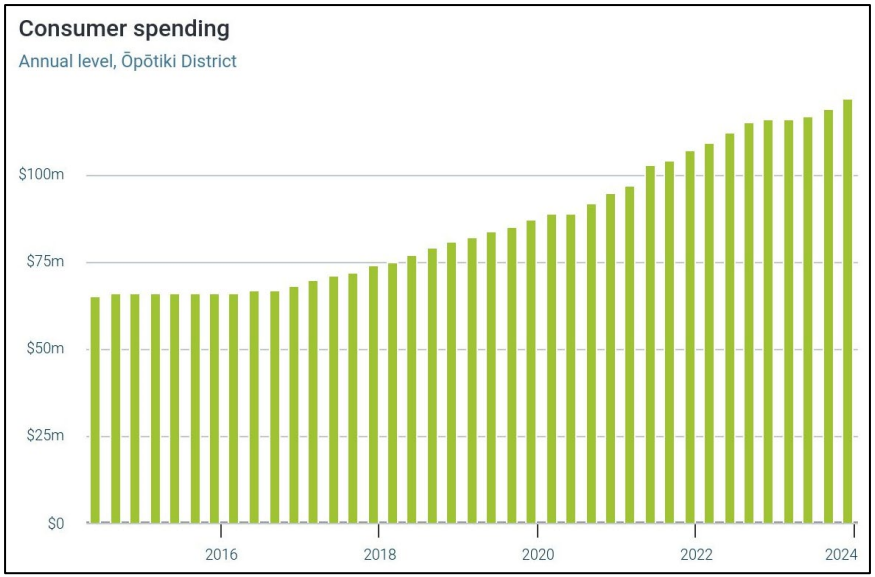


Figure 2: consumer spending annual level, Ōpōtiki district 2016 to 2024.

Assumption	The Ōpōtiki district economy has experienced negative effects due to COVID-19. While the economy is improving, the assumption is the flow-on economic effects will continue to be experienced over the first few years of this LTP. This will be characterised by a slower return to pre-COVID-19 economic metrics (including consumer spending and GDP).
Level of uncertainty	Medium Council has a moderate degree of certainty with regard to this assumption. Economic forecasts for Ōpōtiki district align with regional and national trends of slower returns to pre-COVID-19 economic indicators but there are uncertainties about how other external factors, such as high inflation and interest rates, will have on the district economy in the first few years of this LTP.
Impact on integrity of LTP	Low This assumption is limited to the effect on COVID-19 on the district's economy. The data available to understand the tail-end of COVID-19 on the district is widely available and Council is able to maintain an awareness and understanding of economic trends for the district.
Implication	The implication of the uncertainty of this assumption is that the ratepayer base will likely face continued economic pressures, and Council will be required to continue to find an appropriate balance in its annual budget and rate setting processes.

7. Climate change

Climate change presents different challenges for all communities at a local, regional and national level.

At a regional level, the Bay of Plenty Regional Council (BOPRC) have built on the work they started in their previous LTP and have commissioned Tonkin & Taylor to understand the various hazards the region is exposed

to, and which specific hazards will have greater effects on the districts within the region.[5]

For Ōpōtiki, increased air temperatures, increased hot days, drought, fewer frost days, increased rainfall and sea level risk are the main climate risks the district is going to face.

Council has initiated a workstream to understand the risks and hazards the district is most exposed to, and this will include gathering place-based research to inform adaptation planning for the township and coastal communities. This work will continue during the first three years of this LTP.

The other component of the workstream is understanding which of Council's strategic infrastructure assets are most exposed to climate change effects and gathering data over the first three years of this LTP to inform planning tools and capital renewals.[6] At this stage, the wastewater treatment plant, the harbour-wharf masterplan and the road reseals programme have been assessed against a matrix of climate change criteria, and the work will continue over the first three years of the LTP.

Our assumption is that the effects generated from climate change will continue as projected, and Council will take steps in the long run – particularly in relation to infrastructure planning – to ensure our communities are able to adapt to these changes.

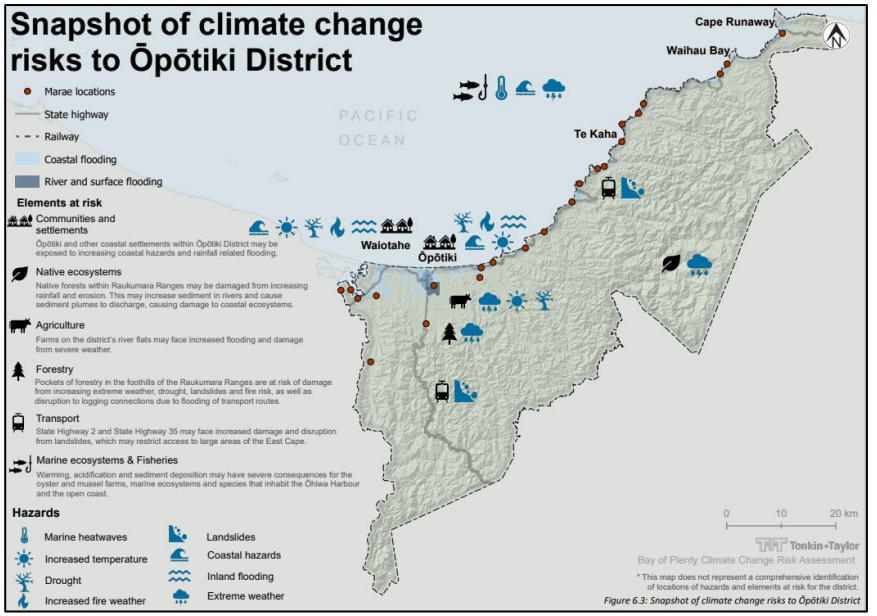


Figure 3: snapshot of climate change risks to Ōpōtiki District

Assumption

As a result of climate change, the Ōpōtiki district can expect the following effects by the year 2090:

- an increase in the number of hot days per year (days with temperature of more than 25°C)
- an increase in winter rainfall, and a decrease in spring/summertime rainfall (wetter, milder winters)

[5] Bay of Plenty Regional Climate Change Risk Assessment | Toi Moana Bay of Plenty Regional Council

[6] Memo – Climate Change Adaptation and Resilience Overview for Ōpōtiki District Council | Beca Limited | December 2023

	• less summer rain with increased drought • fewer frost days during winter • rising sea levels of 0.55 to 0.74m by the year 2090.[7] Overall, there will be hotter drier summers, milder wetter winters and increased risk from chronic climate change effects such as coastal erosion and coastal inundation, and rising sea levels.
Level of uncertainty	Low Climate change will have an impact on the land and communities of the district. The data gathered on climate change to date provides Council with the certainty required to move forward on climate change planning.
Impact on integrity of LTP	Low The effect of the impacts of climate change are expected outside of this LTP period.
Implication	The implication of the level of uncertainty is that Council will work to gain a better understanding of the effects of climate change over this LTP period, with an understand that the chronic effects will be realised more so outside of this LTP period.

8. Natural hazards and natural disasters

In 2023, New Zealand responded to numerous severe flooding events and Cyclone Gabrielle. Ōpōtiki district was fortunate not to be severely impacted by the natural events during that time period.

Cyclone Gabrielle starkly highlighted the effects these types of events can have on a council with regard to civil defence requirements, replacement of damaged key infrastructure (e.g., roading networks and wastewater infrastructure) and the financial impacts the recovery can have on a council.

The recovery of a district after a natural weather event can be a years-long process, and recent examples have demonstrated individual property buyouts is a component of recovery councils must now consider, alongside replacement of infrastructure assets and civil defence functions. At this stage, Council is not in a position to know what the potential cost of replacement would be should it be met with a natural disaster on the scale of Cyclone Gabrielle, but the climate change workstream will inform this data over the first three years of this LTP.

Council also assumes while it would play a financial role in the recovery of the district, external parties including the insurance industry and central government would play a critical role in recovery for the Ōpōtiki district should it be required.

Assumption	Recovery costs generated as a result of natural hazards and natural disasters will be subsidised and/or covered by external parties.

[7] Bay of Plenty Regional Climate Change Risk Assessment | Toi Moana Bay of Plenty Regional Council

Level of uncertainty	Medium to High Central government and the private sector have signalled through recent examples the necessity for district councils to be involved with the response to natural disasters beyond the usual civil defence recovery role. While Council assumes it will play a financial role in the recovery of the district following a natural disaster, it is not known when that will occur due to the nature of natural disasters (e.g., earthquake and tsunami, cyclone, wildfire), or what the required level of involvement will be.
Impact on integrity of LTP	Medium to High The impact on the integrity of the LTP from the assumption is medium to high. If central government or the private sector implement changes which require or lead Council to provide subsidisation beyond what is currently required, this may have significant impact on the financial forecast and operating expenditure of the organisation.
Implication	Implications of the level of the uncertainty of this assumption for the organisation could be wide ranging if a natural event or disaster occurs in the district. Council will be required to maintain good awareness of the insurance industry in relation to natural disaster responses, and decisions outside of the traditional areas of responsibilities could be required.

[8] Cost adjusters 2023 final update | BERL | Taituarā | October 2023

9. Future Price Changes and Rate of Inflation

Taituarā commissions BERL to provide the local government sector with data on the Local Government Cost Index (LGCI). The LGCI is a composite index which measures the changes in the prices of a basket of goods and services purchased by local government in New Zealand. Specifically, BERL develops price level change adjustors which councils can use when forecasting future year expenses through to 2034.[8]

The following table lists the forecast annual percentage change for each of the adjustors.

Local Government Cost Adjusters, pa % changes 2024-2034

YEAR	STAFF	OTHER OPEX	ROAD	CONSTRUCTION	PROPERTY	WATER	OPS-LAND	INF-LAND
2025	0	0	0	0	0	0	0	0
2026	3.28	2.09	2.96	2.07	2.07	3.82	3.07	1.94
2027	4.09	2.18	3.25	2.25	2.25	4.01	3.26	2.59
2028	3.09	2.08	2.43	2.35	2.35	4.0	2.26	2.86
2029	2.18	2.09	2.34	2.35	2.35	3.92	2.26	2.78
2030	2.09	1.99	2.25	2.26	2.26	3.91	2.17	2.68
2031	2.09	1.99	2.24	2.25	2.25	3.83	2.26	2.77
2032	2.18	2.08	2.34	2.26	2.26	3.73	2.16	2.68
2033	2.09	1.99	2.24	2.26	2.26	3.82	2.26	2.77
2034	2.09	1.99	2.34	2.25	2.25	2.73	2.17	2.68

Subsequent to the adoption of the LTP 2024-34 Consultation Document, BERL published a 'Cost adjusters 2024 interim update'[9]. The interim report is informed by available economic data up to the first quarter of 2024. Although the report is not yet final (anticipated 30 October 2024), it does provide a lens through which additional consideration should be made against the 2023 report adjusters. Council has therefore modified the adjusters above, where considered prudent, to incorporate movements informed by the interim update report.

[9] Cost adjusters 2024 interim update | BERL | Taituarā | July 2024

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

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

Overall, we observe that interest is moving back toward targeted bands. Notwithstanding any additional future shocks, we expect this trend to continue.

Assumption	Costs are assumed to increase due to inflation. Council uses the BERL inflation adjustors as the basis for forecasting inflation impacts on our activities. Relevant BERL inflation adjustors have been applied to our activities and services.
Level of uncertainty	Low Council uses the inflation adjustors provided by BERL, in line with the majority of the local government sector.
Impact on integrity of LTP	Medium If inflation is under-estimated, and actual cost increases are materially higher than forecast, budgets may be too low to complete scheduled work for the year in which it falls. If required, the work would be rescheduled. If inflation is less than forecast, there is the potential to bring work forward. In both scenarios, this would be adjusted through the Annual Plan process.
Implication	Inflation rates impact the expected costs of our services in the future. These vary by activity as the type of goods purchases differ. Higher inflation rates have resulted in higher project costs both now, and in the longer term pushing up overall debt requirements.

10. 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 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 assumed average interest rates from the period of 1 July 2024 to 30 June 2034 range from 2.00% to 6.00%. This is based on the existing interest rates available for Council and the forecast market interest rates over the term of the LTP. It is expected the reserve bank will start a cutting cycle

following this period of Official Cash Rate increases; however, the timing and size of these cuts is uncertain and dependent on economic factors outside of Council's control. Thus, the range of interest rates outlined above is assumed to be adequate in the event of interest costs remaining high in the short term, and an eventual, but currently unknown, decrease over the LTP.

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 requirements however Council considers this assumption to be of low risk because while 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	Future treasury changes will be made within the range forecast by the LTP.
Level of uncertainty	Low Council has the ability to set rates at a sufficient level to cover its costs. Council will continue to demonstrate financial prudence and financial sustainability.
Impact on integrity of LTP	Low The impact of significant variability on the LTP will be increases or reductions in cost of debt. These impacts would be more significant in the network infrastructure and capital intensive activities and would have a direct impact on the funding required for the activity.
Implication	Council expects there to be a level of variability in the interests rates it can borrow at over the life of the LTP. This variability is expected to average out to approximately the assumed rates.

11. Revaluation of infrastructure 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's assets and the associated depreciation expense.

The valuations on our assets will be undertaken from the dates below

- Roading 1 July 2026

- Land 1 July 2025
- Community facilities 1 July 2027
- Three Waters 1 July 2026

It has been assumed that any future changes in valuation will be in line with assumed rates of inflation. The numbers in the outer years of this LTP are not going to change beyond our inflation numbers.

For this assumption, Council considers that asset revaluations represent a low level of uncertainty for LTP forecasts.

Assumption	Changes in valuation will be in line with inflation.
Level of uncertainty	Low Asset revaluations represent a low level of uncertainty for council.
Impact on integrity of LTP	Low Within the LTP, including the outer years, Council does not anticipate any change to asset revaluation beyond inflation numbers.
Implication	Asset revaluations will be in line with inflation, and the LTP has adequately anticipated this.

12. Growth and population

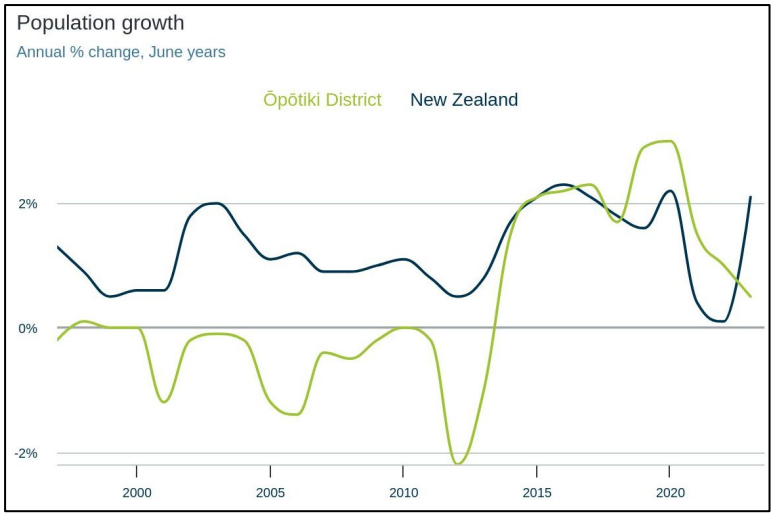
Population

Usually, the local government sector uses the Census to provide updated population data which is then used to inform planning assumptions. The full and complete data set has not been released by Census at the time of writing this assumption, so Council has relied on a combination of previous population projections and population data provided by Infometrics on Ōpōtiki district.

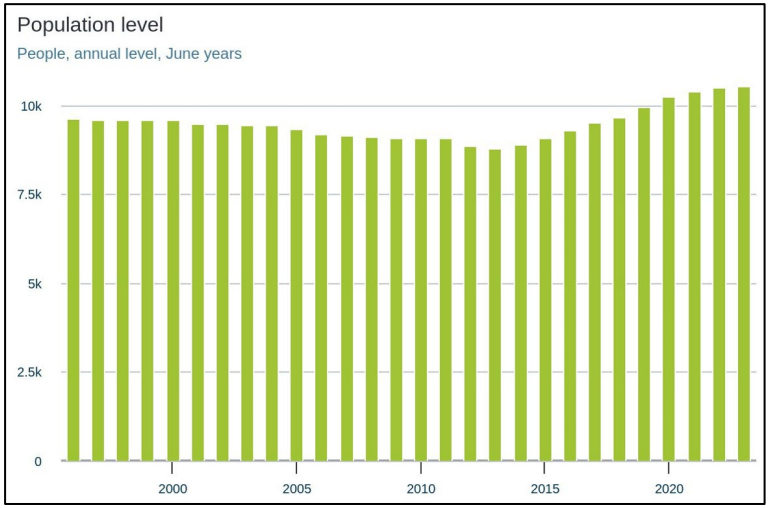
The population forecast for the 2021-2031 period was an increase from 9,720 in 2019 to 11,614 in June 2031. According to Infometrics, the resident population of Ōpōtiki district is currently 10,500 people. There was a period of rapid population growth in 2020, but we have seen a slowing of the increase rate. What the data shows is the baseline resident population of Ōpōtiki is increasing, but the year-to-year trends are quite changeable.[10]

The assumption for Council is that changes to population structure will continue in line with previous predictions, and that this is provided for adequately in the Long Term Plan.

[10] Infometrics | Regional Economic Profile | Population Growth



Population growth, percentage change



Population growth, population level, people, annual level.

Growth

Rateable assessments for Ōpōtiki district were updated in 2020 for the 2021-2031 LTP, based on the Council's ratings database. These have been carried over to this LTP, because there has not been a notable increase in subdivision consents received, or large-scale development in the district.

Rateable assessment projections are aligned to population growth projections by changing the number of residential rateable assessments based on the change in population as well as accounting for the available housing stock. The ratio of residential assessments to commercial assessments remains constant. Public ratable assessments grow at historical rates.

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

Residential rateable assessments are forecast to increase to 4,160 in 2031. This compares to the previous forecast, where residential rateable assessments reached 5,210 in 2031.The current projection method uses additional households to estimate the growth in rateable assessments. To do this, rateable assessments are split into residential, commercial, and public/non-rateable properties.

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

An assumption is made for the proportion of new households that move into existing (vacant residential) housing, and those that create a new rateable assessment. The forecast sees the ratio of commercial to

residential staying constant out to 2031, whereas public rateable assessments do not change.

There are currently just over 500 vacant residential properties in Ōpōtiki. A portion of residents will take up existing vacant properties, until all vacant properties (that are habitable) are used (there will always need to be a proportion of properties vacant). With the growth in households forecast, this will be achieved relatively quickly.[11]New properties will be built to meet growth in demand. This includes developments that are already in the planning stage (the Drifts and the Saleyards), as well as new developments that have been identified, such as papakāinga housing. As well, the Council has identified the potential for over 1,000 infill (subdivision) developments in the district.

We have assumed that commercial properties will increase to maintain the same proportion of residential properties, while public properties will grow faster under the aspirational scenario than they will under the low scenario. Based on these assumptions, we expect the number of residential properties to increase to 4,160, commercial properties to 2,048, and public properties to 475. This is an annual growth rate for residential and commercial properties of 0.83% each year and no growth for the number of public properties.

Assumption	Changes to population and growth have been adequately provided for in the Long Term Plan.
Level of uncertainty	Medium Population and rating unit growth is more difficult to predict over the longer term and can be subject to peaks and troughs depending on external influences (e.g., COVID lockdowns saw a quick increase in population growth, but not rating unit growth).
Impact on integrity of LTP	Medium Council would respond to an unexpected increase in population growth or rating unit growth by bringing forward expenditure in the capital works programme through the Annual Plan process but would remain within its prescribed debt limits.
Implication	Population growth influences the number of rateable units in the district. A sharp increase would likely result in an increased demand on existing services, but also a potential increase in the overall rateable income for the district. Changes in population and rateable units is provided for in the LTP, but Council would make adjustments through the Annual Plan process if required.

13. Te Tiriti o Waitangi settlements

There are three iwi in Ōpōtiki district; Te Whakatōhea, Ngai Tai and Te Whanau-ā-Apanui. Te Whakatōhea signed their Deed of Settlement in

[11] Ōpōtiki District Council | Long Term Plan 2021-2031

2023, and the other iwi are progressing with their Te Tiriti settlement processes currently.

Councils are frequently required to give effect to Te Tiriti settlement legislation through their various planning tools and operational procedures. Ōpōtiki District Council is no different, and Council will respond to settlement legislation as required.

The assumption for this LTP is iwi settlements will require to ensure its procedures are adequately provided for, and this is anticipated in the life of this LTP.

Assumption	Council will be required to give effect to various Te Tiriti settlement legislation agreements for Ōpōtiki iwi within the life of this LTP
Level of uncertainty	Low Te Tiriti settlements are progressing through parliament as planned.
Impact on integrity of LTP	Low Council will respond to any legislative changes as required by Te Tiriti settlement legislation.
Implication	Te Tiriti settlements will mandate iwi within the bounds of their settlement agreements, and Council will respond as a treaty partner through any required changes.

14. Ability to deliver

The ability of Council to deliver its capital works programme is an assumption which has been tested and challenged over the previous LTP period, and during the creation of the first three years of this LTP.

Over the previous ten year period, Council has delivered approximately 50-60% of its capital works programme year-to-year. In the previous LTP period, Council delivered approximately 50% of its programme.

The typical pressures which exist for the Council, such as availability of staff and contractors, supply chain issues and increasing costs remain a constant in this LTP. It has always been a challenge for the Council.

For this LTP, Council has constrained our work programme to historic levels for years one to three, with an average spend of approximately $10 million per year, with a smaller than average programme in year 1, average in year 2 and above average programme in year 3 and further increasing in outer years. This approach to the capital programme will allow more time to carry out higher quality planning and enable the Council to increase its spend in the outer years of this LTP. This approach is considered in more detail in the Infrastructure Strategy

Our assumption is that a reduction in the capital programme combined with a deliberate and strategic approach to funding renewals will enable the Council to better deliver its capital works programme over the life of this LTP.

Assumption	The capital works programme planned for in this LTP will be delivered within allocated timeframes and budgets.

Level of uncertainty	High Although the capital works has been constrained to align with historic delivery levels, there is always the possibility for it to be affected by external factors such as natural disasters, sudden increase in inflation, or major legislative changes beyond what is provided for in the LTP.
Impact on integrity of LTP	Medium Higher levels of forward planning and risk assessment in the first three years of the LTP will seek to mitigate the impact of any external factors on the capital works programmes within forecasted budgets.
Implication	Council expects to be able to deliver the capital works programme through a deliberate and strategic approach to funding renewals over the life of the LTP, with a ramping up of works in the outer years.

15. Availability of staff and contractors

For the first three years of this LTP, Council has constrained its capital works programme. Constraining the work programme to historic levels for years 1 to 3 can be met by existing staffing levels, but there is a risk that the increased programme in the outer years will not be adequately resourced/not get delivered.

The work programme in the outer years will be refined in year 4 and the organisation will be able to ensure it is adequately resourced in time for the outer years of this LTP.

The financial forecasting of the capital works programme has included allowances within specific capital budgets for management resourcing to ensure this can carry through.

Previously, we have not recognised the project management cost of the capital programme adequately. This has resulted in historic under-delivery. For this LTP, we have designed project management budgets and included those in the forecasted budgets for the outer years.

Council has assumed that we will be able to recruit and retain staff and contractors required to carry out the capital works programme.

Assumption	Staff and contractors will be available for Council's capital delivery programme and budgeted for appropriately
Level of uncertainty	Medium Ōpōtiki district has historically had a smaller supply of staff and contractors to access in order to deliver its capital works programme. While there has been some population growth in the district in recent years, availability of staff and contractors remains a challenge for the organisation.
Impact on integrity of LTP	Medium The first three years of the capital works programme will focus on future planning renewals to mitigate the risk of lesser availability of staff and contractors. If required, adjustments to the capital works programme budget will be made through the Annual Plan process, including bringing projects if appropriate.

Implication	Council will continue to recruit staff and procure contractors as required by the capital works programme, and a reduction in the capital programme in the first three years will aim to address the historic challenge of a reduce supply of labour through increasing the planning of renewals.

16. Sources of funds for future asset replacement

Throughout Aotearoa New Zealand, we are seeing an increasing trend of councils not being able to meet the renewal and replacement costs of their assets. While Council will endeavour to keep its revenue requirements affordable for its community, it must be mindful of other factors which may require Council to seek funds beyond what is provided for.

Currently, the sources of funds for the future replacement of assets are outlined in the Revenue and Financing Policy, which includes the Funding Needs Analysis. Council's assumption is that its sources of funds will not change in the life of this LTP.

Assumption	The source of funds for the future replacement of assets will be available to council during the life of this LTP.
Level of uncertainty	Low Council has a good level of certainty about the source of funds available for asset replacement.
Impact on integrity of LTP	Low The Funding Needs Analysis in the Revenue and Financing Policy provides certainty for the sources of funds from which council can gather revenue.
Implication	Council will continue to gather revenue from sources of funds as outlines in the Revenue and Financing Policy.

17. Insurance

It is assumed Council will be able to obtain insurance cover and the costs for insurance will be similar to the previous year, plus inflation adjustments.

In light of climate change effects and an increase in natural events; revaluation of assets, and there is some uncertainty about the number and nature of events Council may be required to respond to or make claims on, but it is assumed insurance cover will be available to the Council at rates equivalent to what is has typically been.

Assumption	Insurance cover is available at rates equivalent to the prior year plus inflation.
Level of uncertainty	Low Council is confident of its ability to obtain insurance cover.

Impact on integrity of LTP	Low The ability to obtain insurance cover is included within the life of the LTP at typical historic rates.
Implication	Council will continue to obtain insurance cover.

18. LGFA Borrower Notes

It is assumed 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 LGFA. These borrower 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" which would be implemented before the borrower notes.

Assumption	The LGFA borrower notes will not be called upon over the period of the LTP.
Level of uncertainty	Low Structures in place provide council with a high level of certainty the LGFA will not default on its financial commitments.
Impact on integrity of LTP	Low Council has confidence LGFA will require borrower notes to be converted to equity on default.
Implication	Council will continue to borrow from LGFA.

19. Affordability

Affordability is a key issue for our local community. For this LTP period, the Council has undertaken a piece of work to understand what an affordable rating impact for the district is, based on household income; property value; inflation and interest rates, and the national economic context. The Council has also sought economic data from Infometrics to inform this assumption.

In previous LTP periods, Council has commissioned pieces of work to understand the community perspective of affordability and the relationship to rating impacts. For the 2021-31 LTP, a clear theme was affordability for households on fixed incomes (e.g., pensions/superannuation).

Local government costs are increasing at a rate higher than household inflation and are predicted to continue to do so. In addition, more responsibilities and obligations are being asked of local government from central government. The cost of looking after 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.

Assumption	Rates within the LTP 2024-34 have considered various factors of affordability for the community and has planned the document accordingly.
Level of uncertainty	Low Council remains acutely aware of the impact of its increasing costs on the ratepayer and has taken

	measure in the LTP capital works programme and operational expenditure to reduce the rating impact on the community.
Impact on integrity of LTP	Low Affordability factors have been considered and planned for over the life of the LTP.
Implication	Affordability remains a key consideration for council in its LTP.

Part Two – Financial information

How the Council gathers revenue, and what we expect to spend.

Disclosure Statement and Financial Prudence Benchmarks

Long Term Plan disclosure statement for the period commencing 1 July 2024.

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.

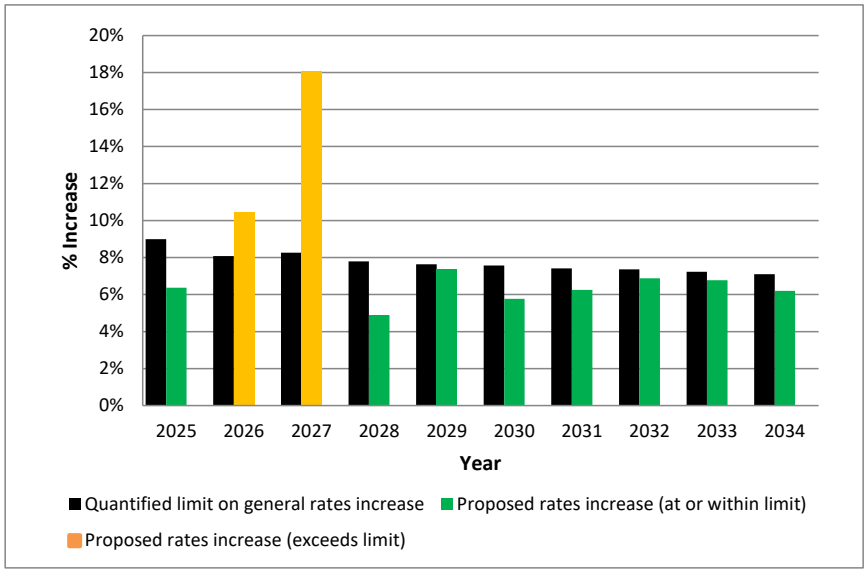
Rates Affordability Benchmark

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.

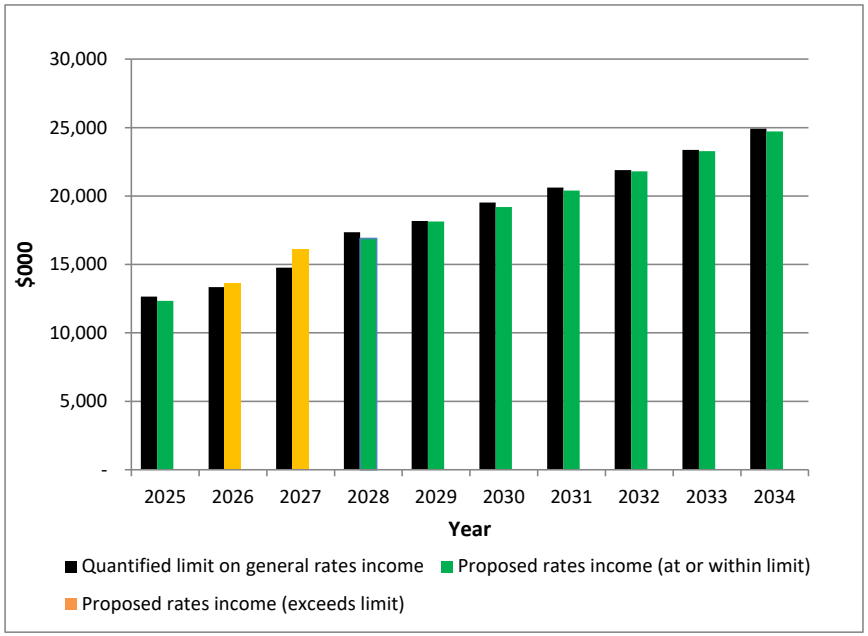
Rates (increases) Affordability - General Rates

The following graph compares the Council's planned general rates increases with a quantified limit on general rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is LGCI + 5%.



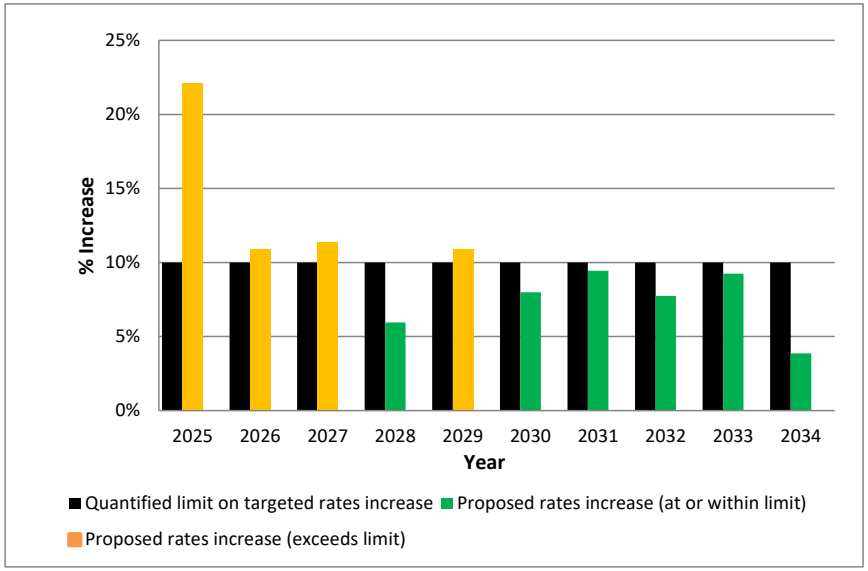
Rates (Income) Affordability - General Rates

The following graph compares the Council's planned general rates income with a quantified limit on general rates income contained in the financial strategy included in the Council's long-term plan. The quantified limit is LGCI + 5%.



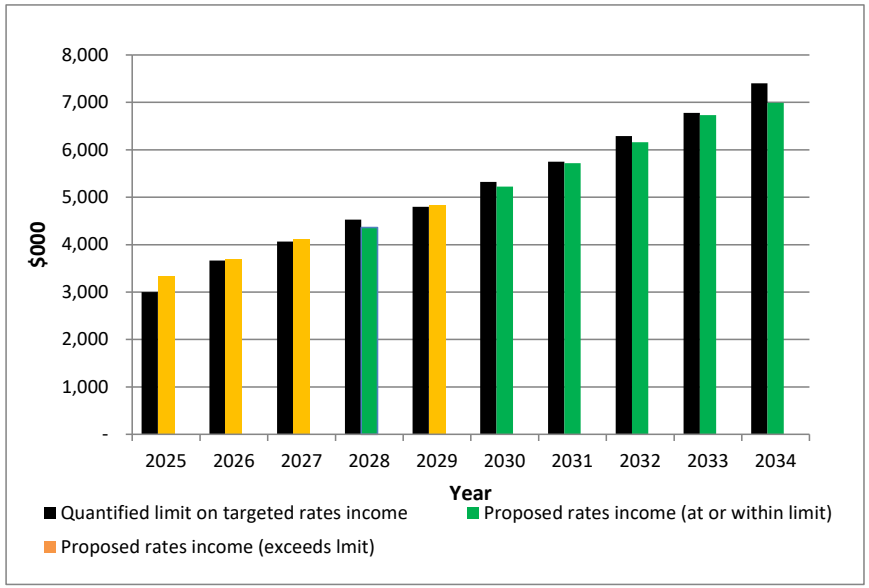
Rates (increases) Affordability - Targeted Rates

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



Rates (Income) Affordability - Targeted Rates

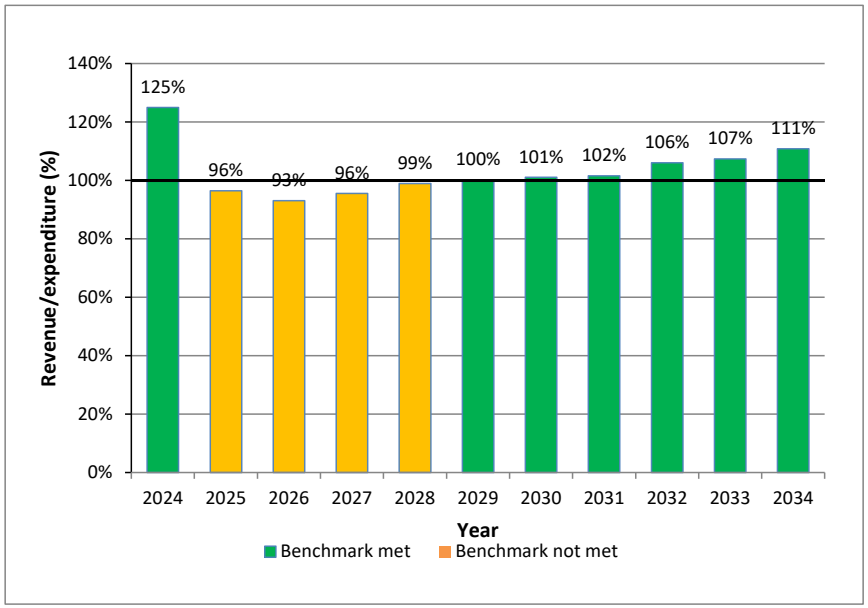
The following graph compares the Council's planned targeted rates income with a quantified limit on targeted rates income contained in the financial strategy included in the Council's long-term plan. The quantified limit is prior year targeted rates plus 10%.



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).

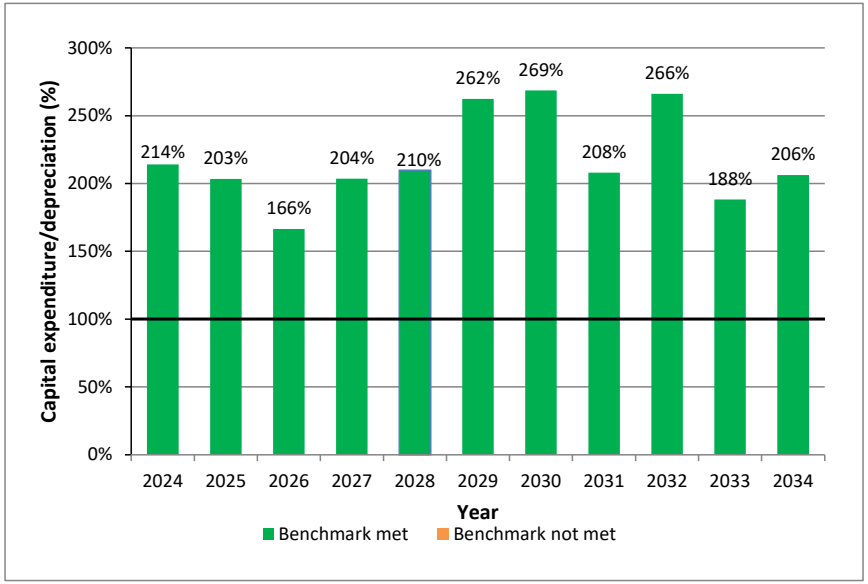
The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



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.

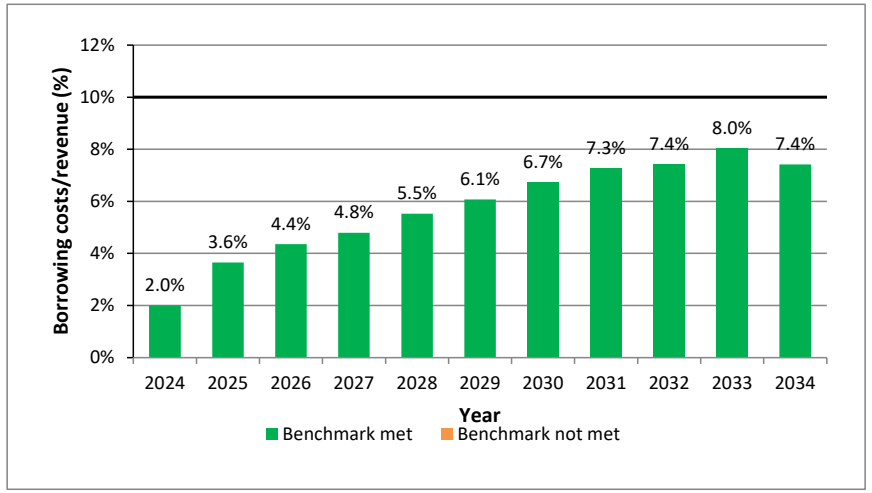
The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services



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 costs equal revaluations of property, plant, or equipment).

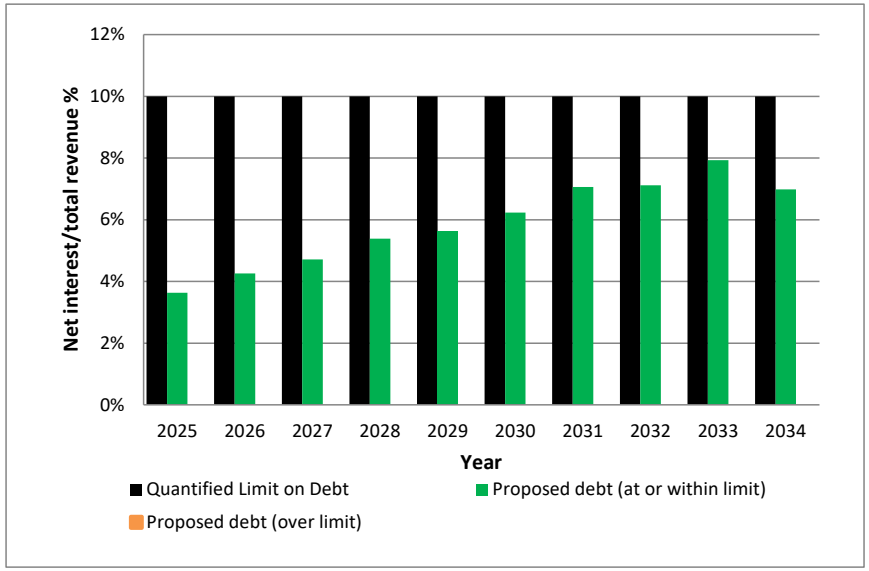
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its planned revenue.



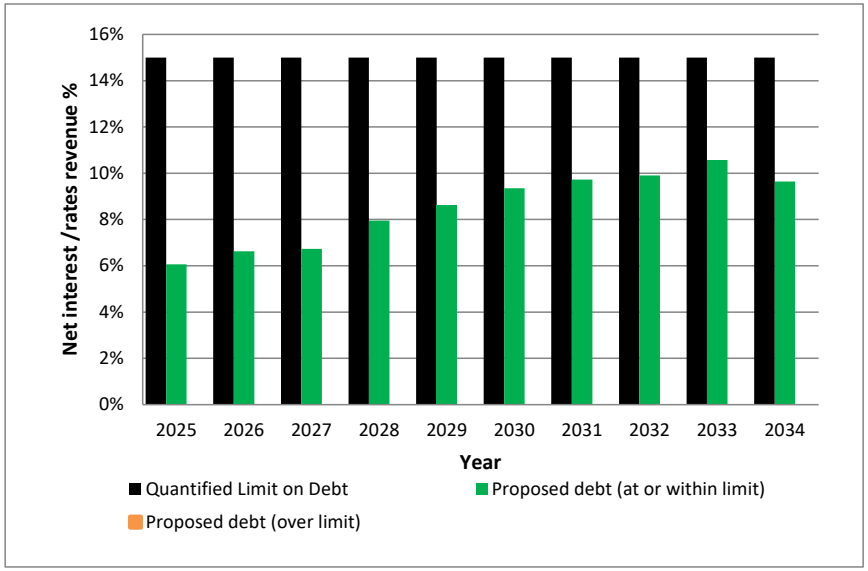
Debt Affordability Benchmarks

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graphs compare the Council's planned borrowing with the quantified limits on borrowing stated in the financial strategy included in the Council's long-term plan.

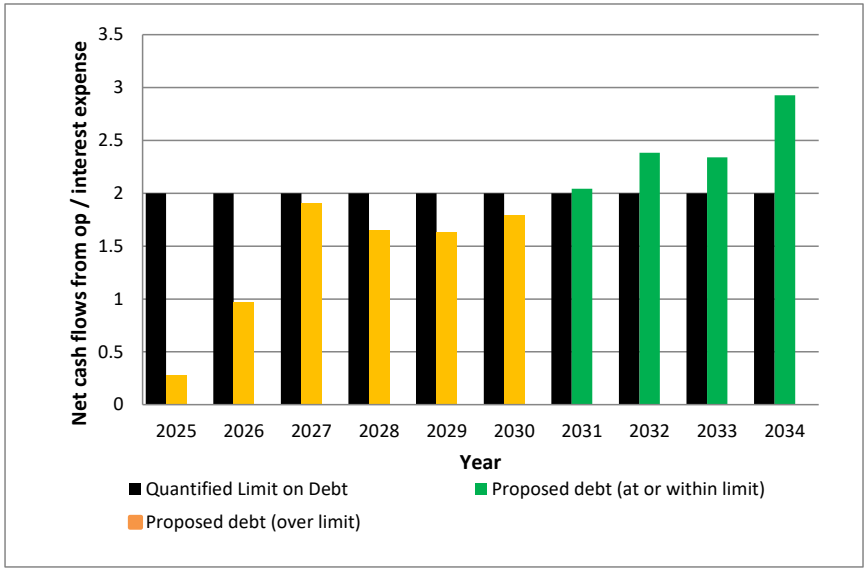
The quantified limit is net interest expense/total revenue less than or equal to 10%



The quantified limit is net interest expense/rates revenue less than or equal to 15%



The quantified limit is net cash flows from operating activities/interest expense greater than or equal to 2.



Benchmarks not met

Council is forecast to not meet the Rates Affordability benchmarks between 2025 to 2029 across both General and Targeted rates (highlighted in orange) due to decisions made within the Infrastructure Strategy to continue to invest in the renewal of critical assets infrastructure within the Ōpōtiki District, funding of the Harbour, and a reallocation of funding toward targeted rates.

Council is forecast to not meet the Balanced Budget Benchmark (highlighted in orange) due to the decisions made within the Financial Strategy to transition away from the funding of annual deprecation for capital renewals to using a long-run average approach. This results in the Council not meeting this Benchmark between 2025 and 2028.

Council is forecast to not meet the Debt Affordability Benchmark (quantified limit is net cash flows from operating activities/interest expense greater than or equal to 2) from 2025 to 2030 (highlighted in orange) due to a combination of the need to invest in the renewal of critical waters infrastructure, and a transition away from the funding of annual deprecation for capital renewals to using a long-run average approach. This benchmark has been prepared using conservative assumptions on Council's cost of capital, which is subject to revision should market rates drop from their current highs.

Breach of statutory deadline

The completion of the audit of the Long Term Plan document was originally scheduled for 30 September 2024. However, due to changes required as a result of water services reform, the consequential logistical affects in completing the 2024-34 Long Term Plan in time for audit sign-off by 30 September meant that this was unable to be achieved.

Missing the 30 September deadline has resulted in a breach in meeting the statutory deadline.

Forecast Financial Statements

Prospective Statement of Comprehensive Revenue and Expense

Prospective Statement of Comprehensive Revenue and Expense
for the period ended 30 June

	AP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000	LTP 2032 $000	LTP 2033 $000	LTP 2034 $000
Revenue											
Rates	14,235	15,683	17,339	20,224	21,257	22,983	24,416	26,110	27,957	30,005	31,709
Subsidies and Grants	8,254	7,410	6,013	4,632	5,667	5,890	5,692	4,945	5,330	5,346	5,370
Fees and Charges	2,756	2,874	2,944	3,433	3,516	3,597	3,677	3,754	3,834	3,912	3,984
Finance Revenue	46	-	-	-	-	-	-	-	-	-	-
Other Revenue	379	105	107	110	134	137	140	143	146	150	152
Development Contributions	-	84	557	468	810	2,535	2,724	1,008	1,641	590	2,589
Total Revenue	**25,670**	**26,156**	**26,960**	**28,866**	**31,384**	**35,142**	**36,649**	**35,961**	**38,908**	**40,003**	**43,803**
Expense											
Personnel costs	7,279	7,473	7,832	8,179	8,467	8,455	8,520	8,848	8,800	9,179	9,235
Depreciation and Amortisation	3,974	5,230	5,459	5,589	5,767	5,970	6,202	6,305	6,405	6,549	6,697
Finance Costs	214	951	1,149	1,361	1,690	1,982	2,284	2,540	2,769	3,172	3,058
Other Expenses	10,129	13,369	13,925	14,604	14,976	16,149	16,551	16,724	17,161	17,799	18,185
Total Expense	**21,596**	**27,024**	**28,366**	**29,734**	**30,900**	**32,555**	**33,557**	**34,417**	**35,135**	**36,699**	**37,176**
Net Surplus (deficit) for the period	**4,074**	**(868)**	**(1,406)**	**(867)**	**484**	**2,587**	**3,091**	**1,544**	**3,774**	**3,304**	**6,627**
Other comprehensive revenue and expense											
Gain on revaluation of property plant and equipment	-	298	11,751	2,088	312	16,016	2,712	321	20,692	2,957	330
Total Comprehensive revenue and expense for the period	**4,074**	**(570)**	**10,345**	**1,220**	**796**	**18,603**	**5,804**	**1,865**	**24,465**	**6,261**	**6,957**

Prospective Statement of Changes in Equity

Prospective Statement of Changes in Equity
for the period ended 30 June

	AP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000	LTP 2032 $000	LTP 2033 $000	LTP 2034 $000
Total equity opening balance	328,648	336,629	336,059	346,404	347,624	348,420	367,023	372,827	374,692	399,157	405,419
Total Comprehensive revenue and expense for the period	4,074	(570)	10,345	1,220	796	18,603	5,804	1,865	24,465	6,261	6,957
Total equity - closing balance	**332,722**	**336,059**	**346,404**	**347,624**	**348,420**	**367,023**	**372,827**	**374,692**	**399,157**	**405,419**	**412,376**
Components of equity											
Ratepayers equity											
Opening balance	146,673	151,689	150,820	149,414	148,547	149,031	151,618	154,709	156,253	160,027	163,331
Net Surplus (deficit) for the period	4,074	(570)	10,345	1,220	796	18,603	5,804	1,865	24,465	6,261	6,957
Transfers special fund reserves	(652)	-	-	-	-	-	-	-	-	-	-
Transfers revaluation reserves	-	(298)	(11,751)	(2,088)	(312)	(16,016)	(2,712)	(321)	(20,692)	(2,957)	(330)
Closing Ratepayers equity	**150,095**	**150,820**	**149,414**	**148,547**	**149,031**	**151,618**	**154,709**	**156,253**	**160,027**	**163,331**	**169,958**
Special funds reserves											
Opening balance	1,649	2,562	2,562	2,562	2,562	2,562	2,562	2,562	2,562	2,562	2,562
Transfers ratepayers equity	652	-	-	-	-	-	-	-	-	-	-
Closing Special fund reserves	**2,301**	**2,562**	**2,562**	**2,562**	**2,562**	**2,562**	**2,562**	**2,562**	**2,562**	**2,562**	**2,562**
Revaluation reserves											
Opening balance	180,326	182,379	182,677	194,427	196,515	196,827	212,843	215,556	215,877	236,569	239,526
Transfers ratepayers equity	-	298	11,751	2,088	312	16,016	2,712	321	20,692	2,957	330
Closing Revaluation reserves	**180,326**	**182,677**	**194,427**	**196,515**	**196,827**	**212,843**	**215,556**	**215,877**	**236,569**	**239,526**	**239,856**
Total equity - closing balance	**332,722**	**336,059**	**346,404**	**347,624**	**348,420**	**367,023**	**372,827**	**374,692**	**399,157**	**405,419**	**412,376**

Prospective Statement of Financial Position

Prospective Statement of Financial Position
As at 30 June

	AP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000	LTP 2032 $000	LTP 2033 $000	LTP 2034 $000
Current Assets											
Cash & Cash Equivalents	4,160	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504
Debtors & Other Receivables	3,385	3,175	3,234	3,297	3,357	3,417	3,474	3,531	3,590	3,647	3,705
Prepayments	218	199	202	206	210	214	217	221	225	228	232
Available for Sale Assets	49	51	52	53	54	55	56	57	58	59	60
Total Current Assets	**7,812**	**7,928**	**7,993**	**8,060**	**8,125**	**8,189**	**8,251**	**8,313**	**8,377**	**8,439**	**8,500**
Non Current Assets											
Investment in CCO's and Other Entities	-	211	211	211	211	211	211	211	211	211	211
Investment in Associate	153	33	33	33	33	33	33	33	33	33	33
Investment Property	3,209	4,769	4,859	4,953	5,043	5,133	5,218	5,304	5,394	5,479	5,565
Property Plant & Equipment	335,608	348,164	363,246	370,177	377,432	401,844	411,835	416,573	445,298	452,093	457,056
Intangible Assets	76	36	36	37	38	38	39	40	40	41	42
Total Non Current Assets	**339,046**	**353,212**	**368,385**	**375,410**	**382,756**	**407,259**	**417,336**	**422,161**	**450,976**	**457,857**	**462,907**
Current Liabilities											
Creditors & Other Payables	7,454	6,820	6,963	7,111	7,253	7,396	7,531	7,667	7,809	7,945	8,080
Employee Benefit Current	508	555	567	579	590	602	613	624	636	647	658
Total Current Liabilities	**7,962**	**7,375**	**7,529**	**7,690**	**7,843**	**7,998**	**8,144**	**8,291**	**8,445**	**8,591**	**8,738**
Non Current Liabilities											
Borrowings	6,106	17,647	22,384	28,095	34,554	40,363	44,550	47,423	51,683	52,217	50,223
Provisions	68	59	61	62	63	64	66	67	68	69	70
Total Non Current Liabilities	**6,174**	**17,706**	**22,445**	**28,157**	**34,617**	**40,427**	**44,616**	**47,490**	**51,751**	**52,286**	**50,293**
Net Assets	**332,722**	**336,059**	**346,404**	**347,624**	**348,420**	**367,023**	**372,827**	**374,692**	**399,157**	**405,419**	**412,376**
Represented by Equity											
Ratepayers equity	150,095	150,820	149,414	148,547	149,031	151,618	154,709	156,253	160,027	163,331	169,958
Special funds reserves	2,301	2,562	2,562	2,562	2,562	2,562	2,562	2,562	2,562	2,562	2,562
Revaluation reserves	180,326	182,677	194,427	196,515	196,827	212,843	215,556	215,877	236,569	239,526	239,856
Total Equity	**332,722**	**336,059**	**346,404**	**347,624**	**348,420**	**367,023**	**372,827**	**374,692**	**399,157**	**405,419**	**412,376**

Prospective Statement of Cash Flows

for the period ended 30 June

	AP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000	LTP 2032 $000	LTP 2033 $000	LTP 2034 $000
Cash flows from operating activities											
Revenue from Rates	14,030	15,683	17,339	20,224	21,257	22,983	24,416	26,110	27,957	30,005	31,709
Grants & Subsidies	-	3,398	3,628	2,967	3,016	3,109	3,211	3,293	3,394	3,501	3,588
Fees & Charges	506	2,874	2,944	3,433	3,516	3,597	3,677	3,754	3,834	3,912	3,984
Other Operating Funding	10,883	105	107	110	134	137	140	143	146	150	152
Interest and Dividends from investments	46	-	-	-	-	-	-	-	-	-	-
Suppliers, Services and Employees	(17,196)	(20,843)	(21,758)	(22,783)	(23,443)	(24,604)	(25,071)	(25,571)	(25,961)	(26,978)	(27,420)
Finance Costs	(214)	(951)	(1,149)	(1,361)	(1,690)	(1,982)	(2,284)	(2,540)	(2,769)	(3,172)	(3,058)
Net cash flow from operating activities	8,055	266	1,111	2,589	2,789	3,240	4,089	5,189	6,601	7,417	8,953
Cash flows from investing activities											
Capital Grants and Contributions	-	4,012	2,385	1,665	2,651	2,781	2,481	1,652	1,936	1,846	1,782
Financial & Development Contributions		84	557	468	810	2,535	2,724	1,008	1,641	590	2,589
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	(9,153)	(11,479)	(8,791)	(10,433)	(12,710)	(14,365)	(13,481)	(10,722)	(14,438)	(10,387)	(11,330)
Net cash flow from investing activities	(9,153)	(7,383)	(5,848)	(8,300)	(9,249)	(9,049)	(8,277)	(8,062)	(10,861)	(7,951)	(6,960)
Cash flows from financing activities											
Drawdown / (repayment) of borrowings	(894)	7,116	4,737	5,711	6,459	5,809	4,188	2,873	4,260	534	(1,994)
Net cash flow from financing activities	**(894)**	**7,116**	**4,737**	**5,711**	**6,459**	**5,809**	**4,188**	**2,873**	**4,260**	**534**	**(1,994)**
Net (decrease) / increase in cash equivalents	(1,992)	0	(0)	0	(0)	0	0	0	(0)	0	0
Cash and Cash Equivalents and the beginning of the year	6,152	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504	4,504
Cash and Cash Equivalents and the end of the year	**4,160**	**4,504**	**4,504**	**4,504**	**4,504**	**4,504**	**4,504**	**4,504**	**4,504**	**4,504**	**4,504**

Prospective Capital Expenditure Programme

Project Programme Primary Type	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Water Supply	559,000	552,322	1,814,779	1,642,783	1,225,214	667,703	2,567,975	1,745,458	3,059,129	876,194
Wastewater	1,445,500	2,426,793	2,927,585	4,569,374	6,675,303	6,693,780	1,522,632	4,896,698	301,392	4,595,000
Stormwater	612,000	1,183,548	827,056	71,571	672,508	740,695	2,351,250	2,317,948	2,378,376	1,997,186
Transport	5,380,175	2,580,066	2,805,439	2,557,254	2,709,722	3,779,556	2,973,221	3,367,582	3,324,292	2,739,313
Solid Waste	595,000	485,159	402,021	1,201,574	779,130	764,347	596,381	664,552	553,874	498,253
Parks and Reserves	1,222,000	1,008,321	970,728	1,614,369	1,237,843	397,757	127,639	1,056,510	132,716	189,394
Organisational Performance & Business Support	1,655,000	544,126	612,065	1,042,326	891,377	426,260	401,339	377,850	448,487	422,974
Enforcement	0	0	62,562	0	0	0	0	0	0	0
Economic Development	10,000	10,209	10,427	10,635	10,844	11,043	11,242	11,450	11,649	11,848
Community Facilities	0	0	0	0	163,530	0	170,295	0	177,075	0
Grand Total	**11,478,675**	**8,790,543**	**10,432,661**	**12,709,886**	**14,365,470**	**13,481,141**	**10,721,973**	**14,438,048**	**10,386,989**	**11,330,160**

Council Reserve Funds

Council Reserve Funds

	Activities to which the reserve relates	Purpose	Opening Balance 01/07/2024	Transfer to Reserve	Transfer from Reserve	Closing Balance 30/06/2034
Cash in Lieu of Reserves	Economic Development	For general purpose funding	228	726	-	954
Road Upgrading	Land Transport	For upgrading of roading	131	-	5	126
Carpark Contribution	Land Transport	For the upgrade of carparks	5	-	-	5
CBD Development	Property	For the development of town CBD	43	-	28	15
Development Contribution	Parks and Reserves	For development of recreational facilities	473	-	16	457
Elections	Leadership	For funding triennial elections	10	-	-	10
Library Development	Library	For the Library Development Project	-	-	-	-
Coast Community Board	Community Development	For funding CCB projects	110	-	-	110
Whakaari Taonga Management	Planning	For the development of reserves	35	-	-	35
Destination Playground	Playgrounds	For development of playgrounds	3	-	-	3
General Purpose (Electricity Proceeds)	Economic Development	For general purpose funding	44	-	-	44
Waste Minimisation Reserve	Solid Waste Management	For waste minimisation initatives	179	-	179	-
Harbour Dev Maint Reserve	Economic Development	For Harbour maintenance	1,238	-	435	803
			2,499	726	663	2,562

Depreciation by Group of Activities

Depreciation by Group of Activities

	AP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000	LTP 2032 $000	LTP 2033 $000	LTP 2034 $000
Infrastructure, Planning and Delivery											
Water Supply	529	657	666	668	695	719	729	729	760	760	760
Wastewater	359	419	432	456	476	515	596	659	659	718	720
Stormwater	352	408	416	446	474	474	481	489	518	599	683
Land Transport	1,606	2,446	2,538	2,545	2,568	2,592	2,616	2,650	2,695	2,740	2,786
Solid Waste	30	31	61	72	79	107	121	123	123	123	131
Parks and Reserves	377	446	478	508	522	595	670	670	670	671	671
	3,254	**4,408**	**4,591**	**4,696**	**4,814**	**5,003**	**5,213**	**5,320**	**5,424**	**5,611**	**5,751**
Community Vision and Experience											
Economic Development	5	1	1	1	1	1	1	1	1	1	1
Community Facilities	264	139	139	139	139	139	139	139	139	139	139
	269	**141**	**141**	**141**	**141**	**141**	**141**	**141**	**141**	**141**	**141**
Organisation Performance and Business Support											
Finance	-	-	4	9	13	18	22	27	32	33	33
Information Systems	93	109	128	149	166	176	193	184	175	169	177
Plant Operating	121	185	185	185	185	185	185	185	185	185	185
Administration Buildings	238	389	411	411	411	411	411	411	411	411	411
	452	**682**	**728**	**753**	**775**	**789**	**811**	**807**	**802**	**797**	**806**
Planning and Regulatory											
Enforcement	-	-	-	-	38	38	38	38	38	-	-
	-	-	-	-	**38**	**38**	**38**	**38**	**38**	-	-
Total	**3,974**	**5,230**	**5,459**	**5,589**	**5,767**	**5,970**	**6,202**	**6,305**	**6,405**	**6,549**	**6,697**

Reconciliation of Whole of Council Funding Impact Statement to Prospective Statement of Comprehensive Revenue and Expense

	AP 2024 $000	LTP 2025 $000	LTP 2026 $000	LTP 2027 $000	LTP 2028 $000	LTP 2029 $000	LTP 2030 $000	LTP 2031 $000	LTP 2032 $000	LTP 2033 $000	LTP 2034 $000
Operating Funding per Funding Impact Statement	**19,441**	**22,060**	**24,018**	**26,733**	**27,923**	**29,826**	**31,444**	**33,301**	**35,332**	**37,567**	**39,432**
Add: Subsidies and Grants for Capital Expenditure	6,129	4,012	2,385	1,665	2,651	2,781	2,481	1,652	1,936	1,846	1,782
Add: Development Contributions	-	84	557	468	810	2,535	2,724	1,008	1,641	590	2,589
Add: Other Adjustments	100	-	-	-	-	-	-	-	-	-	-
Total per Statement of Comprehensive Revenue and Expense	**25,670**	**26,156**	**26,960**	**28,866**	**31,384**	**35,142**	**36,649**	**35,961**	**38,908**	**40,003**	**43,803**
Application of Operating Funding per the Funding Impact Staten	17,523	21,793	22,907	24,144	25,133	26,586	27,355	28,112	28,730	30,150	30,479
Total Expenditurei per Statement of Revenue and Expense	21,596	27,024	28,366	29,734	30,900	32,555	33,557	34,417	35,135	36,699	37,176
Less: Depreciation	(3,974)	(5,230)	(5,459)	(5,589)	(5,767)	(5,970)	(6,202)	(6,305)	(6,405)	(6,549)	(6,697)
Less: Other Adjustments	(99)										
Total Application of Operating Funding	**17,523**	**21,793**	**22,907**	**24,144**	**25,133**	**26,586**	**27,355**	**28,112**	**28,730**	**30,150**	**30,479**

Statement of Accounting Policies

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 2024 through to 30 June 2034.

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 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 (PBE Standards RDR). 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 financial statements comply with PBE Standards RDR.

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 2023; 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 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

There are no standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to Council.

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

Non-Exchange Transactions

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

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

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

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

Rates revenue

The following policies for rates have been applied: -

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

New Zealand Transport Agency Roading Subsidies

The Council receives funding assistance from Waka Kotahi 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. It there is an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and Resource Consent Revenue

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

Infringement Fees and Fines

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

Donated and Bequeathed Financial Assets

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

Direct charges

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

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

Borrowing Costs

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

Grant Expenditure

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

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

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, irrespective if title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the

lower of the fair value of the leased item or the present value of the minimum lease payments.

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

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

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and Cash Equivalents

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

Receivables

Short term receivables are recorded at their face value, less an allowance for expected credit losses (ECL).

The Council applies the simplified ECL loss model of recognising lifetime expected credit loss for short-term receivables. The expected credit loss is calculated based on historical credit losses experience on both rates debtors and sundry debtors, adjusted for forward looking factors specific to the debtors and economic environment.

Rates Receivable

Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Rates are "written-off":

- When remitted in accordance with Council's rates remission policy; and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery, indicators that there is no reasonable

expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Other Financial Assets

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

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

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

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

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

Financial assets at fair value through surplus or deficit.

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

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

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

Amortised Cost

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

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

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

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

Fair value through other comprehensive revenue and expense

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

The Council includes in this category:

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

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

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

Expected credit loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as fair value through surplus or deficit. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset. ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).

However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL). When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information. The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Inventory

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at

no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value
- Non-commercial: measured at cost, adjusted for any loss of service potential.

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

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

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

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

Property, Plant and Equipment

Property, plant and equipment consists of:

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

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

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

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

Revaluation

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

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not

recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the value of the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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

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

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

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

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

Disposals

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

Depreciation

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

Buildings

- Structure 15 to 75 years (1.33% - 6.67%)

- Roof 2 to 40 years (2.5% - 50%)

- Services 5 to 45 years (2.22% - 20.00%)

- Internal fit out 5 to 30 years (3.33% - 20.00%)

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

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

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

Motor vehicles 5 years (20%)

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

Library collections – not depreciated

Roading network

- Formation – not depreciated

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

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

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

Traffic facilities (roading components) 10 to 30 years (3.33% - 11.32%)

Culverts (roading components) 60 years (1.66%)

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

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

River protection works 100 years (1.0%)

Open drains associated with the roading infrastructure are not depreciated. The annual maintenance programme set out in the asset management plan will ensure the specific level of service is maintained.

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

Intangible assets

Software acquisition and development

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

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

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

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

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

Easements

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

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

Amortisation

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

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

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

Impairment of property, plant and equipment and intangible assets

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

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

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

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

Value in Use for Non-Cash-Generating Assets

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

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

Value in Use for Cash-Generating Assets

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

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

Investment property

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

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

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

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

Payables and deferred revenue

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

Borrowings

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

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

Employee entitlements

Short-term employee entitlements

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

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that ODC anticipates it will be used by staff to cover those future absences.

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

Presentation of Employee Entitlements

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

Superannuation schemes

Defined contribution schemes

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

Provisions

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

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

Equity

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

- Accumulated funds
- Council created reserves
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserve

Council Created reserves

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

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

Also included in council created reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense reserves

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Good and Service Tax (GST)

All items in the prospective financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

ODC has derived the cost of service for each significant activity of ODC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. Indirect costs are allocated as overheads across all activities utilising an appropriate driver.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

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.

Rounding

Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data.

Funding Impact Statement – Whole of Council

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.

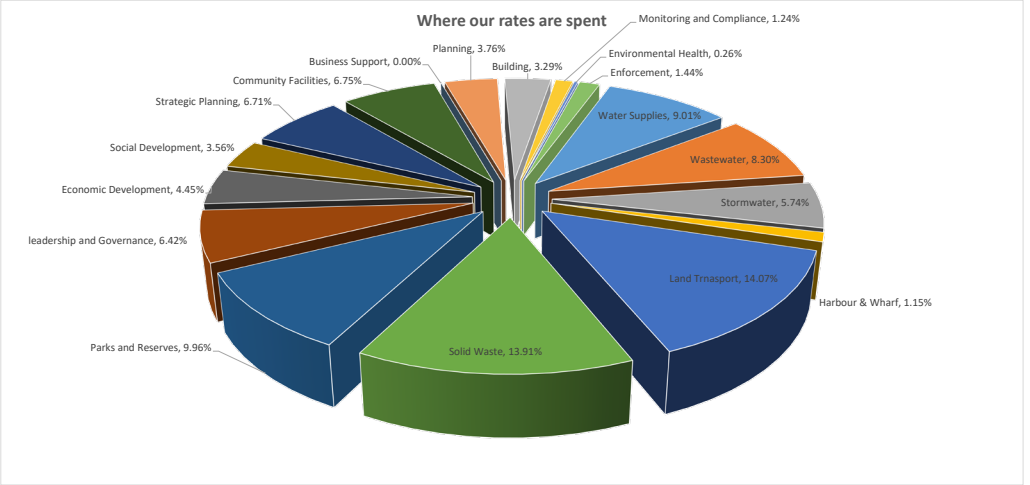
Council will use a mix of revenue sources to meet operating costs, with major sources being general and targeted rates, land transport subsidies and fees and charges.

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 change. 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 un 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 across the activity groups:

Water Supply	*9.01%*
Wastewater	*8.30%*
Stormwater	*5.74%*
Harbour and Wharf	*1.15%*
Land Transport	*14.07%*
Solid Waste	*13.91%*
Parks and Reserves	*9.96%*
Leadership and Governance	*6.42%*
Economic Development	*4.45%*
Social Development	*3.56%*
Strategic Planning	*6.71%*
Community Facilities	*6.75%*
Business Support	*0.00%*
Planning	*3.76%*
Building	*3.29%*
Monitoring and Compliance	*1.24%*
Environmental Health	*0.26%*
Enforcement	*1.44%*



Consolidated Funding Impact Statement for the 10 Years ended 30 June

2024		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
11,407	General rates, uniform annual general charges, rates penalties	12,351	13,642	16,106	16,895	18,145	19,192	20,392	21,796	23,274	24,717
2,828	Targeted Rates	3,332	3,697	4,118	4,362	4,838	5,224	5,718	6,161	6,730	6,991
2,125	Subsidies and grants for operating purposes	3,398	3,628	2,967	3,016	3,109	3,211	3,293	3,394	3,501	3,588
2,756	Fees and charges	2,874	2,944	3,433	3,516	3,597	3,677	3,754	3,834	3,912	3,984
46	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
279	Local authorities fuel tax, fines, infringement fees, and other receipts	105	107	110	134	137	140	143	146	150	152
19,441	**Total - Sources of operating funding (A)**	**22,060**	**24,018**	**26,733**	**27,923**	**29,826**	**31,444**	**33,301**	**35,332**	**37,567**	**39,432**
	Applications of operating funding										
17,309	Payments to staff and suppliers	20,843	21,758	22,783	23,443	24,604	25,071	25,571	25,961	26,978	27,420
214	Finance costs	951	1,149	1,361	1,690	1,982	2,284	2,540	2,769	3,172	3,058
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
17,523	**Total - Applications of operating funding (B)**	**21,793**	**22,907**	**24,144**	**25,133**	**26,586**	**27,355**	**28,112**	**28,730**	**30,150**	**30,479**
1,918	**Surplus / (deficit) of operating funding (A-B)**	**266**	**1,111**	**2,589**	**2,789**	**3,240**	**4,089**	**5,189**	**6,601**	**7,417**	**8,953**
	Sources of capital funding										
6,129	Subsidies and grants for capital expenditure	4,012	2,385	1,665	2,651	2,781	2,481	1,652	1,936	1,846	1,782
-	Development and financial contributions	84	557	468	810	2,535	2,724	1,008	1,641	590	2,589
(894)	Increase (decrease) in debt	7,116	4,737	5,711	6,459	5,809	4,188	2,873	4,260	534	(1,994)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
5,235	**Total - Sources of capital funding (C)**	**11,212**	**7,680**	**7,844**	**9,921**	**11,125**	**9,392**	**5,533**	**7,837**	**2,970**	**2,377**

Applications of capital funding

4,759	• to meet additional demand	1,050	515	620	838	2,477	2,547	1,368	1,665	1,031	1,856
1,584	• to improve the level of service	5,951	4,423	4,810	4,650	5,623	4,015	3,836	8,258	3,795	4,871
2,810	• to replace existing assets	4,478	3,852	5,003	7,222	6,266	6,919	5,518	4,516	5,561	4,603
-	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
(2,000)	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
7,153	**Total - Applications of capital funding (D)**	**11,479**	**8,791**	**10,433**	**12,710**	**14,365**	**13,481**	**10,722**	**14,438**	**10,387**	**11,330**
(1,918)	**Surplus / (deficit) of capital funding (C-D)**	**(266)**	**(1,111)**	**(2,589)**	**(2,789)**	**(3,240)**	**(4,089)**	**(5,189)**	**(6,601)**	**(7,417)**	**(8,953)**
-	**Funding balance ((A-B) + (C-D))**	**0**	**(0)**	**0**	**(0)**	**(0)**	**0**	**0**	**(0)**	**0**	**0**

Rates setting

Description	Land Liable	Differential	Factor of Liability	Rate Value (Excl GST)	Amount Sought (ExclGST)
District Wide Rates					
General	All rateable property	Uniform	Capital Value	0.2245 cents in the dollar	$ 9,946,835
Uniform Annual General Charge	All rateable property	Uniform	Fixed amount per rating unit	$ 541.58	$ 2,644,096
Targeted Rates					
Opotiki/Hikutaia Water	Service available	Service available/connected	Amount per SUIP	$407.58 Connected	$ 993,778
			Amount per rating unit	$203.79 Available	
Te Kaha Water	Service available	Service available/connected	Amount per SUIP	$487.28 Connected	$ 182,542
			Amount per rating unit	$243.64 Available	
Ohiwa Water	Service available	Service available/connected	Amount per SUIP	$1,055.07 Connected	$ 22,684
			Amount per rating unit	$527.54 Available	
Opotiki Sewerage	Service available	Service available/connected	Amount per SUIP	$500.51 Connected	$ 913,731
			Amount per rating unit	$250.26 Available	
			Amount per pan	$400.41 Multiple	
Waihau Bay Sewerage	Service available	Service available/connected	Amount per SUIP	$886.67 Connected	$ 22,610
			Amount per rating unit	$443.34 Available	
Waioeka Wastewater Extension	Service available	Service available/connected	Amount per rating unit	$0 Connected	$ -
Refuse Collection	Service available	Service available/provided	Amount per SUIP	$218.12 Collected	$ 508,859
			Amount per rating unit	$109.06 Available	
Communities of Interest Rates					
Residential	Residential property	Uniform	Amount per rating unit	$ 101.96	$ 230,846
Rural	Rural property	Uniform	Amount per rating unit	$ 49.44	$ 120,038
Commercial	Commercial/Industrial	Uniform	Amount per rating unit	$ 1,648.50	$ 337,132

The following rates are proposed to be set and assessed within the District for the 2024/25 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 2024-2034 Long Term Plan.

For the 2024/25 year this rate will be 0.2245 cents per dollar (excluding GST) based on the rateable capital value of all land within the District.

2 Uniform Annual General Charge

A rate set under section 15 of the Local Government (Rating) Act 2002 on each rating unit within the District. This rate is for the purpose of providing for some of the costs of delivering the Council activities set out in this 2024-2034 Long Term Plan.

For the 2024/25 year this rate will be $541.58 per rating unit (excluding GST)

Definitions:

Separately Used or Inhabited Parts of a Rating Unit

Definition: A separately used or inhabited parts of a rating unit is defined as –

Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, licence or other agreement.

Examples of separately used or inhabited parts of a rating unit:

- For residential rating units, each self-contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance
- Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations.

Targeted Rates

3 Water Supply Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit.

The purpose of this rate is to fund water supplies for Ōpōtiki/Hukutaia, Te Kaha and Ōhiwa, as well as to fund the maintenance, operation and capital upgrades of water supplies and treatment in those parts of the districts where these systems are provided.

The rate is subject to differentials as follows:-

(a) A charge per separately used or inhabited part of a rating unit connected in the Ōpōtiki/Hukutaia, Te Kaha and Ōhiwa communities.

(b) A half-charge per rating unit which is serviceable in the above locations.

For this rate:

- "Connected" means a rating unit to which water is supplied.
- "Available" means a rating unit to which water is not being supplied, but the property is situated within 100 metres of any part of the waterworks.

For the 2024/25 year these rates will be:

	WATER RATES	
	Connected	**Available**
Ōpōtiki/Hukutaia	407.58	203.79
Te Kaha	487.28	243.64
Ohiwa	1055.07	527.54

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 (GST inclusive)
	Connected
Ōpōtiki/Hukutaia	88 cents per cubic metre
Te Kaha	$1.55 per cubic metre
Ohiwa	$1.67 per cubic metre

Ōpōtiki/Hukutaia	**GST Inclusive**
$0m^3$ to $2m^3$	$0.88 per cubic metre
$2m^3$ to 3.5 m^3	$1.33 per cubic metre
$3.5m^3$ to $4.5m^3$	$1.76 per cubic metre
4.5^3 to $10m^3$	$2.20 per cubic metre
$10m+^3$	$2.64 per cubic metre
Te Kaha	
$0m^3$ to $2m^3$	$1.55 per cubic metre
$2m^3$ to 3.5 m^3	$2.33 per cubic metre
$3.5m^3$ to $4.5m^3$	$3.09 per cubic metre
4.5^3 to $10m^3$	$3.88 per cubic metre
$10+m^3$	$4.66 per cubic metre
Ōhiwa	
$0m^3$ to $2m^3$	$1.67 per cubic metre
$2m^3$ to 3.5 m^3	$2.33 per cubic metre
$3.5m^3$ to $4.5m^3$	$3.09 per cubic metre
4.5^3 to $10m^3$	$3.88 per cubic metre

10+m3	$4.66 per cubic metre

5 Sewerage Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's sewage disposal function of fixed amounts in relation to which the Council's sewage disposal service is provided or available as follows:

The purpose of this rate is to fund the maintenance, operation and capital upgrades of sewerage collection, and treatment and disposal systems in those parts of the District where these systems are provided.

This rate is subject to differentials as follows

(a) A charge of per separately used or inhabited part (SUIP) of a rating unit connected.

(b) A charge per pan within the separately used or inhabited part of a rating unit for each pan where there are multiple connections.

(c) A charge per rating unit where the service is available but not connected.

For this rate:

- "Connected" means the rating unit is connected to a public sewerage system.
- "Available" means the rating unit is not connected to a public drain, but the property is situated within 30 metres of such a drain.
- A rating unit used primarily as a residence for one household is treated as not having more than one pan
- For multiple connections each pan will be rated at 80% of the full charge.
- A separately used or inhabited part that is connected to a public sewerage system will be charged either the connected rate or the multi-connection rate.

For the 2024/25 year these rates will be:

	SEWERAGE	**RATE**	
	Connected (per SUIP)	**Available (per rating unit)**	**Multi-connection (per pan)**
Ōpōtiki	500.51	250.26	400.41
Waihau Bay	886.67	443.34	

(d) Waioeka 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 $0.00 per rating unit.

6 Refuse Collection Charge

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the purposes of funding collection of household refuse in the Ōpōtiki district as follows:

The collection area is:

- Within the Ōpōtiki Ward with the exception of Dip Road, Crooked Road and State Highway 2 west of Baird Road
- Within the Waiotahe/Waioeka Ward for the Waiotahi Drifts Subdivision, Appleton Road, State Highway 2 between Waiotahi Drifts and Paerata Ridge Road, Whakaari Road and Paerata Ridge Road up to but excluding Thompson Road, Otara Road to Factory Road, Factory Road, Stoney Creek Road and Waioeka Road/State Highway 2 to rural number 126.

The rate is subject to differentials as follows:-

(a) A full charge of $218.12 on each separately used or inhabited part of a rating unit to which the service is provided within the collection area.

(b) A half-charge of $109.06 on each separate rating unit where the service is provided but the property is not used or inhabited within the collection area.

7 Communities of Interest

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for specific groups of ratepayers that receive a greater benefit from certain activities. The rate is set differentially on all rateable rating units as follows:

(a) **Residential Communities of Interest**

This targets a charge for certain activities to the Ōpōtiki Town Ward plus all rating units less than 0.5ha outside the Ōpōtiki Town Ward on the seaward side of the area commencing from Ohiwa Harbour at the intersection of Ruatuna Road and State Highway 2 and following State Highway 2, Waiotahi Valley Road, Gabriels Gully Road, Browns Road, Verralls Road, Paerata Ridge Road, Old Creamery Road, Crooked Road, Dip Road, Armstrong Road, McGregor Road, line from intersection of McGregor and Woodlands Road to intersection of State Highway 2 and Clarks Cross Road, Stump Road, line bisecting Tablelands and Tirohanga Road to Te Wakanui Road, Te Wakanui Road concluding at intersection with State Highway 35. The activities include litter control, playgrounds, compliance, economic development, animal control, and stormwater.

For the 2024/25 year this rate will be $101.96 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 2024/25 year this rate will be $49.44 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.

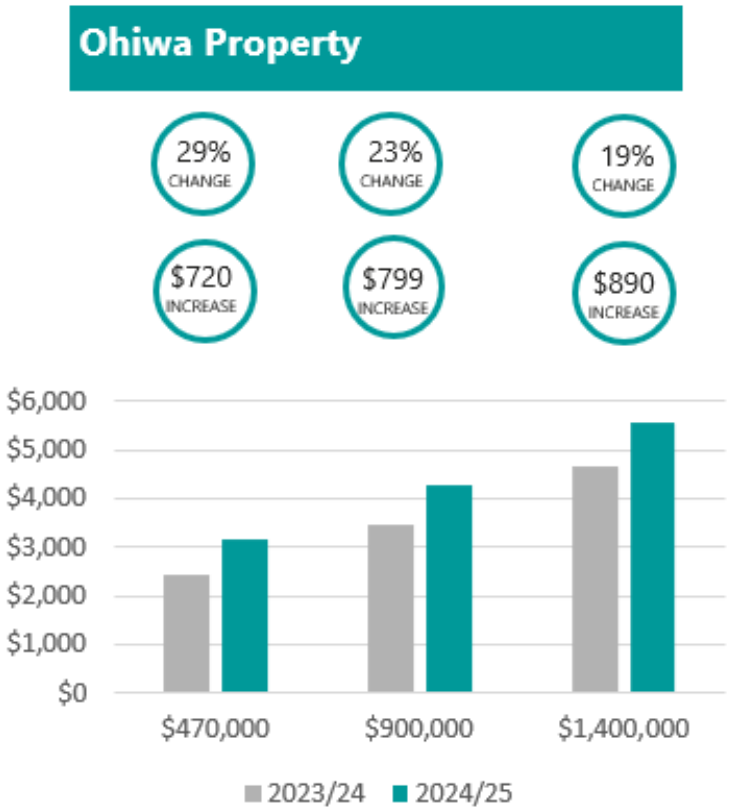
For the 2024/25 year this rate will be $1,648.50 per rating unit.

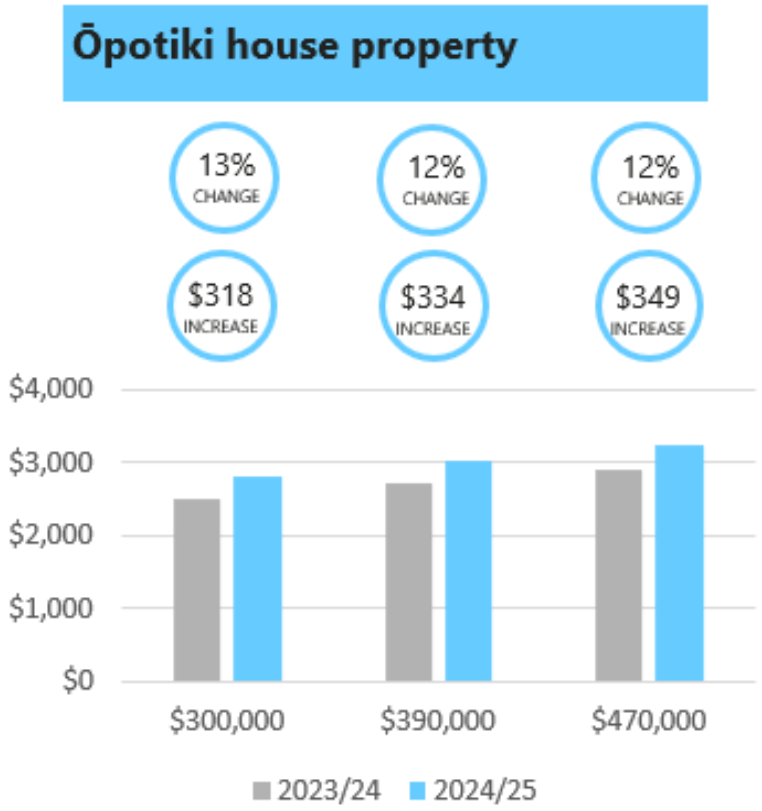
Sources of funding for subsequent years

The funding sources applied for 2024/25 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.

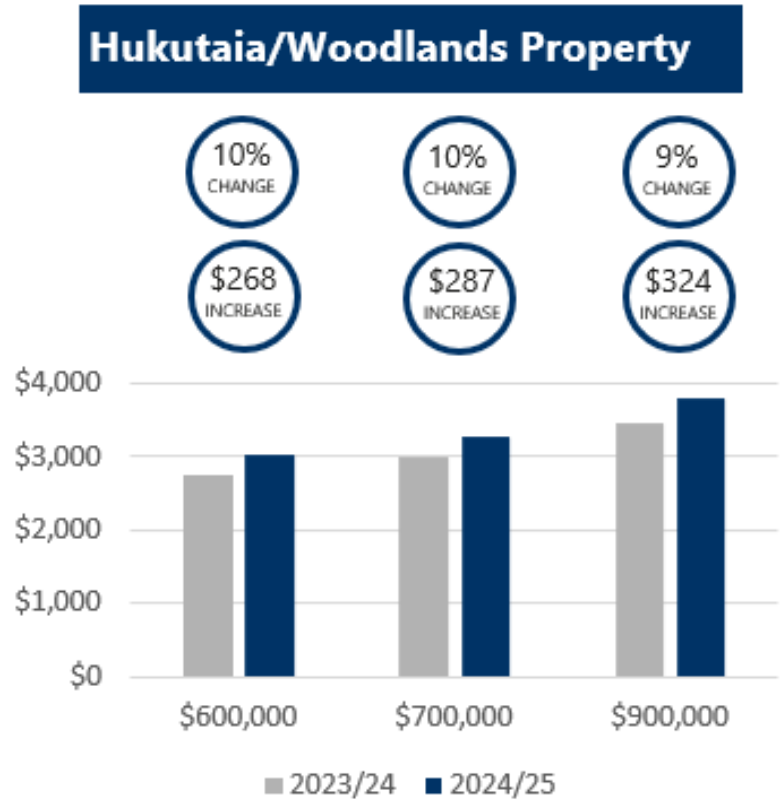
Council will not seek any lump sum contributions for the 2024/25 rating year.

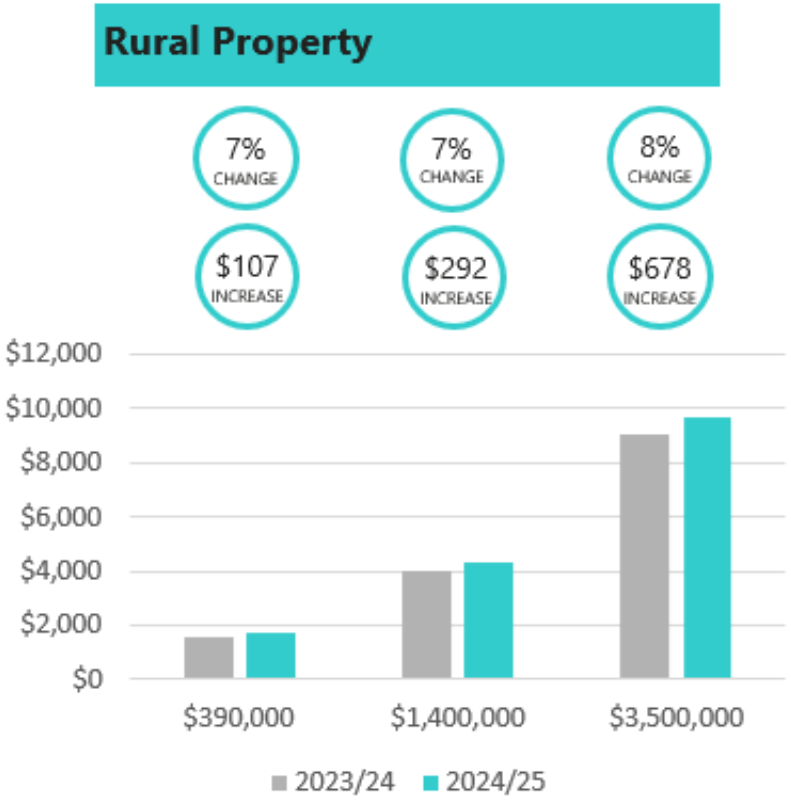
Rating Examples

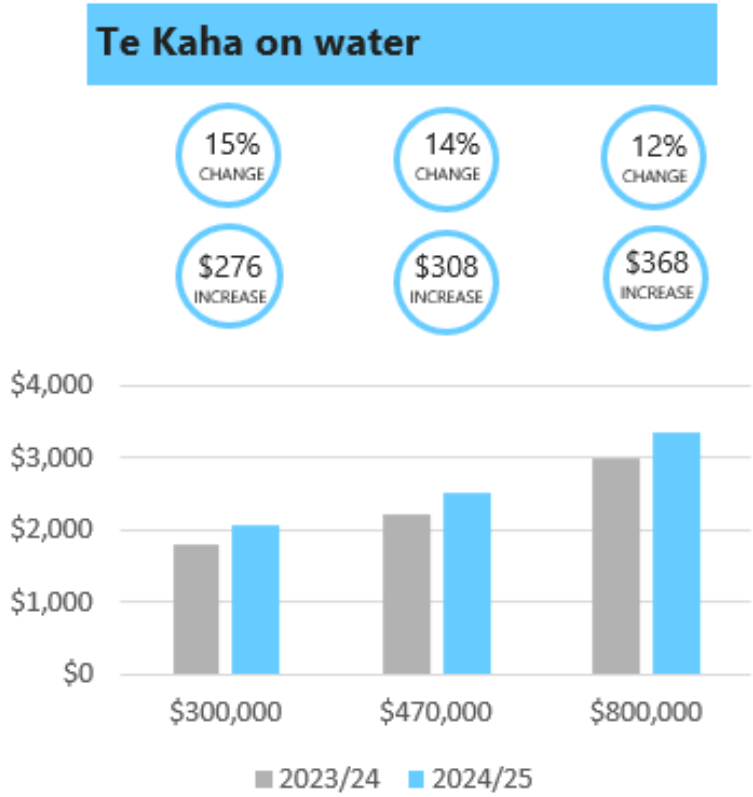


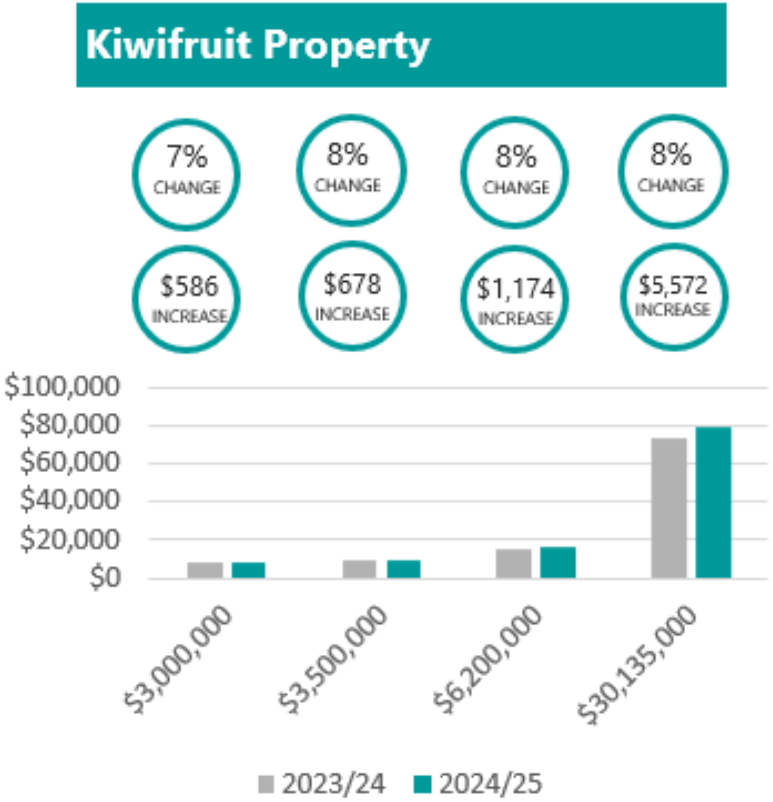


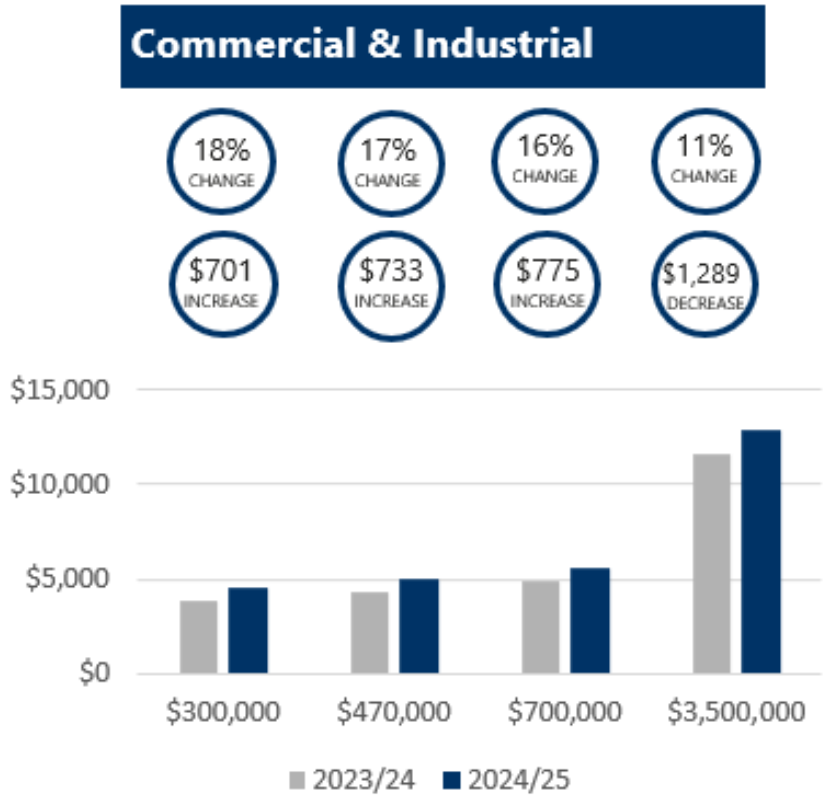

Rural Residential Property
7% CHANGE
7% CHANGE
7% CHANGE
$90 INCREASE
$107 INCREASE
$163 INCREASE
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
$300,000
$390,000
$700,000
2023/24
2024/25


Hukutaia/Woodlands Property
10% CHANGE
10% CHANGE
9% CHANGE
$268 INCREASE
$287 INCREASE
$324 INCREASE
$4,000
$3,000
$2,000
$1,000
$0
$600,000
$700,000
$900,000
2023/24
2024/25


Rural Property
7% CHANGE
7% CHANGE
8% CHANGE
$107 INCREASE
$292 INCREASE
$678 INCREASE
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
$390,000
$1,400,000
$3,500,000
2023/24
2024/25

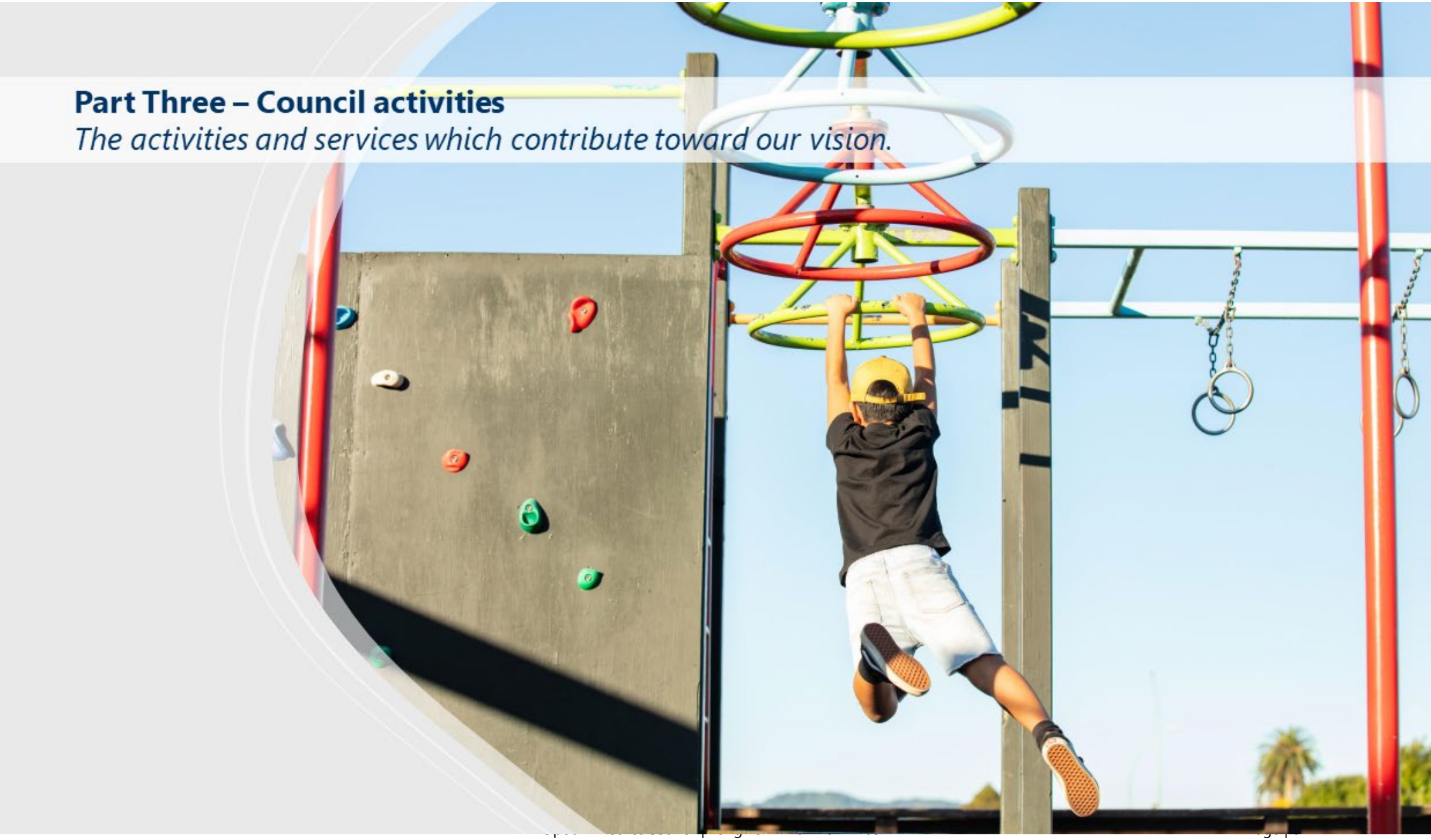

Te Kaha on water
15% CHANGE
14% CHANGE
12% CHANGE
$276 INCREASE
$308 INCREASE
$368 INCREASE
$4,000
$3,000
$2,000
$1,000
$0
$300,000
$470,000
$800,000
2023/24
2024/25


Kiwifruit Property
7% CHANGE
8% CHANGE
8% CHANGE
8% CHANGE
$586 INCREASE
$678 INCREASE
$1,174 INCREASE
$5,572 INCREASE
$100,000
$80,000
$60,000
$40,000
$20,000
$0
$3,000,000
$3,500,000
$6,200,000
$30,135,000
2023/24
2024/25


Commercial & Industrial
18% CHANGE
17% CHANGE
16% CHANGE
11% CHANGE
$701 INCREASE
$733 INCREASE
$775 INCREASE
$1,289 DECREASE
$15,000
$10,000
$5,000
$0
$300,000
$470,000
$700,000
$3,500,000
2023/24
2024/25

Part Three – Council activities

The activities and services which contribute toward our vision.



Council's Activity Structure

All of Council's activities contribute toward the four well-beings in the Local Government Act: social, cultural, environmental, economic.

Council has identified all of its activities fit into one of four groups:

1. Infrastructure Planning and Delivery
2. Community Vision and Experience
3. Organisation Performance and Business Support
4. Planning and Regulatory.

All four activities contribute toward achieving and enabling each of the four well-beings and all activities contribute toward achieving our Community Priorities. But when we break it down into individual activities, the work fits into one group more than another, and aligns with one Community Priority more than another.

In this section, you will be able to see how our activity structure relates to each of our Community Priorities, and how the work council does is geared toward achieving our vision of a 'Strong Community, Strong Future'.

One: Strong relationships and partners

Two: Investment in our district

Three: Wellbeing is valued

Four: Our communities are resilient

Five Growth is sustained over time.

Guide to Council's activities

What we do and why

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

Contribution to the Community Priorities

Each activity within the group contributes toward the community priorities.

Potential negative effects

It is our job to consider whether there could be any negative effects for each of the activities. For each activity, we list what we think potential negative effects of the activity could be, and how we intend to minimise those negative effects, should they occur.

Levels of service

These are also known as Key Performance Indicators, or KPIs. In this section, we specify what level of service the council has committee to maintain for the particular activity, and how we will measure it over time against our Community Priorities.

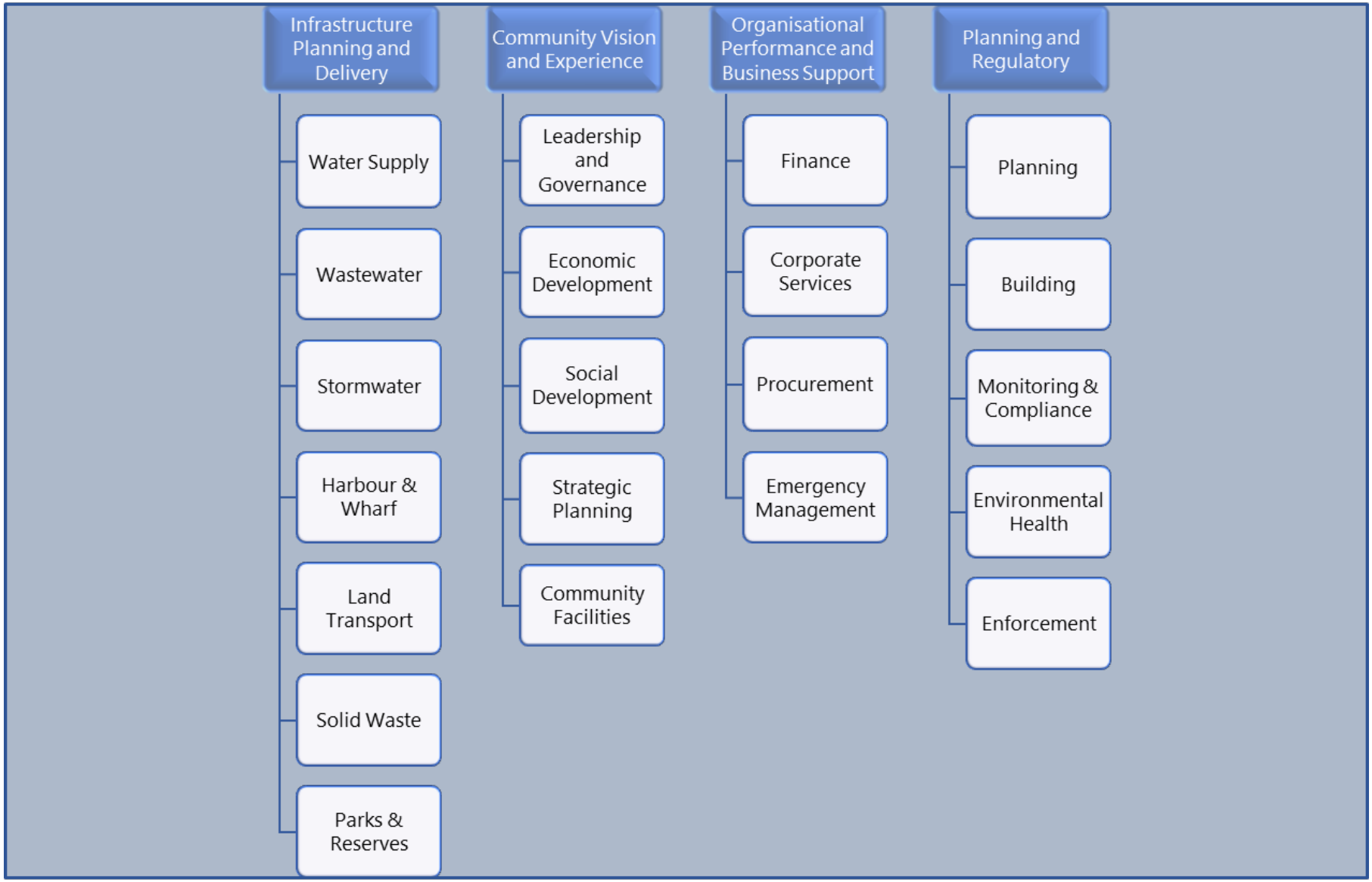
Key Projects and Programmes

This section includes descriptions of key projects and programmes of work to be provided over the period of the LTP. The projects are intended to achieve our Community Priorities

Financial information

The financial information provided is a set of financial forecast for each activity over the ten year period from 2024-2034. For each activity, the following information is provided:

Statement of proposed capital expenditure
Funding Impact Statement.


Infrastructure Planning and Delivery
Water Supply
Wastewater
Stormwater
Harbour & Wharf
Land Transport
Solid Waste
Parks & Reserves
Community Vision and Experience
Leadership and Governance
Economic Development
Social Development
Strategic Planning
Community Facilities
Organisational Performance and Business Support
Finance
Corporate Services
Procurement
Emergency Management
Planning and Regulatory
Planning
Building
Monitoring & Compliance
Environmental Health
Enforcement

Infrastructure Planning and Delivery

Why do we provide this group of activities?

This group of activities has two major components. One is infrastructure "Delivery", and this is often seen as the "on-the-ground, out and about" work councils do. You have probably seen council staff mowing reserves, fixing water leaks, clearing the roads after a slip – that type of work is what this activity covers.

In addition to the "Delivery", this activity also includes infrastructure "Planning". A large part of this activity is dedicated to planning out the renewals and upgrade work of existing infrastructure, identifying locations where new infrastructure could go and working with other parts of the organisation to understand if population growth is going to require more infrastructure across the district.

This group maintains the built assets around the district, which is everyone is able to access and enjoy.

The activities included in this group are:

- Water supply
- Wastewater
- Stormwater
- Harbour and Wharf
- Land Transport
- Solid Waste
- Parks and Reserves.

The significant activities included in this group are delivery of potable water, management of wastewater, management of above ground infrastructure (such as parks, reserves and harbour/wharf assets) and management of the land transport network.

Contribution to community priorities

This group of activities primarily contributes to the following community priorities and goals:

Wellbeing is valued

- continue to deliver our core services and provide opportunities for our community to come together
- ensure our places and spaces support and enhance wellbeing and toi ora

Our communities are resilient

- ensure strategic infrastructure is identified, planned for and prioritised.

How this activity contributes toward our community priorities

The activities contribute to the community priorities in the following ways:

Wellbeing is valued

- safe drinking water, safe wastewater networks and sanitary solid waste services are delivered to the community, and this supports key public health outcomes
- parks, reserves and harbour and wharf assets are safe, enjoyable and maintained to an acceptable standard

Our communities are resilient

- we understand our strategic infrastructure must be maintained to an acceptable standard including the land transport network
- stormwater network and wastewater networks are maintained and responded to in a timely manner, as they are lifeline utilities for the community.

Potential negative effects

The wellbeings which relate to this group of activities are

Environmental

- wastewater inflows could exceed the capacity of the wastewater treatment plan, if population/household growth levels increase to an unmanageable level
- groundwater extraction to a level which exceeds recharge rates could have an effect on aquifers

Social

- above ground infrastructure assets (e.g., reserve, wharfs, parks) which are not safe to use for the public can reduce social wellbeing

Economic

- inadequate investment in key infrastructure can lead to greater renewal costs over the life of the assets, which can lead to inequitable costs passed onto the community.

Water Supply

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Drinking Water – Customer Satisfaction (Mandatory DIA KPI #4)	The total number of complaints received by Council about any of the following:					
	Drinking water clarity	<1/1000 connections	<5	<5	<5	<5
	Drinking water taste	0/1000 connections	<5	<5	<5	<5
	Drinking water odour	0/1000 connections	<5	<5	<5	<5
	Drinking water pressure or flow	1/1000 connections	<5	<5	<5	<5
	Continuity of supply	<1/1000 connections	<5	<5	<5	<5
	Council's response to any of these issues	0/1000 connections	<3	<3	<3	<3
	expressed per 1000 connections to Council's networked reticulation system.					

Outcome or priority for action	Measure of success	Distribution Zones (Yes or No)	Performance achieved 2022/23	Performance targets 2024/25			Performance targets 2025/26			Performance targets 2026/2027			Performance targets 2027-2034		
Drinking Water – Safety of Drinking Water (Mandatory DIA KPI #1)	Compliance with the Drinking Water Quality Assurance Rules: Bacterial compliance (B), Protozoal compliance (P) and Microbiological monitoring (M). (*Compliant Y=Yes and N=No)			**B**	**P**	**M**	**B**	**P**	**M**	**B**	**P**	**M**	**B**	**P**	**M**
		Opotiki	New measure												
		Hukutaia	New measure												
		Te Kaha	New measure												
		Ohiwa	New measure												

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Drinking Water – Fault Response Times (Mandatory DIA KPI #3)	Fault response times: a) Median response time to attend urgent callouts	54 mins	<4 hours	<4 hours	<4 hours	<4 hours
	b) Median response time to resolve urgent callouts	3 hours	<1 day	<1 day	<1 day	<1 day
	c) Median response time to attend non-urgent callouts	19 minutes	<1 working day	<1 working day	<1 working day	<1 working day

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
	d) Median response time to resolve non-urgent callouts	<2 working days	<3 working days	<3 working days	<3 working days	<3 working days
Drinking Water – Demand Management (Mandatory DIA KPI #5)	Average consumption of drinking water per day per resident.	<400L per area: Te Kaha – 224L Ohiwa – 374L Opotiki – 297L	<400L	<400L	<400L	<400L
Drinking Water – Maintenance of Reticulation Network (Mandatory DIA KPI #2)	Percentage of real water loss from networked reticulation system. Council uses the 'LEAK S' software to calculate water losses in accordance with DIA water loss measure guidance.	Ōpōtiki 3.35 %	<10%	<10%	<10%	<10%
		Te Kaha 3.35%	<10%	<10%	<10%	<10%

Key Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Ohiwa Water											
LOS	Ohiwa - Water Telemetry Upgrade	50,000	0	0	0	0	0	0	0	0	0
Renewal	Ohiwa - Water Reticulation Renewals	0	0	6,470	0	0	0	0	0	0	0
Renewal	Ohiwa - Water Treatment Renewals	2,000	2,076	2,157	2,237	2,315	2,393	2,470	2,544	2,621	2,675
Total Ohiwa Water		**52,000**	**2,076**	**8,626**	**2,237**	**2,315**	**2,393**	**2,470**	**2,544**	**2,621**	**2,675**
Opotiki/Hikutaia Water											
Growth	Opotiki Town - Water Reticulation Upgrades for Harbour	0	0	0	174,455	0	0	0	0	0	0
Renewal	Hukutaia - Valves and Hydrants Renewals	0	17,649	0	19,011	0	20,342	0	21,627	0	22,741
Renewal	Hukutaia - Booster Station Electrical Control Renewal	15,000	0	0	8,387	0	0	0	0	29,484	6,689
Renewal	Hukutaia - Reticulation Renewals	75,000	77,865	80,873	36,904	38,198	39,488	40,752	41,983	43,243	44,144
Renewal	Hukutaia - Water Main Renewal - Grant Road - AC Watermain	0	0	0	0	0	0	0	0	364,291	0
Renewal	Hukutaia - Water Main Renewal - Hukutia Rd - AC Watermain	0	0	0	0	0	0	0	0	466,502	0
Renewal	Hukutaia - Water Main Renewal - Woodlands Road - AC Watermain	0	0	0	0	0	0	0	0	655,200	0
Renewal	Hukutaia - Water Supply LOS and Resilience - 1 - Planning Phase	0	25,955	0	0	0	0	0	0	0	0
Renewal	Hukutaia - Water Supply LOS and Resilience - 2 - Design Phase	0	0	161,745	0	0	0	0	0	0	0
Renewal	Hukutaia - Water Supply LOS and Resilience - 3 - Implementation Phase	0	0	0	0	0	0	864,430	890,540	917,280	0
Renewal	Opotiki Town - Otara Booster Station Renewals and Pumps	0	0	11,861	4,473	0	0	66,685	63,610	0	0
Renewal	Opotiki Town - Valves, Hydrants and Meters Renewals	0	22,840	0	36,904	0	39,488	0	114,498	0	44,144
Renewal	Opotiki Town - Water Reservoir Lining Renewal	0	0	0	0	387,184	0	0	0	0	0
Renewal	Opotiki Town - Water Reticulation Renewals	100,000	103,820	72,246	74,926	77,553	80,172	82,738	85,237	87,797	89,626
Renewal	Opotiki Town - Water Reticulation Renewals - 5.8km DN300 uPVC WTP to Ford Street - 1 - Planning and Design	25,000	0	0	0	0	0	0	0	0	0
Renewal	Opotiki Town - Water Reticulation Renewals - 5.8km DN300 uPVC WTP to Ford Street - 2 - Construction	0	0	0	279,575	289,375	299,150	308,725	318,050	327,600	334,425
Renewal	Opotiki Town - Water Reticulation Renewals - Opotiki WTP Treated Water Main	0	0	0	0	0	0	166,712	0	0	0
Renewal	Opotiki Town - Water Treatment Renewals	62,000	58,139	75,481	111,830	85,655	81,369	69,154	104,320	110,074	223,396
Renewal	Opotiki Town - Water Treatment UV Renewals	0	22,840	0	24,603	0	26,325	0	27,988	0	29,429
Total Opotiki/Hikutaia Water		**277,000**	**329,109**	**402,206**	**771,068**	**877,964**	**586,334**	**1,599,196**	**1,667,854**	**3,001,471**	**794,594**
Te Kaha Water											
LOS	Te Kaha - Water Treatment Plant Relocation - 1 - New Water Source	160,000	0	0	0	0	0	0	0	0	0
LOS	Te Kaha - Water Treatment Plant Relocation - 2 - Design	0	130,813	0	0	0	0	0	0	0	0
LOS	Te Kaha - Water Treatment Plant Relocation - 3 - Construction	0	0	1,358,658	0	0	0	0	0	0	0
LOS	Te Kaha Water - Booster to OBrien's 1.4km	0	0	0	541,816	0	0	598,309	0	0	0
LOS	Te Kaha Water - Reticulation upgrades - Copenhagan Loop	0	0	0	0	296,320	0	316,134	0	0	0
Renewal	Te Kaha - Valves, Hydrants, Meters, Pumps Renewals	0	17,649	0	19,011	0	28,718	0	21,627	0	22,741
Renewal	Te Kaha - Water Reticulation Renewals	35,000	36,337	23,723	286,285	25,465	26,325	27,168	27,988	28,829	29,429
Renewal	Te Kaha - Water Treatment Renewals	35,000	36,337	21,566	22,366	23,150	23,932	24,698	25,444	26,208	26,754
Total Te Kaha Water		**230,000**	**221,137**	**1,403,947**	**869,478**	**344,935**	**78,976**	**966,309**	**75,060**	**55,037**	**78,924**
Total Water Supply		**559,000**	**552,322**	**1,814,779**	**1,642,783**	**1,225,214**	**667,703**	**2,567,975**	**1,745,458**	**3,059,129**	**876,194**

Funding Impact Statement for the 10 Years ended 30 June

Water Supply

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
173	General rates, uniform annual general charges, rates penalties	215	248	251	283	316	350	351	422	440	550
980	Targeted Rates	1,199	1,402	1,479	1,463	1,638	1,807	1,654	1,932	2,037	2,368
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
410	Fees and charges	569	590	611	635	658	681	702	723	745	760
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	22	23	24	25	25	26	27
1,563	**Total - Sources of operating funding (A)**	**1,982**	**2,240**	**2,342**	**2,404**	**2,635**	**2,862**	**2,732**	**3,103**	**3,249**	**3,705**
	Applications of operating funding										
910	Payments to staff and suppliers	1,169	1,063	1,059	1,006	1,109	1,255	1,047	1,178	1,210	1,458
41	Finance costs	188	182	173	244	290	304	320	415	499	558
272	Internal charges and overheads applied	316	326	338	348	357	366	372	378	384	391
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,223	**Total - Applications of operating funding (B)**	**1,674**	**1,572**	**1,570**	**1,598**	**1,756**	**1,925**	**1,739**	**1,971**	**2,093**	**2,407**
340	**Surplus / (deficit) of operating funding (A-B)**	**308**	**668**	**772**	**806**	**879**	**937**	**993**	**1,131**	**1,156**	**1,298**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(59)	Increase (decrease) in debt	251	(115)	1,043	836	346	(269)	1,575	614	1,903	(422)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(59)	**Total - Sources of capital funding (C)**	**251**	**(115)**	**1,043**	**836**	**346**	**(269)**	**1,575**	**614**	**1,903**	**(422)**
	Applications of capital funding										
	Capital Expenditure										
-	• to meet additional demand	-	-	-	174	-	-	-	-	-	-
25	• to improve the level of service	210	157	1,520	542	296	-	1,779	891	917	-
257	• to replace existing assets	349	396	294	927	929	668	789	855	2,142	876
-	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
282	**Total - Applications of capital funding (D)**	**559**	**552**	**1,815**	**1,643**	**1,225**	**668**	**2,568**	**1,745**	**3,059**	**876**
(341)	**Surplus / (deficit) of capital funding (C-D)**	**(308)**	**(668)**	**(772)**	**(806)**	**(879)**	**(937)**	**(993)**	**(1,131)**	**(1,156)**	**(1,298)**
(1)	**Funding balance ((A-B) + (C-D))**	**0**	**(0)**	**(0)**	**(0)**	**(0)**	**0**	**0**	**0**	**0**	**0**

Wastewater

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Wastewater – Customer Satisfaction (Mandatory DIA KPI #4)	The total number of complaints received by Council about any of the following:					
	a) sewerage odour	3/1000 connections	<5/1000 connections	<5/1000 connections	<5/1000 connections	<5/1000 connections
	b) sewerage system faults	11/1000 connections	<10/1000 connections	<10/1000 connections	<10/1000 connections	<10/1000 connections
	c) sewerage system blockages	4/1000 connections	<10/1000 connections	<10/1000 connections	<10/1000 connections	<10/1000 connections
	d) Council's response to issues with its sewerage system	0/1000 connections	<2/1000 connections	<2/1000 connections	<2/1000 connections	<2/1000 connections
	expressed per 1000 connections to Council's sewerage system.					
Wastewater – Fault Response Time (Mandatory DIA KPI #3)	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system.	35 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.	2 hours 32 mins	<2 days	<2 days	<1 day	<1 day

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Wastewater – System Adequacy (Mandatory DIA KPI #1)	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.	<3	<3	<3	<3	<3
Wastewater – Discharge compliance (Mandatory DIA KPI #2)	Compliance with Council's resource consents for discharge from its sewage system, measured by the number of					
	a) abatement notices	1	1	1	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 Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Opotiki Sewerage											
Growth	Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 01	0	0	0	279,575	1,446,875	1,495,750	0	0	0	0
Growth	Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 02	0	0	0	0	0	0	0	0	0	334,425
Growth	Hukutaia - WWPS 04 Rising Main Seperation / WWPS05 Upgrade	0	0	0	21,248	278,958	0	0	0	0	0
Growth	Opotiki Town - Wastewater Extension Stage 2 - Otara Rd	0	0	0	0	0	0	0	893,084	0	0
LOS	Opotiki Town - Factory Rd Wastewater Extension - 1 - Design Phase	0	0	0	0	0	0	0	106,865	0	0
LOS	Opotiki Town - Factory Rd Wastewater Extension - 2 - Implementation Phase	0	0	0	0	0	0	0	0	145,454	163,199
LOS	Opotiki Town - Wastewater Pump Station 01 Potts Avenue - Upgrade	167,000	751,657	780,689	0	0	0	0	0	0	0
LOS	Opotiki Town - WWPS01 Rising main to WWTP - Diversion and Upgrade	111,500	115,759	0	1,229,012	1,272,093	0	0	0	0	0
LOS	Opotiki Town - WWTP - Stage 2a - Early Works Design	75,000	0	0	0	0	0	0	0	0	0
LOS	Opotiki Town - WWTP - Stage 2b - Preliminary Design	560,000	0	0	0	0	0	0	0	0	0
LOS	Opotiki Town - WWTP - Stage 3 - Detailed Design	0	747,504	0	0	0	0	0	0	0	0
LOS	Opotiki Town - WWTP - Stage 4a - Construction - Early Works	0	259,550	808,725	0	0	0	0	0	0	0
LOS	Opotiki Town - WWTP - Stage 4b - Construction	0	0	0	838,725	1,960,805	3,522,790	0	3,745,357	0	3,938,189
LOS	Opotiki Town Wastewater - Caravan Wastewater Dumpstation	0	0	0	27,958	289,375	0	0	0	0	0
Renewal	Opotiki Town - Reticulation Rehabilitation - 1 - Investigations and Planning	250,000	0	0	0	0	0	0	0	0	0
Renewal	Opotiki Town - Reticulation Rehabilitation - 2 - Design and Approvals	0	259,550	0	0	0	0	0	0	0	0
Renewal	Opotiki Town - Reticulation Rehabilitation - 3 - Construction	0	0	1,201,226	1,245,786	1,289,455	1,333,012	1,375,679	0	0	0
Renewal	Opotiki Town - Wastewater Reticulation Renewals	100,000	103,820	80,873	74,926	77,553	80,172	82,738	85,237	87,797	89,626
Renewal	Opotiki Town - Wastewater reticulation renewals - Waiotahe Drifts - replace PN6 rising main with PN12	0	0	0	793,993	0	0	0	0	0	0
Renewal	Opotiki Town - Wastewater Treatment Renewals	75,000	77,865	48,524	50,324	52,088	53,847	55,571	57,249	58,968	60,197
Renewal	Opotiki Town - WWTP - Stage 1 - New Resource Consent	100,000	103,820	0	0	0	0	0	0	0	0
Total Opotiki Sewerage		**1,438,500**	**2,419,525**	**2,920,036**	**4,561,546**	**6,667,200**	**6,485,572**	**1,513,987**	**4,887,792**	**292,219**	**4,585,636**
Waihau Bay Sewerage											
Waihau Bay Sewerage											
Renewal	Waihau Bay - Wastewater Disposal Field Renewals	0	0	0	0	0	199,832	0	0	0	0
Renewal	Waihau Bay - Wastewater Reticulation Renewals	6,000	6,229	6,470	6,710	6,945	7,180	7,409	7,633	7,862	8,026
Renewal	Waihau Bay - Wastewater Treatment Renewals	1,000	1,038	1,078	1,118	1,158	1,197	1,235	1,272	1,310	1,338
Total Waihau Bay Sewerage		**7,000**	**7,267**	**7,548**	**7,828**	**8,103**	**208,208**	**8,644**	**8,905**	**9,173**	**9,364**
Total Wastewater		**1,445,500**	**2,426,793**	**2,927,585**	**4,569,374**	**6,675,303**	**6,693,780**	**1,522,632**	**4,896,698**	**301,392**	**4,595,000**

Stormwater

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Stormwater – System Adequacy (Mandatory DIA KPI #1)	The number of flooding events that occur in the district. N.B. The Department of Internal Affairs describes a flooding event as **an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.**	0	0	0	0	0
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to Council's stormwater system).	0/1000 connections	0/1000 connections	0/1000 connections	0/1000 connections	0/1000 connections
Stormwater – Response times (Mandatory DIA KPI #3)	Median response time to attend a flooding event, from notification to personnel on site. N.B. The Department of Internal Affairs describes a flooding event as an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.	0 minutes	<4 hours	<4 hours	<4 hours	<4 hours

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Stormwater – Customer Satisfaction (Mandatory DIA KPI #4)	Number of complaints received about the performance of the stormwater system per 1000 connections to the Council's stormwater system.	<7/1000 connections	<10/1000 connections	<10/1000 connections	<10/1000 connections	<10/1000 connections
Stormwater – Discharge compliance (Mandatory DIA KPI #2)	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 Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Stormwater											
LOS	Comprehensive Stormwater Discharge consent	25,000	0	0	0	0	0	0	0	0	0
Growth	Hukutaia - Stormwater infrastructure development for Hukutaia Growth Area - Phase 01	0	0	0	0	578,750	598,300	617,450	0	0	1,337,700
LOS	Opotiki Town - Rural to Urban Flood Protection - SH2 Culvert Upgrade - 1 - Investigation and Design	0	93,438	0	0	0	0	0	0	0	0
LOS	Opotiki Town - Rural to Urban Flood Protection - SH2 Culvert Upgrade - 2- Consent and Approvals	0	0	26,958	27,958	0	0	0	0	0	0
LOS	Opotiki Town - Rural to Urban Flood Protection - SH2 Culvert Upgrade - 3 - Construction	0	0	0	0	0	0	1,358,390	0	0	0
LOS	Opotiki Town - Rural to Urban Flood Protection - Duke St West Stopbank - 1 - Investigations and Design	75,000	0	0	0	0	0	0	0	0	0
LOS	Opotiki Town - Rural to Urban Flood Protection - Duke St West Stopbank - 2 - Consent	25,000	0	0	0	0	0	0	0	0	0
LOS	Opotiki Town - Rural to Urban Flood Protection - Duke St West Stopbank - 3 - Construction	0	778,650	0	0	0	0	0	0	0	0
LOS	Opotiki Town - Stormwater Basin - Wellington/Union Street	250,000	0	0	0	0	0	0	0	0	0
LOS	Opotiki Town - Stormwater Portable Pumps and Permanent Sumps - 1 - Planning and Design	50,000	0	0	0	0	0	0	0	0	0
LOS	Opotiki Town - Stormwater Portable Pumps and Permanent Sumps - 2 - Sump Construction	0	129,775	134,788	0	0	0	0	0	0	0
LOS	Opotiki Town - Stormwater Portable Pumps and Permanent Sumps - 3 - Existing Pump Upgrade	0	103,820	0	0	0	0	0	0	0	0
LOS	Opotiki Town - Stormwater Portable Pumps and Permanent Sumps - 4 - New Pump/s Purchase	0	0	539,150	0	0	0	0	0	0	0
LOS	Opotiki Town - Stormwater Pump Station - Taraw a Creek Upgrade	0	0	0	0	0	0	0	1,908,300	1,965,600	0
LOS	Opotiki Town - Stormwater Reticulation extensions/upgrades	0	0	0	0	0	0	275,383	283,701	292,219	298,307
Renewal	Opotiki Town - Stormwater Drainage Renewals	22,000	0	23,723	0	25,465	0	27,168	0	28,829	0
Renewal	Opotiki Town - Stormwater Pump Stations - Renewals	40,000	0	21,566	0	23,150	95,728	24,698	76,332	26,208	26,754
Renewal	Opotiki Town - Stormwater Reticulation Renewals	75,000	77,865	80,873	43,614	45,143	46,667	48,161	49,616	65,520	334,425
Renewal	Opotiki Town - Stormwater culvert cost share	50,000	0	0	0	0	0	0	0	0	0
Total Stormwater		**612,000**	**1,183,548**	**827,056**	**71,571**	**672,508**	**740,695**	**2,351,250**	**2,317,948**	**2,378,376**	**1,997,186**

Funding Impact Statement for the 10 Years ended 30 June

Stormwater

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
575	General rates, uniform annual general charges, rates penalties	706	695	794	869	889	910	902	1,010	1,233	1,439
144	Targeted Rates	194	186	204	222	225	223	214	231	274	309
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
719	**Total - Sources of operating funding (A)**	**900**	**881**	**997**	**1,091**	**1,114**	**1,133**	**1,116**	**1,241**	**1,507**	**1,748**
	Applications of operating funding										
282	Payments to staff and suppliers	448	382	436	472	480	456	401	382	436	441
35	Finance costs	126	137	152	180	170	168	167	254	363	481
121	Internal charges and overheads applied	148	153	158	163	168	172	175	177	180	184
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
438	**Total - Applications of operating funding (B)**	**722**	**672**	**746**	**816**	**818**	**796**	**742**	**813**	**979**	**1,105**
281	**Surplus / (deficit) of operating funding (A-B)**	**178**	**210**	**251**	**276**	**296**	**337**	**373**	**428**	**528**	**643**
	Sources of capital funding										
1,000	Subsidies and grants for capital expenditure	100	664	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	419	430	441	-	-	943
53	Increase (decrease) in debt	334	309	576	(204)	(42)	(26)	1,537	1,890	1,851	412
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
1,053	**Total - Sources of capital funding (C)**	**434**	**973**	**576**	**(204)**	**377**	**404**	**1,978**	**1,890**	**1,851**	**1,355**
	Applications of capital funding										
	Capital Expenditure										
1,000	• to meet additional demand	-	-	-	-	579	598	617	-	-	1,338
300	• to improve the level of service	425	1,106	701	28	-	-	1,634	2,192	2,258	298
35	• to replace existing assets	187	78	126	44	94	142	100	126	121	361
-	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
1,335	**Total - Applications of capital funding (D)**	**612**	**1,184**	**827**	**72**	**673**	**741**	**2,351**	**2,318**	**2,378**	**1,997**
(282)	**Surplus / (deficit) of capital funding (C-D)**	**(178)**	**(210)**	**(251)**	**(276)**	**(296)**	**(337)**	**(373)**	**(428)**	**(528)**	**(642)**
(1)	**Funding balance ((A-B) + (C-D))**	**-**	**(0)**	**(0)**	**(0)**	**(0)**	**0**	**0**	**0**	**0**	**0**

Harbour & Wharf

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Harbour & Wharf – Customer Satisfaction	Annual survey of Harbour & Wharf users – Customer satisfaction	N/A – New measure	N/A	N/A	75%	80%
Harbour / Wharf facilities are safe to use	Percentage of actions identified in the Agreed Maintenance & operations plan for the year that have been completed. This identifies the total annual actions required. Actions are required within specification and budget.	N/A – New measure	N/A	N/A	75%	80%
	Maintain Harbour & Wharf in accordance with resource consent, measured by the number of:					
	a) abatement notices	N/A	N/A	N/A	0	0
	b) infringement notices	N/A	N/A	N/A	0	0
	c) enforcement orders	N/A	N/A	N/A	0	0
	d) convictions	N/A	N/A	N/A	0	0
	received by Council in relation to those resource consents.					

Funding Impact Statement for the 10 Years ended 30 June

Harbour and Wharf

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
-	General rates, uniform annual general charges, rates penalties	150	180	1,081	1,464	1,694	1,788	1,877	1,988	2,085	2,197
-	Targeted Rates	29	34	196	264	303	309	315	321	327	333
-	Subsidies and grants for operating purposes	600	613	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	417	427	436	445	454	463	472	481
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of operating funding (A)**	**780**	**826**	**1,694**	**2,155**	**2,433**	**2,542**	**2,646**	**2,772**	**2,884**	**3,011**
	Applications of operating funding										
-	Payments to staff and suppliers	1,101	1,125	1,569	2,031	2,294	2,341	2,388	2,436	2,483	2,530
-	Finance costs	13	35	57	56	56	55	54	53	53	52
-	Internal charges and overheads applied	80	83	86	89	92	94	96	97	98	100
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
-	**Total - Applications of operating funding (B)**	**1,194**	**1,243**	**1,712**	**2,177**	**2,441**	**2,490**	**2,538**	**2,586**	**2,634**	**2,682**
-	**Surplus / (deficit) of operating funding (A-B)**	**(415)**	**(417)**	**(18)**	**(22)**	**(8)**	**51**	**108**	**186**	**250**	**328**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	415	417	18	22	8	(51)	(107)	(186)	(249)	(328)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**415**	**417**	**18**	**22**	**8**	**(51)**	**(107)**	**(186)**	**(249)**	**(328)**
	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)**	**415**	**417**	**18**	**22**	**8**	**(51)**	**(107)**	**(186)**	**(249)**	**(328)**
-	**Funding balance ((A-B) + (C-D))**	-	**(0)**	**(0)**	**(0)**	**(0)**	**0**	**0**	**0**	**1**	**1**

Land Transport

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Land Transport – Response to Service Requests (Mandatory DIA KPI #5)	Percentage of requests relating to roads and footpaths that are responded to within timeframes set in Long Term Plan:					
	Urgent requests within 1 day	100%	95%	95%	95%	95%
	Non-urgent requests within 4 working days	93%	90%	90%	90%	90%
Land Transport – Road Maintenance (Mandatory DIA KPI #3)	Percentage of sealed road network resurfaced.	5.4%	>5%	>5%	>5%	>5%
Land Transport – Road Condition (Mandatory DIA KPI #2)	The average quality of a ride on a sealed local road network, measured by the smooth travel exposure.	96%	91-95% - measured every other year	N//A	91-95%	91-95% every other year.
Land Transport – Road Safety (Mandatory DIA KPI #1)	Change from previous year in number of fatalities and serious injury crashes on Council maintained roads.	Target for reduction/no increase has not been met	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

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Land Transport – Footpaths (Mandatory DIA KPI #4)	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.	100%	Target footpath condition rating (as set in Activity Management Plan) ≥ 90%	Target footpath condition rating (as set in Activity Management Plan) ≥ 90%	Target footpath condition rating (as set in Activity Management Plan) ≥ 90%	Target footpath condition rating (as set in Activity Management Plan) ≥ 90%

Key Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Non-Subsidised Roading											
LOS	Emergency Events - Major Events Reserve	50,000	51,480	53,105	54,320	55,490	56,615	57,735	58,905	60,025	61,195
LOS	Seal extensions	200,000	205,920	212,420	217,280	221,960	226,460	230,940	235,620	240,100	244,780
Renewal	CBD Kerb & Channel	32,000	32,947	33,987	34,765	35,514	36,234	36,950	37,699	38,416	39,165
Renewal	Council site access roads	15,000	15,444	15,932	16,296	16,647	16,985	17,321	17,672	18,008	18,359
Total Non-Subsidised Roading		**297,000**	**305,791**	**315,444**	**322,661**	**329,611**	**336,293**	**342,946**	**349,896**	**356,549**	**363,498**
Subsidised Roading											
Growth	Transport Hukutaia Growth - Minor Road Safety Improvements	0	0	159,315	162,960	166,470	169,845	173,205	176,715	180,075	183,585
Growth	Transport Hukutaia Growth - Provision of pedestrian, cyclist and mobility improvements	0	0	0	0	0	283,075	577,350	589,050	600,250	0
LOS	Emergency Events	50,000	51,480	53,105	54,320	55,490	56,615	57,735	58,905	60,025	61,195
LOS	Harbour Access Road	400,000	0	0	0	0	0	0	0	0	0
LOS	ODC Local Share Minor Improvements	0	337,338	340,313	0	0	0	0	0	0	0
LOS	Snell Road	2,500,000	0	0	0	0	0	0	0	0	0
Renewal	Drainage Renewals	129,297	134,016	138,573	148,600	155,170	162,100	169,031	175,931	183,064	188,766
Renewal	Environmental Renewals	0	0	0	0	0	0	78,694	0	0	0
Renewal	Footpath renewals	29,302	30,120	30,933	90,936	93,717	96,624	99,562	102,627	105,645	108,791
Renewal	Sealed Road Pavement Rehabilitation	632,408	650,062	667,598	407,270	653,095	760,906	370,243	799,600	631,559	754,902
Renewal	Sealed Road Resurfacing	752,867	773,882	794,760	1,043,591	919,256	751,480	746,532	745,916	827,332	687,470
Renewal	Structures Components Replacement	53,063	54,544	56,015	61,383	63,260	65,222	67,205	69,273	71,311	73,435
Renewal	Structures Renewals	300,000	0	0	0	0	815,256	0	0	0	0
Renewal	Traffic Services Renewal	47,694	49,025	50,348	55,245	56,934	58,700	60,484	62,346	64,180	66,092
Renewal	Unsealed Road Metalling	188,544	193,807	199,035	210,289	216,720	223,441	230,234	237,322	244,303	251,580
Total Subsidised Roading		**5,083,175**	**2,274,274**	**2,489,995**	**2,234,593**	**2,380,111**	**3,443,263**	**2,630,275**	**3,017,686**	**2,967,744**	**2,375,815**
Total Transport		**5,380,175**	**2,580,066**	**2,805,439**	**2,557,254**	**2,709,722**	**3,779,556**	**2,973,221**	**3,367,582**	**3,324,292**	**2,739,313**

Funding Impact Statement for the 10 Years ended 30 June

Land Transport

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
2,151	General rates, uniform annual general charges, rates penalties	2,206	2,462	2,813	2,957	3,081	3,300	3,504	3,764	4,000	4,267
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
1,896	Subsidies and grants for operating purposes	2,353	2,421	2,496	2,774	2,862	2,960	3,036	3,133	3,235	3,317
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
84	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
4,131	**Total - Sources of operating funding (A)**	**4,559**	**4,883**	**5,308**	**5,731**	**5,943**	**6,259**	**6,540**	**6,897**	**7,235**	**7,584**
	Applications of operating funding										
2,922	Payments to staff and suppliers	3,137	3,274	3,373	3,698	3,815	3,946	4,048	4,177	4,313	4,423
24	Finance costs	58	108	134	162	173	188	201	208	219	227
779	Internal charges and overheads applied	1,112	1,148	1,189	1,223	1,252	1,278	1,302	1,326	1,349	1,373
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,725	**Total - Applications of operating funding (B)**	**4,307**	**4,529**	**4,696**	**5,084**	**5,239**	**5,413**	**5,551**	**5,712**	**5,881**	**6,023**
406	**Surplus / (deficit) of operating funding (A-B)**	**252**	**354**	**612**	**647**	**703**	**847**	**989**	**1,185**	**1,354**	**1,561**
	Sources of capital funding										
1,674	Subsidies and grants for capital expenditure	3,812	1,453	1,612	1,676	1,785	2,370	1,540	1,821	1,776	1,782
-	Development and financial contributions	-	-	-	-	-	278	567	579	590	-
403	Increase (decrease) in debt	1,315	773	581	235	221	284	(123)	(218)	(396)	(603)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
2,077	**Total - Sources of capital funding (C)**	**5,128**	**2,226**	**2,193**	**1,910**	**2,006**	**2,933**	**1,984**	**2,183**	**1,970**	**1,179**
	Applications of capital funding										
	Capital Expenditure										
-	• to meet additional demand	-	-	159	163	166	453	751	766	780	184
1,159	• to improve the level of service	3,200	646	659	326	333	340	346	353	360	367
1,320	• to replace existing assets	2,180	1,934	1,987	2,068	2,210	2,987	1,876	2,248	2,184	2,189
4	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
2,483	**Total - Applications of capital funding (D)**	**5,380**	**2,580**	**2,805**	**2,557**	**2,710**	**3,780**	**2,973**	**3,368**	**3,324**	**2,739**
(406)	**Surplus / (deficit) of capital funding (C-D)**	**(252)**	**(354)**	**(612)**	**(647)**	**(703)**	**(847)**	**(989)**	**(1,185)**	**(1,354)**	**(1,561)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**(0)**	**-**	**0**	**(0)**	**-**	**-**	**-**	**(0)**	**-**

Solid Waste

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Solid Waste facilities and services that meet current and future needs.	Number of justified complaints received about kerbside refuse and recycling collection service. (Note: service conditions outlined on brochure delivered annually)	7	<20	<20	<20	<18
	Customer satisfaction rating of waste transfer stations good or better.	77%	>80%	>80%	>80%	>80%
	Percentage of actions identified in the Waste Management and Minimisation Plan for the year that have been completed. This identifies the total annual actions required. Actions are required within specification and budget.	75%	75%	75%	75%	75%

Key Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Solid Waste Management											
Growth	Te Kaha RRC additional hardstand for bays	0	0	0	0	0	0	0	0	93,192	0
Growth	Te Kaha RRC bays (additional)	0	0	0	0	0	0	0	0	87,368	0
Growth	Waihau Bay RRC bays (additional)	0	0	0	0	0	0	0	0	69,894	0
LOS	New bins for organics collection	0	0	0	133,338	136,275	0	0	0	0	0
LOS	Opotiki Town - RRC improved workstation flow	25,000	25,518	31,296	0	0	0	0	0	0	0
LOS	Opotiki Town - RRC security system	0	0	0	39,141	0	0	0	0	0	0
LOS	Opotiki Town - RRC upgrades for resource consent compliance	0	51,045	52,135	53,175	0	0	0	0	0	0
LOS	Opotiki Town RRC layout upgrade (existing greenwaste bays)	0	0	0	61,151	62,353	0	0	0	0	0
LOS	Opotiki Town RRC layout upgrade (existing greenwaste gravel pavement)	10,000	10,209	10,427	10,635	0	0	0	0	0	0
LOS	Te Kaha - RRC additional glass bins	0	15,314	0	0	0	0	0	0	0	0
LOS	Te Kaha - RRC improved workstation flow	0	5,105	5,214	0	0	0	0	0	0	0
LOS	Te Kaha - RRC Loader	0	0	0	85,080	0	0	0	0	0	0
LOS	Te Kaha - RRC upgrades for resource consent compliance	0	15,314	15,641	15,953	0	0	0	0	0	0
LOS	Waihau Bay - RRC improved workstation flow	0	0	0	10,635	0	0	0	0	0	0
LOS	Waihau Bay - RRC upgrades for resource consent compliance	0	15,314	15,641	15,953	0	0	0	0	0	0
LOS	Waihau Bay hardstand and building expansion	50,000	51,045	52,135	53,175	54,220	55,215	0	0	0	0
Renewal	Opotiki Town - Resource Consent	150,000	15,311	0	0	0	0	0	0	0	0
Renewal	Opotiki Town - RRC bailer - tin and can	0	0	0	0	130,128	0	0	0	0	0
Renewal	Opotiki Town - RRC bailer / compactor	0	0	0	297,780	0	0	0	0	0	0
Renewal	Opotiki Town - RRC bays (existing)	30,000	30,627	31,281	31,905	32,532	33,129	33,726	34,350	34,947	35,544
Renewal	Opotiki Town - RRC fencing replacement	10,000	10,209	10,427	10,635	10,844	11,043	11,242	11,450	5,825	0
Renewal	Opotiki Town - RRC hardstand (pavement for existing bays)	10,000	10,209	10,427	106,350	108,440	110,430	112,420	114,500	69,894	0
Renewal	Opotiki Town - RRC hoist (glass)	0	30,621	0	0	0	0	0	0	0	0
Renewal	Opotiki Town - RRC renewals	35,000	35,725	36,512	37,335	38,157	38,948	39,736	40,527	41,318	42,105
Renewal	Opotiki Town RRC bailer / compactor building	0	0	0	0	0	60,737	0	0	0	0
Renewal	Opotiki Town RRC building facilities	0	0	0	0	0	110,430	0	0	0	0
Renewal	Opotiki Town RRC conveyor/sorter	0	0	0	0	0	0	0	0	0	53,316
Renewal	Opotiki Town RRC drainage renewals	0	0	0	0	0	0	33,726	45,800	34,947	0
Renewal	Opotiki Town RRC hardstand (gravel)	0	0	0	85,080	0	0	0	0	0	0
Renewal	Opotiki Town RRC hardstand (pavement for entrance and turning areas)	0	0	0	0	108,440	0	0	143,125	0	0
Renewal	Opotiki Town RRC hoist (plastics)	0	0	0	31,905	0	0	0	0	0	0
Renewal	Opotiki Town RRC replace roller doors x 4	0	0	0	0	0	0	78,694	80,150	0	0
Renewal	Te Kaha - Resource Consent	60,000	10,207	0	0	0	0	0	0	0	0
Renewal	Te Kaha - RRC hardstand (pavement for existing bays)	10,000	10,209	10,427	10,635	10,844	11,043	11,242	11,450	11,649	11,848
Renewal	Te Kaha - RRC renewals	40,000	40,836	41,708	26,588	27,110	27,608	28,105	28,625	29,123	29,620
Renewal	Te Kaha RRC bays (existing)	30,000	30,627	0	37,223	0	0	0	0	0	0
Renewal	Te Kaha RRC building facilities	0	0	0	0	0	0	78,694	0	0	0
Renewal	Te Kaha RRC fencing replacement	0	0	0	0	0	0	0	57,250	0	0
Renewal	Te Kaha RRC hardstand (pavement for entrance and turning areas)	0	0	0	0	0	0	0	0	58,245	308,048
Renewal	Te Kaha RRC replace roller doors x 2	0	0	0	0	0	0	0	80,150	0	0
Renewal	Waihau Bay - Resource Consent	60,000	10,207	0	0	0	0	0	0	0	0
Renewal	Waihau Bay - RRC fencing replacement	15,000	15,573	16,175	0	0	0	0	0	0	0
Renewal	Waihau Bay - RRC renewals	15,000	15,314	15,641	15,953	16,266	16,565	16,863	17,175	17,474	17,772
Renewal	Waihau Bay RRC bays (existing)	15,000	15,314	15,641	15,953	16,266	16,565	0	0	0	0
Renewal	Waihau Bay RRC building facilities	0	0	0	0	0	0	56,210	0	0	0
Renewal	Waihau Bay RRC hardstand (pavement for entrance and turning areas)	0	0	0	0	0	255,944	0	0	0	0
Renewal	Waihau Bay RRC hardstand (pavement for existing bays)	30,000	15,311	31,296	16,001	27,255	16,692	17,030	0	0	0
Renewal	Waihau Bay RRC replace roller doors x 2	0	0	0	0	0	0	78,694	0	0	0
Total Solid Waste		**595,000**	**485,159**	**402,021**	**1,201,574**	**779,130**	**764,347**	**596,381**	**664,552**	**553,874**	**498,253**

Funding Impact Statement for the 10 Years ended 30 June

Solid Waste

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
1,360	General rates, uniform annual general charges, rates penalties	1,637	2,084	2,424	2,286	2,737	2,871	3,020	3,201	3,381	3,573
530	Targeted Rates	544	557	549	561	572	583	594	605	615	626
39	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
504	Fees and charges	505	516	527	537	548	558	568	579	589	599
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
2,433	**Total - Sources of operating funding (A)**	**2,687**	**3,157**	**3,500**	**3,384**	**3,857**	**4,011**	**4,181**	**4,384**	**4,584**	**4,797**
	Applications of operating funding										
1,918	Payments to staff and suppliers	1,942	2,342	2,578	2,407	2,785	2,792	2,843	2,896	2,975	3,026
8	Finance costs	(0)	13	18	29	62	80	88	91	87	94
476	Internal charges and overheads applied	544	562	582	601	618	633	644	655	665	677
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,402	**Total - Applications of operating funding (B)**	**2,486**	**2,917**	**3,178**	**3,037**	**3,465**	**3,505**	**3,575**	**3,642**	**3,727**	**3,798**
31	**Surplus / (deficit) of operating funding (A-B)**	**201**	**240**	**322**	**347**	**392**	**506**	**606**	**742**	**857**	**999**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	10	10	10	106	108	110	112	115	70	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
45	Increase (decrease) in debt	384	235	69	749	278	148	(122)	(192)	(374)	(501)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
45	**Total - Sources of capital funding (C)**	**394**	**245**	**80**	**855**	**387**	**258**	**(10)**	**(78)**	**(304)**	**(501)**
	Applications of capital funding										
	Capital Expenditure										
-	• to meet additional demand	-	-	-	-	-	-	-	-	250	-
-	• to improve the level of service	85	189	182	478	253	55	-	-	-	-
75	• to replace existing assets	510	296	220	723	526	709	596	665	303	498
-	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
75	**Total - Applications of capital funding (D)**	**595**	**485**	**402**	**1,202**	**779**	**764**	**596**	**665**	**554**	**498**
(30)	**Surplus / (deficit) of capital funding (C-D)**	**(201)**	**(240)**	**(322)**	**(347)**	**(392)**	**(506)**	**(606)**	**(742)**	**(857)**	**(999)**
1	**Funding balance ((A-B) + (C-D))**	**0**	**(0)**	**(0)**	**-**	**0**	**(0)**	**0**	**(0)**	**0**	**(0)**

Parks & Reserves

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Parks & Reserves - Customer satisfaction*	% of community satisfied with the provision of Parks & reserves in annual surveys.	81%	75%	75%	75%	80%
Parks & Reserves – Standard of playgrounds	% 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.	87%	85%	85%	85%	85%

*For reserves provided to the Crown for Treaty Settlement redress – may not be administered by Council in the future.

Key Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Airport											
Renewal	Airport Renewals	2,000	2,041	2,086	2,133	2,180	2,226	2,271	2,316	2,361	2,406
Total Airport		**2,000**	**2,041**	**2,086**	**2,133**	**2,180**	**2,226**	**2,271**	**2,316**	**2,361**	**2,406**
Cemeteries											
Growth	New Headstone Berms	0	5,104	0	0	5,451	0	0	5,790	0	0
Renewal	Cemetery Renewals	10,000	10,207	10,432	10,667	10,902	11,128	11,353	11,579	11,805	12,030
Total Cemeteries		**10,000**	**15,311**	**10,432**	**10,667**	**16,353**	**11,128**	**11,353**	**17,369**	**11,805**	**12,030**
Cycle Way											
LOS	Ohiwa/Waiotahe Cycleway New	0	51,480	53,105	1,086,400	1,109,800	0	0	0	0	0
Renewal	Cycle Trails Renewals	50,000	51,480	53,105	27,160	27,745	28,308	28,868	29,453	30,013	30,598
LOS	Wharf Cycleway	100,000	0	0	0	0	0	0	0	0	0
Total Cycle Way		**150,000**	**102,960**	**106,210**	**1,113,560**	**1,137,545**	**28,308**	**28,868**	**29,453**	**30,013**	**30,598**
Parks & Reserves											
Growth	Hukutaia Domain Expansion	0	0	200,000	200,000	0	0	0	0	0	0
LOS	Recreation enhancement - Memorial Park	0	20,414	0	21,334	0	22,256	0	23,158	0	24,060
Operating	Parks asset management plans	35,000	0	0	0	0	0	0	0	0	0
Renewal	Parks & Reserves - Planned Renewals	50,000	51,035	52,160	53,335	54,510	55,640	56,765	57,895	59,025	60,150
Total Parks & Reserves		**85,000**	**71,449**	**252,160**	**274,669**	**54,510**	**77,896**	**56,765**	**81,053**	**59,025**	**84,210**
Playgrounds											
Growth	Waiotahei Drifts (New)	0	0	260,800	0	0	0	0	0	0	0
LOS	Harbour Play Equipment & jetty	450,000	0	0	0	0	0	0	0	0	0
Renewal	Playground Equipment Replacement	25,000	25,518	26,080	26,668	27,255	27,820	28,383	28,948	29,513	30,075
Total Playgrounds		**475,000**	**25,518**	**286,880**	**26,668**	**27,255**	**27,820**	**28,383**	**28,948**	**29,513**	**30,075**
Public Toilets											
Growth	New toilet at harbour entrance	50,000	306,210	0	0	0	0	0	0	0	0
Growth	Waiotahe Drifts - New Toilet	0	204,140	0	0	0	0	0	0	0	0
LOS	CBD Toilets Refurbish & Renew	250,000	0	0	0	0	0	0	868,425	0	0
LOS	Waihau Bay Toilets (New)	200,000	255,175	0	0	0	0	0	0	0	0
Renewal	District Wide Toilet Refurbishment	0	25,518	0	26,668	0	27,820	0	28,948	0	30,075
Renewal	Toilet Renewal - Hukuwai Domain	0	0	0	0	0	222,560	0	0	0	0
Renewal	Toilet Renewal - Upton Park	0	0	0	160,005	0	0	0	0	0	0
Renewal	Toilet Upgrade - Hukuwai Beach	0	0	156,480	0	0	0	0	0	0	0
Renewal	Toilet Upgrade - Surf Club	0	0	156,480	0	0	0	0	0	0	0
Total Public Toilets		**500,000**	**791,043**	**312,960**	**186,673**	**0**	**250,380**	**0**	**897,373**	**0**	**30,075**
Total Parks and Reserves		**1,222,000**	**1,008,321**	**970,728**	**1,614,369**	**1,237,843**	**397,757**	**127,639**	**1,056,510**	**132,716**	**189,394**

Funding Impact Statement for the 10 Years ended 30 June

Parks and Reserves

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
-	General rates, uniform annual general charges, rates penalties	1,448	1,534	1,683	1,774	1,840	1,955	2,064	2,192	2,318	2,447
-	Targeted Rates	114	131	131	144	156	169	172	174	177	180
-	Subsidies and grants for operating purposes	-	26	52	53	55	56	57	58	59	60
-	Fees and charges	186	189	194	198	202	206	211	215	219	223
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	63	64	66	67	69	70	72	73	74	76
-	**Total - Sources of operating funding (A)**	**1,811**	**1,944**	**2,125**	**2,236**	**2,321**	**2,457**	**2,575**	**2,712**	**2,847**	**2,986**
	Applications of operating funding										
-	Payments to staff and suppliers	1,139	1,163	1,202	1,243	1,258	1,283	1,319	1,333	1,357	1,394
-	Finance costs	70	116	161	196	215	229	230	248	268	263
-	Internal charges and overheads applied	563	581	601	619	636	651	662	673	683	696
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
-	**Total - Applications of operating funding (B)**	**1,773**	**1,861**	**1,963**	**2,059**	**2,109**	**2,163**	**2,211**	**2,254**	**2,309**	**2,353**
-	**Surplus / (deficit) of operating funding (A-B)**	**39**	**84**	**162**	**177**	**212**	**294**	**364**	**458**	**538**	**633**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	90	258	42	869	888	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	1,093	666	766	568	138	104	(236)	598	(405)	(443)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**1,183**	**924**	**809**	**1,437**	**1,026**	**104**	**(236)**	**598**	**(405)**	**(443)**
	Applications of capital funding										
	Capital Expenditure										
-	• to meet additional demand	50	515	461	200	5	-	-	6	-	-
-	• to improve the level of service	1,000	327	53	1,108	1,110	22	-	892	-	24
-	• to replace existing assets	172	166	457	307	123	376	128	159	133	165
-	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
-	**Total - Applications of capital funding (D)**	**1,222**	**1,008**	**971**	**1,614**	**1,238**	**398**	**128**	**1,057**	**133**	**189**
-	**Surplus / (deficit) of capital funding (C-D)**	**(39)**	**(84)**	**(162)**	**(177)**	**(212)**	**(294)**	**(364)**	**(458)**	**(538)**	**(633)**
-	**Funding balance ((A-B) + (C-D))**	**0**	**(0)**	**0**	**(0)**	**(0)**	**-**	**(0)**	**(0)**	**0**	**0**

Community Vision and Experience

Why do we provide this group of activities?

This group of activities provides the mechanisms to enable the council to plan for the future and inform the other parts of the organisation which direction we are headed in. It is responsible for ensuring Elected Members are informed of local, regional and national policies and legislative requirements.

This group is also responsible for ensures our Community Facilities are working effectively and efficiently for the public each day (e.g., pavilions for hire, the library, public toilets).

The activities included in this group are:

- Leadership and Governance
- Economic Development
- Social Development
- Strategic Planning
- Community Facilities.

The significant activities in this group are ensuring governance of the council is effective and efficient, building relationships with iwi, hapū and key stakeholders, contributing toward the economic development and strategic planning of the district, provide safe and welcoming community facilities for the community to use and recreate.

Contribution to community priorities

This group of activities primarily contributes to the following community priorities and goals:

Strong relationships and partners

- build respectful relationships with partners through engagement
- influence and advocate as a collective to central government and other stakeholders

Investment in our district

- be well informed and prepared to act on opportunities with a clear understanding of the long term costs and returns from the investment

Wellbeing is valued

- ensure our places and spaces support and enhance wellbeing and toi ora
- advocate and support others to enhance the wellbeings of our district

How this activity contributes toward our community priorities

The activities contribute to the community priorities in the following ways:

Strong relationships and partners

- ensure effective and fair community representation and support
- discharge our statutory obligations under the Local Government Act 2002 to provide for democratic decision making
- ensure our policies and plans are integrated and informed by mana whenua, iwi and hapū, and wider community stakeholders

Investment in our district

- consider the community at large when interacting with stakeholders, funders, land developers and mana whenua and ensure genuine engagement informs and contributes toward council plans and policies

Wellbeing is valued

- facilitate events and grants for the wider district to provide opportunities for the community to come together
- advocate to key stakeholders (e.g., regional council, central government agencies) to assist in the development and realising of economic, social, cultural and environmental wellbeing.

Potential negative effects

The wellbeings which relate to this group of activities are:

Cultural

- ineffective engagement with mana whenua can lead to strained relationships, and council not meeting its obligations as a Te Tiriti o Waitangi partner
- community can become disillusioned with council if community engagement is not shown throughout council/governance decision making process

Social

- community expectations around funding initiatives or community events may not be met
- community not satisfied with facilities provided by council

Economic

- not aligning strategic priorities and economic development strategies to national and regional goals can result in council not being ready to move on investment opportunities which become available.

Leadership and Governance

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027-2034
Equitable community involvement in decision making	Engage community for input to decision making in accordance with significance & engagement policy	N/A – New measure	100%	100%	100%	100%
Strong partner / key stakeholder relationships	Strong relationships with key stakeholders & Partners – Annual NPS (Net Promoter Score)	N/A – New measure	Baseline set – Annual NPS score	Improve 5% from Baseline	Improve 5% from baseline	Improve 10% from baseline
Governance strongly engaged in decision making	Councillor attendance at meetings/workshops	N/A – New Measure	80%	80%	80%	80%

Funding Impact Statement for the 10 Years ended 30 June

Leadership and Governance

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
1,907	General rates, uniform annual general charges, rates penalties	1,007	1,059	1,139	1,172	1,209	1,275	1,337	1,415	1,482	1,560
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
1,907	**Total - Sources of operating funding (A)**	**1,007**	**1,059**	**1,139**	**1,172**	**1,209**	**1,275**	**1,337**	**1,415**	**1,482**	**1,560**
	Applications of operating funding										
1,551	Payments to staff and suppliers	921	945	971	994	1,013	1,032	1,051	1,070	1,089	1,108
-	Finance costs	-	-	-	-	-	-	-	-	-	-
356	Internal charges and overheads applied	186	192	199	205	211	216	220	224	227	232
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,907	**Total - Applications of operating funding (B)**	**1,107**	**1,137**	**1,170**	**1,199**	**1,224**	**1,248**	**1,271**	**1,294**	**1,316**	**1,339**
-	**Surplus / (deficit) of operating funding (A-B)**	**(100)**	**(78)**	**(31)**	**(28)**	**(15)**	**27**	**66**	**121**	**166**	**221**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	100	78	31	28	15	(27)	(66)	(121)	(166)	(221)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**100**	**78**	**31**	**28**	**15**	**(27)**	**(66)**	**(121)**	**(166)**	**(221)**
	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)**	**100**	**78**	**31**	**28**	**15**	**(27)**	**(66)**	**(121)**	**(166)**	**(221)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**(0)**	**(0)**	**(0)**	**-**	**-**	**-**	**-**	**-**

Economic Development

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027-2034
Support employment opportunities	Council/community work programmes delivered that support engagement in employment.	4 programmes delivered	Funding provided to deliver 4 council or community programmes	Funding provided to deliver 4 council or community programmes	Funding provided to deliver 4 council or community programmes	Funding provided to deliver 4 council or community programmes
Support the aspirations of Māori to develop their land.	Number of remissions applied to Māori Titled land blocks	5	5	5	5	5
Enhance visitor economy	Promote tourism development for the district	N/A – New measure	Set up Tourism advisory group & action plan	Monitor & deliver against agreed action plan	Monitor & deliver against agreed action plan	Monitor & deliver against agreed action plan
Clear economic development strategy	Develop and implement a strategy and annual work plan that supports and develops key sectors in the Eastern Bay economy to grow employment and wealth.	100%	90%	90%	90%	90%

Key Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Tourism Promotion/Visitor Information Centre											
LOS	Event Equipment	10,000	10,209	10,427	10,635	10,844	11,043	11,242	11,450	11,649	11,848
Total Tourism Promotion/Visitor Information Centre		**10,000**	**10,209**	**10,427**	**10,635**	**10,844**	**11,043**	**11,242**	**11,450**	**11,649**	**11,848**
Total Economic Development		**10,000**	**10,209**	**10,427**	**10,635**	**10,844**	**11,043**	**11,242**	**11,450**	**11,649**	**11,848**

Funding Impact Statement for the 10 Years ended 30 June

Economic Development

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
598	General rates, uniform annual general charges, rates penalties	589	622	673	695	719	759	796	842	882	928
105	Targeted Rates	109	113	117	120	123	126	128	130	132	135
42	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
85	Fees and charges	90	92	94	96	98	100	102	104	105	107
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
33	Local authorities fuel tax, fines, infringement fees, and other receipts	28	29	29	30	30	31	31	32	33	33
863	**Total - Sources of operating funding (A)**	**816**	**855**	**913**	**941**	**970**	**1,015**	**1,057**	**1,108**	**1,152**	**1,203**
	Applications of operating funding										
668	Payments to staff and suppliers	604	621	641	657	670	682	695	708	720	732
9	Finance costs	-	-	-	-	-	-	-	-	-	-
339	Internal charges and overheads applied	262	272	281	291	299	307	312	317	322	328
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,016	**Total - Applications of operating funding (B)**	**865**	**892**	**922**	**948**	**969**	**989**	**1,007**	**1,025**	**1,042**	**1,061**
(153)	**Surplus / (deficit) of operating funding (A-B)**	**(49)**	**(37)**	**(9)**	**(7)**	**1**	**26**	**50**	**83**	**109**	**142**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
163	Increase (decrease) in debt	59	47	19	17	10	(15)	(38)	(71)	(98)	(130)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
163	**Total - Sources of capital funding (C)**	**59**	**47**	**19**	**17**	**10**	**(15)**	**(38)**	**(71)**	**(98)**	**(130)**
	Applications of capital funding										
	Capital Expenditure										
-	• to meet additional demand	-	-	-	-	-	-	-	-	-	-
10	• to improve the level of service	10	10	10	11	11	11	11	11	12	12
-	• to replace existing assets	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
10	**Total - Applications of capital funding (D)**	**10**	**10**	**10**	**11**	**11**	**11**	**11**	**11**	**12**	**12**
153	**Surplus / (deficit) of capital funding (C-D)**	**49**	**37**	**9**	**7**	**(1)**	**(26)**	**(50)**	**(83)**	**(109)**	**(142)**
-	**Funding balance ((A-B) + (C-D))**	**0**	**-**	**0**	**(0)**	**(0)**	**(0)**	**-**	**-**	**(0)**	**0**

Social Development

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027-2034
Grow expertise and understanding of the Treaty of Waitangi.	Treaty workshop training for ŌDC staff	N/A – New measure	Training programme developed	25% staff trained	50% staff trained	90% staff
Support opportunities for communities coming together (Community priority 3, Goal 2)	Administer provision of community grants to support sports and creative outcomes.	4	4	4	4	4
	Number of community events facilitated by council.	10 events	>5 events	>5 events	>5 events	>5 events
Ensure places and spaces support community needs	Develop and implement a places and spaces strategy to support wellbeing and Toi Ora	N/A – new measure	Finalise 'Spaces & Places strategy' and associated action plan	Monitor & deliver against agreed action plan	Monitor & deliver against agreed action plan	Monitor & deliver against agreed action plan
Support wellbeing of our communities	Prepare and approve an overall wellbeing strategy, and measure / monitor.	N/A – new measure	Create wellbeing strategy	Approve wellbeing strategy	Implement and monitor wellbeing strategy	Implement and monitor wellbeing strategy

Funding Impact Statement for the 10 Years ended 30 June

Social Development

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
-	General rates, uniform annual general charges, rates penalties	558	671	767	666	687	725	761	806	846	891
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	445	569	419	189	193	196	200	203	207	210
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of operating funding (A)**	**1,002**	**1,240**	**1,186**	**855**	**880**	**921**	**960**	**1,010**	**1,053**	**1,102**
	Applications of operating funding										
-	Payments to staff and suppliers	1,001	1,231	1,146	807	823	838	854	869	884	900
-	Finance costs	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads applied	57	59	62	63	65	67	68	69	70	72
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
-	**Total - Applications of operating funding (B)**	**1,058**	**1,290**	**1,208**	**871**	**888**	**905**	**921**	**938**	**955**	**971**
-	**Surplus / (deficit) of operating funding (A-B)**	**(55)**	**(50)**	**(21)**	**(16)**	**(9)**	**16**	**39**	**71**	**98**	**131**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	55	50	21	16	9	(16)	(39)	(71)	(98)	(131)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**55**	**50**	**21**	**16**	**9**	**(16)**	**(39)**	**(71)**	**(98)**	**(131)**
	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)**	**55**	**50**	**21**	**16**	**9**	**(16)**	**(39)**	**(71)**	**(98)**	**(131)**
-	**Funding balance ((A-B) + (C-D))**	**(0)**	**(0)**	**-**	**0**	**(0)**	**(0)**	**-**	**-**	**-**	**-**

Strategic Planning

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027-2034
Policies are current & relevant	Review policies in accordance with ODC policy framework timelines	N/A – new measure	100%	100%	100%	100%
Eastern BOP Spatial plan developed	Spatial plan adopted, implemented & monitored (include growth for the district)	N/A – new measure	N/A	Spatial plan adopted	Implementation actions delivered as agreed	Implementation actions delivered as agreed

Funding Impact Statement for the 10 Years ended 30 June

Strategic Planning

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
524	General rates, uniform annual general charges, rates penalties	1,052	1,109	1,199	1,237	1,277	1,348	1,413	1,495	1,565	1,647
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
129	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
4	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
657	**Total - Sources of operating funding (A)**	**1,052**	**1,109**	**1,199**	**1,237**	**1,277**	**1,348**	**1,413**	**1,495**	**1,565**	**1,647**
	Applications of operating funding										
599	Payments to staff and suppliers	953	980	1,013	1,039	1,059	1,079	1,099	1,119	1,139	1,158
1	Finance costs	-	-	-	-	-	-	-	-	-	-
54	Internal charges and overheads applied	204	211	219	227	234	240	244	248	251	256
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
654	**Total - Applications of operating funding (B)**	**1,157**	**1,191**	**1,232**	**1,266**	**1,294**	**1,319**	**1,343**	**1,367**	**1,390**	**1,414**
3	**Surplus / (deficit) of operating funding (A-B)**	**(105)**	**(82)**	**(33)**	**(29)**	**(16)**	**28**	**70**	**128**	**175**	**233**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	105	82	33	29	16	(28)	(70)	(128)	(175)	(233)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**105**	**82**	**33**	**29**	**16**	**(28)**	**(70)**	**(128)**	**(175)**	**(233)**
	Applications of capital funding										
	Capital Expenditure										
-	• to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	• to improve the level of service	-	-	-	-	-	-	-	-	-	-
-	• to replace existing assets	-	-	-	-	-	-	-	-	-	-
4	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
4	**Total - Applications of capital funding (D)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(4)	**Surplus / (deficit) of capital funding (C-D)**	**105**	**82**	**33**	**29**	**16**	**(28)**	**(70)**	**(128)**	**(175)**	**(233)**
(1)	**Funding balance ((A-B) + (C-D))**	**0**	**-**	**(0)**	**(0)**	**(0)**	**(0)**	**-**	**-**	**-**	**-**

Community Facilities

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027-2034
Customer satisfaction – Recreation facilities	% of community satisfied with the provision of recreation facilities in annual surveys.	81%	75%	75%	75%	80%
Public convenience - Cleanliness	All public conveniences will be cleaned in accordance with agreed cleaning schedule	N/A – new measure.	99%	99%	99%	99%
Customer satisfaction – Cemeteries	% of community satisfied with maintenance and tidiness of cemeteries.	82%	75%	75%	75%	80%
Customer satisfaction – Library	% of the community satisfied with the library facility and service.	92%	85%	85%	85%	85%
Library programmes	Number of library-facilitated programmes and MakerSpace programmes per year.	15	15	15	15	15
Library – Increased digital borrowing	Number of e-Items borrowed from Library	New measure. Annual survey shows: 5246	5771	6,348	6982	7,680

Key Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Property											
Renewal	Property Renewal	0	0	0	0	163,530	0	170,295	0	177,075	0
Total Property		**0**	**0**	**0**	**0**	**163,530**	**0**	**170,295**	**0**	**177,075**	**0**
Total Community Facilities		**0**	**0**	**0**	**0**	**163,530**	**0**	**170,295**	**0**	**177,075**	**0**

Funding Impact Statement for the 10 Years ended 30 June

Community Facilities

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
2,650	General rates, uniform annual general charges, rates penalties	1,058	1,112	1,199	1,233	1,274	1,345	1,410	1,493	1,564	1,647
109	Targeted Rates	-	-	-	-	-	-	-	-	-	-
19	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
526	Fees and charges	352	359	367	375	384	392	400	408	416	423
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
67	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
3,371	**Total - Sources of operating funding (A)**	**1,410**	**1,471**	**1,566**	**1,608**	**1,657**	**1,736**	**1,810**	**1,901**	**1,980**	**2,071**
	Applications of operating funding										
2,195	Payments to staff and suppliers	1,022	1,050	1,084	1,113	1,136	1,158	1,180	1,202	1,225	1,247
62	Finance costs	148	146	144	142	144	146	149	151	155	159
790	Internal charges and overheads applied	299	310	321	331	341	349	355	361	367	374
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,047	**Total - Applications of operating funding (B)**	**1,469**	**1,506**	**1,549**	**1,586**	**1,621**	**1,654**	**1,684**	**1,715**	**1,747**	**1,779**
324	**Surplus / (deficit) of operating funding (A-B)**	**(59)**	**(35)**	**17**	**22**	**37**	**83**	**126**	**186**	**233**	**292**
	Sources of capital funding										
1,855	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
581	Increase (decrease) in debt	59	35	(17)	(22)	127	(83)	44	(186)	(56)	(292)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
2,436	**Total - Sources of capital funding (C)**	**59**	**35**	**(17)**	**(22)**	**127**	**(83)**	**44**	**(186)**	**(56)**	**(292)**
	Applications of capital funding										
	Capital Expenditure										
2,159	• to meet additional demand	-	-	-	-	-	-	-	-	-	-
40	• to improve the level of service	-	-	-	-	-	-	-	-	-	-
532	• to replace existing assets	-	-	-	-	164	-	170	-	177	-
29	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
2,760	**Total - Applications of capital funding (D)**	**-**	**-**	**-**	**-**	**164**	**-**	**170**	**-**	**177**	**-**
(324)	**Surplus / (deficit) of capital funding (C-D)**	**59**	**35**	**(17)**	**(22)**	**(37)**	**(83)**	**(126)**	**(186)**	**(233)**	**(292)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**0**	**(0)**	**0**	**(0)**	**0**	**0**	**(0)**	**0**	**0**

Organisational Performance and Business Support

Why do we provide this group of activities?

This group of activities can be seen as the "engine room" of the council organisation.

The main function of this group is ensuring council is correctly and fairly gathering revenue and rates for all the activities it does each day. (You can read about the specifics of that in the Revenue and Financing Policy).

Another major function of this group is corporate services. In order for our Emergency Management activity to function with enough people and technology, or our Parks and Reserves team to be equipped with the right gear, or for our Elected Members to make robust decisions, corporate services are always needed in the background to make sure it can all go ahead.

This group of activities includes:

- Finance
- Corporate Services
- Procurement
- Emergency Management.

The significant activities included in this group are adhering to the council's procurement policy and providing for social procurement outcomes, investigating shared service arrangements with other councils to seek out efficiencies for the organisation, and meeting safety requirement through training council staff in emergency management and civil defence activities.

Contribution to community priorities

This group of activities primarily contributes to the following community priorities and goals:

Strong relationships and partners

- ensure our service delivery aligns with supporting shared outcomes for our partners

Investment in our district

- align decisions and actions to support a return on current investments

Our communities are resilient

- enable emergency management to be well planned and delivered using a strengths-based model for our communities

Growth is sustained over time

- we work toward limiting land banking through rating mechanisms.

How this activity contributes toward our community priorities

The activities contribute to the community priorities in the following ways:

Strong relationships and partners

- we investigate initiatives for goods, services and shared service arrangements with other councils which provide benefit to the organisation and the district over the long term

Investment in our district

- we seek to ensure our investment strategies over the long term contributes toward wellbeing in the district, alongside seeking social outcomes through our procurement processes

Our communities are resilient

- council staff are trained and kept updated on best practice to ensure we can meet our emergency management obligations

Growth is sustained over time

- we actively monitor our delivery of the capital programme as part of our corporate business, to ensure there is an organisation-wide view of progress made on key growth projects programmed for the district

Potential negative effects

The wellbeings which relate to this group of activities are

Social

- not enabling transparent, social investment and procurement processes can potentially result in council not meeting its Local Government Act 2002 obligations to provide for social wellbeing

Economic

- not seeking opportunities which enable more efficient, cost-effective options for the organisation can lead to unnecessary costs being passed on to the ratepayer base.

Key Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Admin Buildings											
Growth	Admin Building Renewal	1,000,000	0	0	0	0	0	0	0	0	0
Renewal	Property renewal - 108 St John	150,000	71,449	0	32,001	0	0	0	0	0	0
Total Admin Buildings		**1,150,000**	**71,449**	**0**	**32,001**	**0**	**0**	**0**	**0**	**0**	**0**
Corporate Services											
Renewal	Office Equipment Renewal	20,000	20,418	20,854	21,270	21,688	22,086	22,484	22,900	23,298	23,696
Total Corporate Services		**20,000**	**20,418**	**20,854**	**21,270**	**21,688**	**22,086**	**22,484**	**22,900**	**23,298**	**23,696**
Finance											
LOS	New software systems and improvements	30,000	30,627	31,281	31,905	32,532	33,129	33,726	34,350	34,947	35,544
Total Finance		**30,000**	**30,627**	**31,281**	**31,905**	**32,532**	**33,129**	**33,726**	**34,350**	**34,947**	**35,544**
Information Systems											
LOS	GIS improvements	20,000	20,418	20,854	21,270	21,688	22,086	22,484	22,900	23,298	23,696
LOS	Intranet	40,000	54,108	33,366	0	34,701	0	0	0	34,947	0
LOS	Learning Management System	17,000	8,167	8,342	8,508	8,675	8,834	8,994	9,160	9,319	9,478
Renewal	ERP Replacement	65,000	81,672	125,124	659,370	433,760	0	0	0	0	0
Renewal	Hardware and Software Renewal	70,000	71,463	72,989	74,445	75,908	77,301	78,694	80,150	81,543	82,936
Renewal	Infrastructure Lifecycle	63,000	2,042	7,299	2,127	29,279	64,049	32,602	2,290	31,452	34,359
Total Information Systems		**275,000**	**237,870**	**267,974**	**765,720**	**604,011**	**172,271**	**142,773**	**114,500**	**180,560**	**150,470**
Plant Operating											
Renewal	Vehicle replacement	180,000	183,762	291,956	191,430	233,146	198,774	202,356	206,100	209,682	213,264
Total Plant Operating		**180,000**	**183,762**	**291,956**	**191,430**	**233,146**	**198,774**	**202,356**	**206,100**	**209,682**	**213,264**
Total Organisational Performance & Business Support		**1,655,000**	**544,126**	**612,065**	**1,042,326**	**891,377**	**426,260**	**401,339**	**377,850**	**448,487**	**422,974**

Funding Impact Statement for the 10 Years ended 30 June

Business Support

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
(250)	General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	50	51	52	53	54	55	56	57	58	59
4,412	Internal charges and overheads recovered	5,112	5,285	5,476	5,653	5,809	5,951	6,050	6,151	6,248	6,363
185	Local authorities fuel tax, fines, infringement fees, and other receipts	14	14	15	15	15	15	16	16	16	17
4,347	**Total - Sources of operating funding (A)**	**5,176**	**5,351**	**5,543**	**5,721**	**5,878**	**6,021**	**6,122**	**6,225**	**6,322**	**6,439**
	Applications of operating funding										
3,585	Payments to staff and suppliers	4,708	4,835	4,984	5,107	5,208	5,305	5,401	5,502	5,598	5,695
-	Finance costs	4	14	23	46	75	90	89	87	86	87
310	Internal charges and overheads applied	326	338	350	362	374	384	390	395	401	408
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,895	**Total - Applications of operating funding (B)**	**5,037**	**5,187**	**5,357**	**5,515**	**5,657**	**5,779**	**5,880**	**5,984**	**6,084**	**6,190**
452	**Surplus / (deficit) of operating funding (A-B)**	**139**	**164**	**186**	**205**	**221**	**243**	**242**	**241**	**238**	**249**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(2,017)	Increase (decrease) in debt	1,516	380	426	837	671	183	159	137	211	174
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(2,017)	**Total - Sources of capital funding (C)**	**1,516**	**380**	**426**	**837**	**671**	**183**	**159**	**137**	**211**	**174**
	Applications of capital funding										
	Capital Expenditure										
-	• to meet additional demand	1,000	-	-	-	-	-	-	-	-	-
50	• to improve the level of service	107	113	94	62	98	64	65	66	103	69
385	• to replace existing assets	548	431	518	981	794	362	336	311	346	354
-	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
(2,000)	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(1,565)	**Total - Applications of capital funding (D)**	**1,655**	**544**	**612**	**1,042**	**891**	**426**	**401**	**378**	**448**	**423**
(452)	**Surplus / (deficit) of capital funding (C-D)**	**(139)**	**(164)**	**(186)**	**(205)**	**(221)**	**(243)**	**(242)**	**(241)**	**(238)**	**(249)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**-**	**-**	**-**	**(0)**	**0**	**-**	**(0)**	**0**	**(0)**

Finance

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027 - 2034
Adequate systems/controls in place	Number of actions generated from Risk & Assurance Committee meetings actioned within timeframes agreed at meeting.	N/A – new measure	5	5	5	5
	Internal audit reviews completed in 12-month period.	N/A – new measure	1	2	2	2
Return on Investment – council assets	Prepare and approve investment strategy, and measure / monitor.	N/A – new measure	Investigate Investment Strategy requirements	Create investment strategy	Approve investment strategy	Implement and monitor Investment Strategy

Corporate Services

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027 - 2034
Collaboration with other councils	Investigate new joint initiatives for goods and service for BOPLASS councils.	12	Minimum of 4	Minimum of 4	Minimum of 4	Minimum of 4
Customer Satisfaction - Public	Number of complaints received, as per Complaints Policy (as a percent of all recorded enquiries)	N/A - new measure	<3%	<3%	<2%	<2%
Working environment	Staff survey – Adequacy of their working environment at council	N/A - new measure	60%	60%	70%	80%
Financial delivery	Measure % delivery of the capital programme, against the agreed LTP / AP	N/A - new measure	65%	70%	70%	80%

Procurement

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027 - 2034
Adherence to Procurement Policy	Number of direct approvals (approved by CE) over $50,000 as per paragraph 6.1 of Procurement Policy	N/A – new measure	<15	<15	<15	<10
Social outcomes	Develop & measure social outcomes as part of the procurement policy	N/A – New measure	Investigate options for updating procurement policy that promotes local outcomes.	Adopt updated procurement policy	Monitor/measure social outcomes	Monitor/measure social outcomes

Emergency Management

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027 - 2034
Understand risks facing communities and proactively address	Minimum number of council-delivered initiatives to promote community resilience and safety, targeted towards evacuations.	6	4 initiatives delivered	4 initiatives delivered	4 initiatives delivered	4 initiatives delivered
Emergency management well planned and delivered using strengths-based model	30 Staff are fully trained for EOC, as an average over 12-month period.	N/A – New measure	30	30	30	35
	50% of Civil Defence function managers have completed training for those functions, as an average over 12-month period.	N/A – New measure	50%	50%	50%	50%

Planning and Regulatory

Why do we provide this group of activities?

This group of activities ensures the district is making sure everyone is contributing toward safe buildings, fair planning rules, running compliant businesses, or having clean and healthy food available to purchase – if you have ever needed to apply for something to do on your property or in your business, you will be interacting with this group of activities.

This group of activities includes:

- Planning
- Building
- Monitoring and Compliance
- Environmental Health
- Enforcement

The significant activities included in this group are meeting statutory policy and consenting functions under the Resource Management Act 1991 and Building Act 2004, providing for public health outcomes through environmental health, liquor licencing and food safety, provide for community safety through animal control functions and enforcement actions.

Contribution to community priorities

This group of activities primarily contributes to the following community priorities and goals:

Strong relationships and partners

- simplify our regulatory processes to enable development and the priorities of iwi

Wellbeing is valued

- continue to deliver our core services and provide opportunities for our community to come together

Our communities are resilient

- support our communities to adapt and change as needed through our regulatory and planning processes

Growth is sustained over time

- promote our CBD to be a community hub and service centre for our district and wider.

How this activity contributes toward our community priorities

The activities contribute to the community priorities in the following ways:

Strong relationships and partners

- work toward providing a district plan which reflects iwi and hapū priorities, in order to expedite their development aspirations
- have efficient processes consenting processes to enable development goals for the wider district

Wellbeing is valued

- statutory timeframes for resource consents, building consents, regulatory applications and patrols are met efficiently to provide safe buildings and spaces for the district

Our communities are resilient

- our district plan and local bylaws are updated consistently and regularly, to reflect legislative changes, environmental and weather events, changes in population demographics and social trends to reflect the district's needs

Growth is sustained over time

- our CBD is maintained as a safe and vibrant service centre maintained through regular patrols, and monitoring of district-wide customer satisfaction metrics.

Potential negative effects

The wellbeings which relate to this group of activities are

Social

- maintaining social licence with the community while carrying out enforcement and monitoring functions can conflict, and lead to lack of confidence and trust if processes are not transparent and accessible

Economic

- ensuring adequate cost-recovery mechanisms are in place for the consenting, enforcement and monitoring ensures the organisation can carry out its statutory obligations must be balanced against the community's ability to pay.

Planning

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027 - 2034
Statutory compliance - Planning	All statutory timeframes met for resource consents (20 working days)	100%	100%	100%	100%	100%
Provision of a District Plan that meets the district's needs going forward.	District plan updated in accordance with RMA changes (e.g., regional planning) in accordance with specified timeframe	100%	100%	100%	100%	100%
Community where people feel safe.	Percentage of existing bylaws that are reviewed within legislative timeframes to ensure they remain relevant.	100%	100%	100%	100%	100%

Funding Impact Statement for the 10 Years ended 30 June

Planning

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
714	General rates, uniform annual general charges, rates penalties	590	625	681	706	732	774	810	857	896	944
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	340	347	355	362	369	375	382	389	396	403
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
1	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
715	**Total - Sources of operating funding (A)**	**930**	**972**	**1,035**	**1,068**	**1,100**	**1,150**	**1,193**	**1,246**	**1,292**	**1,347**
	Applications of operating funding										
592	Payments to staff and suppliers	713	733	757	777	792	806	821	836	851	866
-	Finance costs	-	-	-	-	-	-	-	-	-	-
122	Internal charges and overheads applied	275	285	297	308	318	327	332	336	341	347
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
714	**Total - Applications of operating funding (B)**	**988**	**1,018**	**1,054**	**1,084**	**1,110**	**1,133**	**1,153**	**1,173**	**1,192**	**1,213**
1	**Surplus / (deficit) of operating funding (A-B)**	**(59)**	**(47)**	**(19)**	**(17)**	**(9)**	**16**	**40**	**73**	**100**	**133**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	59	47	19	17	9	(16)	(40)	(73)	(100)	(133)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**59**	**47**	**19**	**17**	**9**	**(16)**	**(40)**	**(73)**	**(100)**	**(133)**
	Applications of capital funding										
	Capital Expenditure										
-	• to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	• to improve the level of service	-	-	-	-	-	-	-	-	-	-
-	• to replace existing assets	-	-	-	-	-	-	-	-	-	-
1	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
1	**Total - Applications of capital funding (D)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(1)	**Surplus / (deficit) of capital funding (C-D)**	**59**	**47**	**19**	**17**	**9**	**(16)**	**(40)**	**(73)**	**(100)**	**(133)**
-	**Funding balance ((A-B) + (C-D))**	**0**	**-**	**-**	**(0)**	**0**	**(0)**	**0**	**-**	**0**	**-**

Building

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027 - 2034
Statutory compliance - Building	All statutory timeframes met for building consents (20 working days) – processing consents	84.5%	100%	100%	100%	100%
	All statutory timeframes met for building consents (20 working days) – code of Compliance (CCC)	84.5%	100%	100%	100%	100%
Customer Satisfaction - Building	% of customer satisfaction with building control team (where customer has interacted with them in the last year).	38%	50%	55%	60%	65%

Funding Impact Statement for the 10 Years ended 30 June

Building

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
709	General rates, uniform annual general charges, rates penalties	516	547	598	620	642	679	711	752	787	829
165	Targeted Rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
1,136	Fees and charges	530	541	553	564	575	585	596	607	617	628
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
64	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
2,074	**Total - Sources of operating funding (A)**	**1,046**	**1,088**	**1,150**	**1,184**	**1,217**	**1,265**	**1,307**	**1,359**	**1,405**	**1,457**
	Applications of operating funding										
1,545	Payments to staff and suppliers	871	895	924	947	966	984	1,002	1,020	1,038	1,056
-	Finance costs	-	-	-	-	-	-	-	-	-	-
529	Internal charges and overheads applied	226	234	243	252	259	267	271	275	279	284
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,074	**Total - Applications of operating funding (B)**	**1,097**	**1,129**	**1,167**	**1,199**	**1,225**	**1,250**	**1,272**	**1,295**	**1,317**	**1,340**
-	**Surplus / (deficit) of operating funding (A-B)**	**(51)**	**(41)**	**(16)**	**(15)**	**(8)**	**14**	**35**	**64**	**88**	**117**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	51	41	16	15	8	(14)	(35)	(64)	(88)	(117)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**51**	**41**	**16**	**15**	**8**	**(14)**	**(35)**	**(64)**	**(88)**	**(117)**
	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)**	**51**	**41**	**16**	**15**	**8**	**(14)**	**(35)**	**(64)**	**(88)**	**(117)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**0**	**(0)**	**0**	**(0)**	**(0)**	**-**	**(0)**	**-**	**-**

Monitoring and compliance

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027 - 2034
Community safety	Number of patrols undertaken in the Ōpōtiki urban area by Animal Control team.	2 per day	2 per day	2 per day	2 per day	2 per day
	All dog complaints of an aggressive or threatening nature are responded to within 2 hours from receipt of complaint.	91%	90%	90%	90%	90%

Funding Impact Statement for the 10 Years ended 30 June

Monitoring and Compliance

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
-	General rates, uniform annual general charges, rates penalties	83	87	95	98	102	108	113	119	125	131
-	Targeted Rates	111	115	119	123	126	129	131	133	135	138
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	18	18	18	19	19	19	20	20	20	21
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of operating funding (A)**	**211**	**220**	**233**	**240**	**247**	**256**	**263**	**272**	**280**	**290**
	Applications of operating funding										
-	Payments to staff and suppliers	152	157	163	167	171	174	177	180	183	187
-	Finance costs	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads applied	67	70	72	75	78	80	81	82	83	85
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
-	**Total - Applications of operating funding (B)**	**219**	**227**	**235**	**242**	**248**	**254**	**258**	**262**	**267**	**271**
-	**Surplus / (deficit) of operating funding (A-B)**	**(8)**	**(7)**	**(3)**	**(2)**	**(1)**	**2**	**5**	**10**	**14**	**18**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	8	7	3	2	1	(2)	(6)	(10)	(14)	(19)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**8**	**7**	**3**	**2**	**1**	**(2)**	**(6)**	**(10)**	**(14)**	**(19)**
	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)**	**8**	**7**	**3**	**2**	**1**	**(2)**	**(6)**	**(10)**	**(14)**	**(19)**
-	**Funding balance ((A-B) + (C-D))**	**-**	**(0)**	**0**	**0**	**0**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**

Environmental Health

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027 - 2034
Statutory compliance – Monitoring & Compliance	All statutory timeframes met for food premises checks.	100%	100%	100%	100%	100%
	All statutory timeframes met for processing liquor licences.	94%	100%	100%	100%	100%

Funding Impact Statement for the 10 Years ended 30 June

Environmental Health

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
-	General rates, uniform annual general charges, rates penalties	32	34	38	40	42	44	46	49	51	54
-	Targeted Rates	9	9	9	10	10	10	10	10	11	11
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	70	71	73	74	76	77	79	80	82	83
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of operating funding (A)**	**110**	**115**	**120**	**124**	**127**	**131**	**135**	**139**	**143**	**147**
	Applications of operating funding										
-	Payments to staff and suppliers	73	75	78	80	82	83	85	86	88	89
-	Finance costs	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads applied	41	42	44	46	47	48	49	50	50	51
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
-	**Total - Applications of operating funding (B)**	**113**	**117**	**122**	**126**	**129**	**131**	**134**	**136**	**138**	**141**
-	**Surplus / (deficit) of operating funding (A-B)**	**(3)**	**(3)**	**(2)**	**(2)**	**(1)**	**0**	**2**	**3**	**5**	**7**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	3	3	1	1	1	(1)	(2)	(4)	(6)	(8)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**3**	**3**	**1**	**1**	**1**	**(1)**	**(2)**	**(4)**	**(6)**	**(8)**
	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)**	**3**	**3**	**1**	**1**	**1**	**(1)**	**(2)**	**(4)**	**(6)**	**(8)**
-	**Funding balance ((A-B) + (C-D))**	**0**	**(0)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**

Enforcement

Levels of service

Outcome or priority for action	Measure of success	Performance achieved 2022/2023	Performance targets 2024/2025	Performance targets 2025/2026	Performance targets 2026/2027	Performance targets 2027 - 2034
Building & resource consent compliance	Building & resource consent recorded breaches to be actively investigated – 10 working days to start investigation	N/A – new measure	100%	100%	100%	100%
Monitoring of bylaws	Vehicles on beaches – respond to enquiry and update customer within 2 working days.	N/A – new measure	90%	90%	90%	90%
	All freedom camping sites visited regularly between 1 December – 1 May.	N/A – new measure	100%	100%	100%	100%

Note: monitoring of freedom camping sites is dependent on funding from central government agencies.

Key Capital Projects

Programme Primary Type	Project	2024/25 Year1 (2024/25) Inflated Capital	2024/25 Year2 (2025/26) Inflated Capital	2024/25 Year3 (2026/27) Inflated Capital	2024/25 Year4 (2027/28) Inflated Capital	2024/25 Year5 (2028/29) Inflated Capital	2024/25 Year6 (2029/30) Inflated Capital	2024/25 Year7 (2030/31) Inflated Capital	2024/25 Year8 (2031/32) Inflated Capital	2024/25 Year9 (2032/33) Inflated Capital	2024/25 Year10 (2033/34) Inflated Capital
Animal Control											
Operating	Horse control	0	0	62,562	0	0	0	0	0	0	0
Total Animal Control		**0**	**0**	**62,562**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Enforcement		**0**	**0**	**62,562**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Funding Impact Statement for the 10 Years ended 30 June

Enforcement

Annual Plan 2024		Long Term Plan 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Sources of operating funding										
-	General rates, uniform annual general charges, rates penalties	-	148	162	257	266	192	201	213	214	225
-	Targeted Rates	87	90	94	171	175	107	109	111	107	109
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	160	163	167	170	173	176	180	183	186	189
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of operating funding (A)**	**246**	**401**	**423**	**599**	**615**	**475**	**490**	**507**	**507**	**523**
	Applications of operating funding										
-	Payments to staff and suppliers	283	291	302	464	473	322	328	334	340	345
-	Finance costs	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads applied	117	121	126	130	134	137	139	141	143	146
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
-	**Total - Applications of operating funding (B)**	**400**	**413**	**427**	**593**	**606**	**459**	**467**	**475**	**483**	**492**
-	**Surplus / (deficit) of operating funding (A-B)**	**(154)**	**(11)**	**(4)**	**5**	**8**	**17**	**23**	**32**	**24**	**32**
	Sources of capital funding										
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	-	11	67	(5)	(8)	(17)	(23)	(32)	(24)	(32)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
-	**Total - Sources of capital funding (C)**	**-**	**11**	**67**	**(5)**	**(8)**	**(17)**	**(23)**	**(32)**	**(24)**	**(32)**
	Applications of capital funding										
	Capital Expenditure										
-	• to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	• to improve the level of service	-	-	-	-	-	-	-	-	-	-
-	• to replace existing assets	-	-	63	-	-	-	-	-	-	-
-	Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
-	**Total - Applications of capital funding (D)**	**-**	**-**	**63**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**Surplus / (deficit) of capital funding (C-D)**	**-**	**11**	**4**	**(5)**	**(8)**	**(17)**	**(23)**	**(32)**	**(24)**	**(32)**
-	**Funding balance ((A-B) + (C-D))**	**(154)**	**(0)**	**0**	**(0)**	**0**	**-**	**-**	**0**	**-**	**-**

Part Four – Strategies and policies

Strategies and policies to enable the Council to implement its activities and services.

Significance and Engagement Policy

POLICY	STATUS	AT	DATE	DOC ID
Significance and Engagement Policy	Adopted	Extra Ordinary Council Meeting	21 December 2023	A1071006

1.0 Purpose

Under the Local Government Act[12], Council is required to adopt a policy that explains:

- Our approach to determine the level of significance of decisions (or other matters).
- The criteria or procedure we use when determining significance.
- How we will engage with the community about decisions and other matters.

We look at several factors when making a decision, including who could be affected by the decision; who could be interested in the decision; how the decision may impact levels of service, and what the costs could be.

The purpose of this policy is as follows:

- Council will this use this policy to determine the significance level of a decision (or other matters).
- Based on the degree of significance, Council will use this policy to determine the level of engagement with the community regarding the decision.

2.0 Objectives

The objectives of this policy are:

- to ensure consistency when determining the significance of proposals, assets and decisions.
- to identify the extent and type of public engagement required before a decision is made.
- to build positive relationships with the community, tangata whenua and stakeholders.
- to encourage cooperation, respect and a mutual understanding of other points of view.
- to comply with Section 76AA of the Local Government Act 2002 (LGA).

3.0 Principles

The principles of this policy are:

- Council will be consistent, genuine and transparent in how it engages with the public.
- Council will consider the language, accessibility and cultural needs in any engagement.

[12] Section 76AA Local Government Act 2002
http://www.legislation.govt.nz/act/public/2002/0084/latest/DLM6236805.html

- Council will acknowledge Te Ao Māori, tāngata whenua, and the importance of fulfilling our obligations under Te Tiriti o Waitangi, including meaningful engagement with Māori.
- Council will ensure that it involves the community in its decisions and recognises the importance of the community in any engagement it holds.
- Council will maintain best practice when engaging with communities, as outlined in the Council staff Engagement Framework document.

4.0 Glossary and Definitions

Engagement: a range of activities to facilitate:

1. Informed community participation in Council's work; and
2. Community feedback on Council's work

For the goal of ensuring that Council's work:

1. Reflects the needs and aspirations of the community; and
2. Responds to the needs and aspirations of the community.

Significance: the degree of importance of a decision (or issue, proposal, matter, etc.,), as assessed by Council, in terms of its likely impact on, or consequences for

a) The current and future wellbeing (social, economic, environmental, and cultural) of the district:

b) Any persons who are likely to be particularly affected by, or interested in, the decision (or issue, proposal, matter, etc.,):

c) The capacity of Council to perform its role, and the financial and other costs of doing so.[13]

Significance is a spectrum on which something can be classified as low, medium, or high level.

Significant: any decision (or issue, proposal, matter, etc.,) that has a high degree of significance[14].

5.0 Significance

Significance is a spectrum ranging from low to high. Significant is a threshold on this spectrum at which point a matter becomes significant i.e., it has a high degree of significance.

Council will use the Determining Significance flowchart on page 5 to determine the significance of a decision. The criteria when considering significance level are below, and are considered as a set, not in isolation.

- Financial cost
- Community interest
- Effect on ratepayers or communities
- Levels of service

There are some instances where a decision will automatically be considered as having high significance by Council, if one of the following conditions apply:

1. It involves the transfer of the ownership or control, or the construction, replacement or abandonment of a strategic asset (Appendix A) to or from Council; or

[13] Paraphrased from Section 5 of the Local Government Act (2002)

[14] Paraphrased from Section 5 of the Local Government Act (2002)

2. It is inconsistent with Council plans or policies and meets one of the following thresholds (as set out in significance flowchart on page 5):

Financial thresholds: The proposal or project will incur net operational or net capital expenditure exceeding 10% of total Council rates revenue in the year commenced.

Effect on ratepayers or communities: The proposal will have a major and long term impact on ratepayers, and/or groups who reflect the makeup of the district's community.

Levels of Service: The change to the current level of service will be major and long-term.

Community interest: The proposal will generate considerable interest or render the community deeply divided. For this threshold, Council will consider the following:

- How has previous/background work relating to this matter been publicly received?
- Does the matter align with plans, policies, and/or strategies that already exist within Council? What was the consensus of the community engagement undertaken for those documents?
- Where deemed necessary, the matter will undergo a workshop with Council staff and Governance in instances of unknown/uncertain community interest or divisiveness levels. This procedure may include informal communication with the community in order to identify community interest levels.

Once Council has determined the level of significance regarding a decision (or other matters), the significance level will guide the degree and type of engagement Council does regarding the decision (or other matters).

5.1 Special Consultative Procedure

There are some instances where the LGA requires council to engage with the community for certain matters using the Special Consultative Procedure[15] regardless of the significance of the decision. For example, these instances include adopting or making changes to bylaws, the Long Term Plan, or Annual Plans.

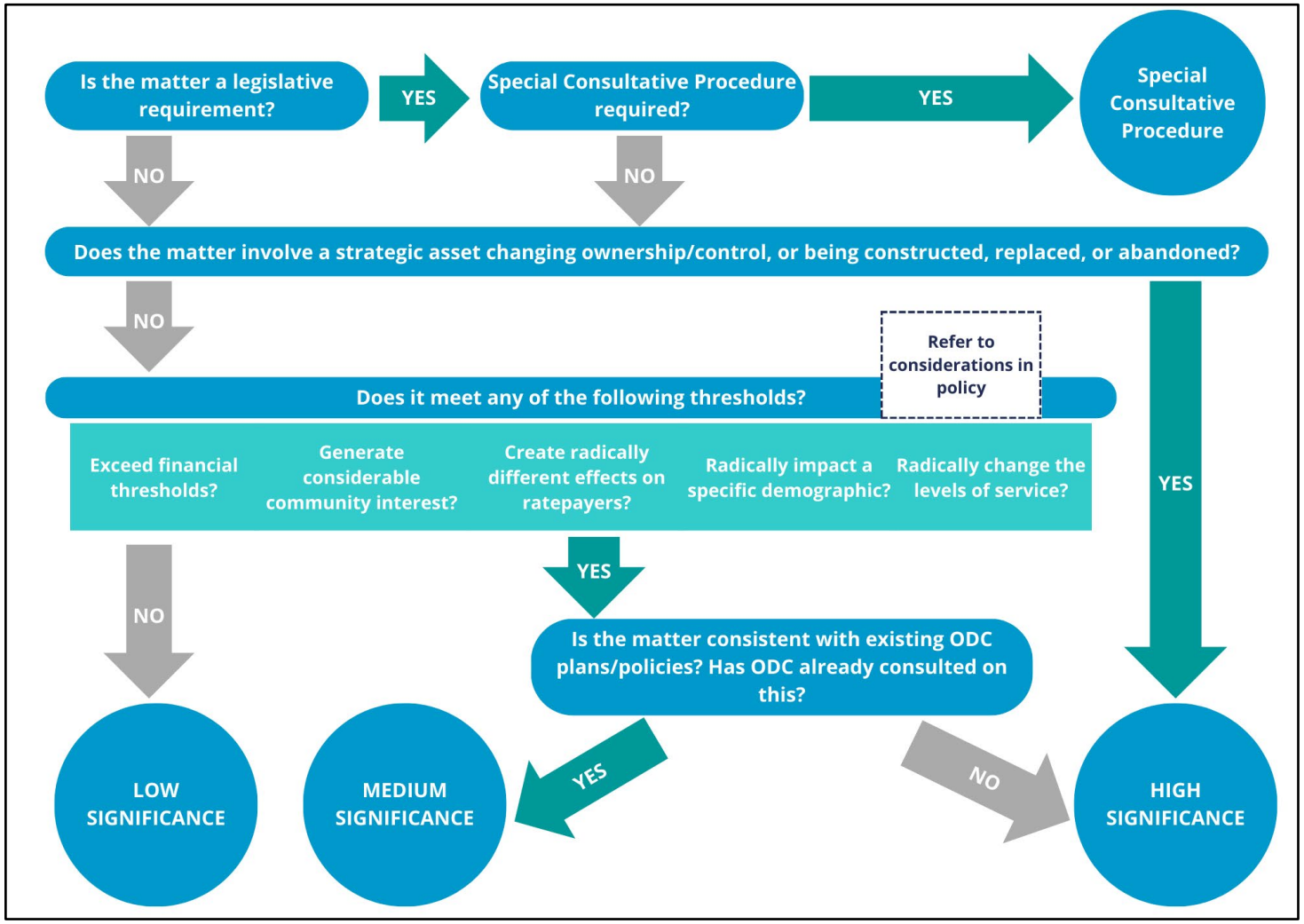
The Special Consultative Procedure involves:

- Providing the community with a statement of proposal and a summary of information about the proposal.
- Making the above documents available at physical Council buildings and online.
- Notifying the community that the proposal is being consulted on.
- Giving the community at least one month's time (from the date of notice) to make submissions on the proposal.
- Ensuring that the receipt of each submission is acknowledged.
- Ensuring that each person who makes a submission(s) is given a reasonable opportunity to speak to their submission at Council and is informed of how and when to take up that opportunity.

The Special Consultative Procedure is a minimum requirement, and council may choose to expand on these with other engagement methods and opportunities.

[15] Local Government Act 2002 No 84 (as at 23 August 2023), Public Act 83 Special consultative procedure – New Zealand Legislation

5.2 Determining significance flowchart



Once the significance of the matter has been determined, the Council will use the International Association for Public Participation (IAP2) framework to determine the appropriate level of engagement. Council will use the Significance Framework on page 7 determine the type and level of engagement.

Where required, Council will undertake engagement at the level prescribed by legislation (e.g., when required by the Special Consultative Procedure, or by the Resource Management Act 1991).

6.1 Principles of engagement

When engaging with the community, Council will:

- seek out and encourage contributions from people who may be affected by or interested in a decision.
- provide accurate, relevant, timely and balanced information so people can contribute in a meaningful way.
- provide a variety of appropriate ways for people to have their say.
- tell the community what the Council decision is and the reasons for that decision.
- Refer to the best practice protocols as outlined in the Council staff Engagement Framework document.

The more significant a matter is, the more Council engages with the community about the decision. The role of engagement with the community is to support informed and equitable decision-making.

6.2 Engagement Framework

LEVEL OF ENGAGEMENT	1) INFORM	2) KŌRERO	3) CONSULT	4) INVOLVE	5) COLLABORATE	6) EMPOWER
What does it involve?	One-way communication providing balanced and objective information to assist understanding about something that is going to happen.	Informal two-way communication to ask the community for feedback, ideas, opinions, and information about the development process.	Formal two-way communication to obtain public feedback about ideas on rationale, alternatives, and proposal, to inform Council's decision-making.	Participatory process 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.	Final decision-making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.
Types of matters we may use this for	• Water restrictions • Temporary road closure • Adopting annual report • Emergency works	• Annual Customer Satisfaction Survey • Timing schedule for a project	• Regulation policy (e.g. Local Alcohol Policy) • Developing and adopted a Bylaw • Adopting the LTP or Annual Plan	• Review of the Ōpōtiki District Plan	• Sub-regional Spatial Plan	• Election voting systems (MMP, STV, or FPP)
Tools Council might use	• Websites • Media releases and Facebook posts • Information flyer • Public notices	• Informal public meetings (i.e., 'drop-in' sessions) • Surveys • Plus previous methods as appropriate	• Formal submissions and hearings (Special Consultative Procedure) • Plus previous methods as appropriate	• Workshops • Focus groups • Plus previous methods as appropriate	• External focus/advisory groups • Plus previous methods as appropriate	• Binding referendum • Local body elections

6.3 When Council may choose not to engage

There are times when the Council may choose not to engage with the community about a decision. Generally, the Council will not engage on the following matters:

- operational matters that do not reduce a level of service
- emergency management activities
- those decisions made by delegation to Council staff
- commercially sensitive decisions
- decisions made to manage an urgent issue
- decisions where an action is necessary to:
    - comply with the law
    - protect life, health, amenity and/or infrastructure
    - avoid, remedy or mitigate an adverse effect on the environment.

7.0 Review of the policy

The Council will review the Significance and Engagement Policy every three years, or as required. The policy will be amended and confirmed through the Special Consultative Procedure, separately, or as part of the Long Term Plan. The next review of this policy will be in 2026 or earlier if legislation requires.

Appendix A

Schedule 5 of the Local Government Act 2002 requires the following to be listed in this policy:

a) any asset or group of assets listed in accordance with Section 76AA(3) by the local authority

b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its policy

c) any equity securities held by the local authority

   i. a port company within the meaning of the Port Companies Act 1988

   ii. an airport company within the meaning of the Airport Authorities Act 1966[16].

The following page is a list of assets or groups of assets that the Council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community:

[16] Local Government Act 2002 No 84 (as at 23 August 2023), Public Act 5 Interpretation – New Zealand Legislation

STRATEGIC ASSET	NOTE
Roading and traffic network	Includes footpaths, street lighting and off-street parking
Wastewater network	Includes land, pipes, pump stations and sewage ponds
Water treatment network	Includes land, pipes, pumps, reservoirs and treatment plants
Stormwater network	Includes reticulation and pumps
Reserves and sports fields	
Library	Includes book collection
Public toilets	
Cemeteries	
Cycle ways	
Aerodrome	
Council's administration buildings	

Financial Strategy

What is a financial strategy?

This financial strategy sets out the key financial principles and considerations of Council's overall direction for the next ten years. This includes how Council plans to manage its financial performance in order to adhere to identified priorities, and the document functions as a guide for how we will consider and approach funding and expenditure proposals. It is an essential element of the 2024-2034 Long Term Plan.

All Council's must adopt a financial strategy under section 101A of the Local Government Act (2002) (LGA). The purpose of the financial strategy is to:

(a) facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and

(b) provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.[17]

Setting the scene

Council is a large and complex business. Each of the Council activities is made up of several services that our communities receive. The cost of doing business is driven by several 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 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: operational expenditure and capital expenditure. Operational expenditure is spent in enacting the 'business as usual', every-day mahi, and includes the costs incurred in delivering levels of services for the community. Capital expenditure is money spent buying, renewing, or upgrading assets, such as equipment, buildings, and pipes.

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

- Maintaining existing service levels – the 'business as usual' 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.

There are key priorities and key challenges facing the Ōpōtiki District in the lifespan of the 2024 – 2034 Long Term Plan. Council's top priority is to keep costs low for the community while also ensuring the district is adequately and appropriately positioned for the future.

Some of the main kaupapa affecting the next three years are below. We'll discuss these more throughout this document, and each of these kaupapa have been kept in mind when considering the financial approaches throughout this strategy.

[17] Local Government Act 2002 No 84 (as at 01 October 2023), Public Act 101A Financial strategy – New Zealand Legislation

Growth

We know from residential, population, and housing statistics that more people are moving to Ōpōtiki and staying here. This is exciting and highlights how great the district is to work, play, and live.

Projections indicate that Ōpōtiki will continue to see an increase in population over the next decade, and that means more homes are needed for people to live in. More homes means that the district needs the infrastructure to support those homes – things like the roading, pipes and water treatment plants that make sure homes have functioning accessibility and healthy services, such as wastewater and drinking water.

Additionally, as our district continues to expand, we also need to reflect on the resilience of our environment (natural and built), and our communities' ability to adapt, to ensure that we are growing responsibly.

Inflation

It's clear that, alongside the rest of New Zealand, Ōpōtiki is facing ongoing living costs that are making the day-to-day hard. Like any other business, Council buys goods and services so it can deliver services to the community. The 'business as usual' mahi is costing more for the same thing, as the cost of those goods and services increase over time like any other due to inflation.

Inflation for Council costs is different from household inflation because the spending is on different goods and services, such as asphalt for roads. Council is constantly striving to strike a balance between the ongoing delivery of these fundamental services (such as rubbish collection, road maintenance, etc.,), and awareness of the community's willingness and ability to afford rate increases. Affordability has always been and will continue to be a significant driving factor of Council's Financial Strategy.

Three Waters

Central Government's Local Water Done Well Bill will see three waters infrastructure remain with Ōpōtiki District Council. This is reflected in Council's Financial and Infrastructure Strategies, as well as supporting policies. In this document (and the Infrastructure Strategy) we discuss the long-term implications of maintaining these assets, and ensuring there is adequate growth to sustain the growing population, while also balancing the affordability of these assets.

Harbour

It's no small feat for Ōpōtiki to have built the first harbour in New Zealand for the last 100 years, and while the Ōpōtiki Harbour Development Project has already delivered on numerous wellbeing benefits for the district, there is still plenty of work to be done. The main thing to consider is that the Harbour has ongoing maintenance and operational costs. While the long-term intention is for a commercial marina to generate revenue which subsidises these maintenance costs, that infrastructure isn't likely to be 'online' until a few years into this Long Term Plan. In this document, Council will consider the options available to manage the maintenance and operational costs of the Harbour in the meantime.

Depreciation and asset renewal funding

Council has previously taken an approach to funding of renewals which relied on depreciation funding with a minimum threshold set by the internal debt associated with an activities assets. This approach has prioritised affordability but may not have been understandable to the community in relation to how much of these renewals were being proactively funded. While affordability remains a significant driving factor of Council's Financial Strategy, significant asset renewals are coming due in the lifespan of this Long Term Plan and the approach of previous years to managing these asset renewals is will not provide the certainty and understandability required.

Council does not have significant reserves to fund asset renewals. Council's approach to asset renewals therefore needs to adapt, which will be discussed in this document.

Key Financial Principles

Our key principles guiding Council's financial approach to the above kaupapa are:

1. Council's Financial Strategy will align with and enable Council to deliver the Community Priorities. In particular:

   #### Community Priority One:

   Strong Relationships and Partners: Council will develop and engage in meaningful and strategic partnerships. We understand that intentional and strong relationships improve everyone's ability in working towards goals, and that through these relationships, Council will be enabled to better serve the community.

   #### Community Priority Two

   We advocate for and attract high-quality investment across our district. Council recognises that increased commercial and business activity drives jobs and wellbeing for our people. We will ensure mechanisms, such as those set out in this document, support investment capacity and Council's ability to act on opportunities that will enhance wellbeing, without creating overwhelming affordability concerns for our communities.

   #### Community Priority Three

   We support the well-being, toi ora and engagement of all our communities, now and into the future. The overarching role of Council is to ensure the services, facilities, and projects we deliver support and enhance the well-being of our community. Prudent and strategic financial considerations and decision-making is fundamental to this.

   #### Community Priority Four

   We enable our communities to make informed decisions about resilience and adaptation. Council will take a proactive approach to understand the implications and financial responsibilities of climate adaptation and resilience, and a proactive approach to ensuring our communities are not burdened with the impact.

   #### Community Priority Five

   We plan for a district which is future focused and ready for growth. Council aims to enable development within the district as we understand such growth supports businesses, jobs, and opportunities for our rohe. This includes careful financial planning and development of supporting infrastructure.

2. Affordability for our community is the key pillar of consideration. Council is committed to enacting purposeful alternative funding mechanisms wherever possible and prudent in order to maintain affordability, within realistic means.

3. Council is 'facing the facts' – Council will be proactive and no nonsense about the realities required to keep costs affordable for our communities while also delivering desired levels of service as much as possible.

4. Council's approach to funding is communicated transparently with the community, through documents such as the Financial Strategy, the Revenue and Financing Policy, and other supporting documents.

Key assumptions of significant factors impacting Ōpōtiki in the next ten years

In this section, we discuss the key assumptions council is making about things which will have a significant impact on the next ten years.

Changes in population

We know from tracking previous years that Ōpōtiki's population growth has been steady and on the high end of predicted projections. A report undertaken for the Eastern Bay Spatial Plan that forecasts as many as 14,600 people living in the Ōpōtiki District by 2055[18], when following the high end of projections.

As such, Council's assumption is that the population of Ōpōtiki district will continue to grow and expand. This means that houses, and infrastructure that supports houses (such as roads, pipes, wastewater treatments plants, and other infrastructure) will need to grow. This requires investment from Council and the district. The capital and operational costs of providing for this growth is outlined in detail in Council's Infrastructure Strategy. In the early years of the 2024-2034 LTP, Council is entering a period of pulling back to alleviate cost burdens short-term, and better prepare for future planning, including this anticipated growth. As such, this Financial Strategy primarily focusses on the alleviation of ratepayer costs and an investment into planning and data in order to better understand capital and operational revenue requirements for the expected future growth of the district.

As will be discussed in this Financial Strategy, Council is proposing the following things in this Long Term Plan:

- To maintain a balanced budget for the lifespan of this LTP, save for Years 1-4.
- To increase our self-imposed general rates cap from LGCI + 3% to LGCI + 5%.
- To breach our general rates limit in Years 2 and 3 of the LTP.
- To breach out targeted rates limit in Year 1, 2, 3, and 5 of the LTP.
- To stay within our self-imposed debt cap.

The considerations around and reasons for these are discussed in their respective sections within this Financial Strategy.

Capital expenditure on network infrastructure

For this Long Term Plan, Council conducted an audit of our previous years of planned capital expenditure and compared it against what we actually completed. We have often batted above our league as a small rural council and continue to be optimistic for external funding sources to assist capital works, such as happened with the Provincial Growth Fund.

In acknowledgement of the period of rapid capital works the district has gone through since 2019, and the escalation of costs, Council has elected to scale back the capital works programme.

Land use changes

Council is expecting significant capital expenditure in the later years of this LTP associated with delivering new network infrastructure, as well as the associated renewal and upgrades to existing infrastructure, in order to provide for expected changes in land use required to cater for projected population growth. The capital and operational costs of providing for this growth is outlined in detail in Council's Infrastructure Strategy.

[18] Eastern Bay of Plenty Housing and Business Needs Research, 2023.

Council acknowledges that:

1. Many ratepayers cannot afford the ongoing escalation of costs.
2. The cost of providing services and activities will not reduce without significant intervention
3. Council will need to make complex trade-off decisions to work toward decreasing ratepayer burden
4. Council will need to balance affordability concerns with prudent consideration of debt levels, as increased debt may compromise future development.

Affordability and rates income

Council has always considered affordability as a key issue for our community, and there are many layers to this consideration.

Local government costs are currently increasing at a higher rate than household inflation and are predicted to continue to do so. In addition, more responsibilities and obligations are being asked of local government from central government. The cost of looking after 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. It is clear that some ratepayers are likely to reach their limit in 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. Alongside the careful consideration of rates, Council is newly focusing energy on strategic investment opportunities to intentionally provide revenue that may be used to offset Council expenses.

While affordability has always been a key issue for Council's considerations, we have lacked quantified information to assess this. In this Strategy, we have assessed affordability on a comparison basis with the limited data available.

2018 is the latest household information Council has on household incomes from the Ōpōtiki District. Using regional data sets available (Infometrics), Council can estimate how median household incomes have progressed since the 2018 LTP and the 2021 LTP. This is not as granular a data set as we'd like, and Council acknowledges an investigation into affordability metrics and factors needs to be undertaken more rigorously.

Based on those estimates, there has been an uplift in median incomes of 38-46% in the Ōpōtiki District. However, over that same period Council has seen increase in household residential rates at similar or higher levels of increases than median income. Therefore, we expect the affordability issues that existed in 2018 LTP and 2021 LTP still exist or have been exacerbated. As per Council's 2021 Financial Strategy, these issues include up to 36% of properties experiencing rates affordability issues.

Although incomes have improved over the previous two LTP periods, Council is mindful that significant hardship still remain in our District in relation to rates affordability. This mindfulness is reflected in the new direction toward a more 'user pays' model, wherein costs have been directed into targeted rates, where deemed appropriate, in order to offset impacts on the general rate.

Rates arrears

Council has for a long time carried a high number of rates arrears. Collection of these is an important part of Council ensuring it can maintain rates affordability.

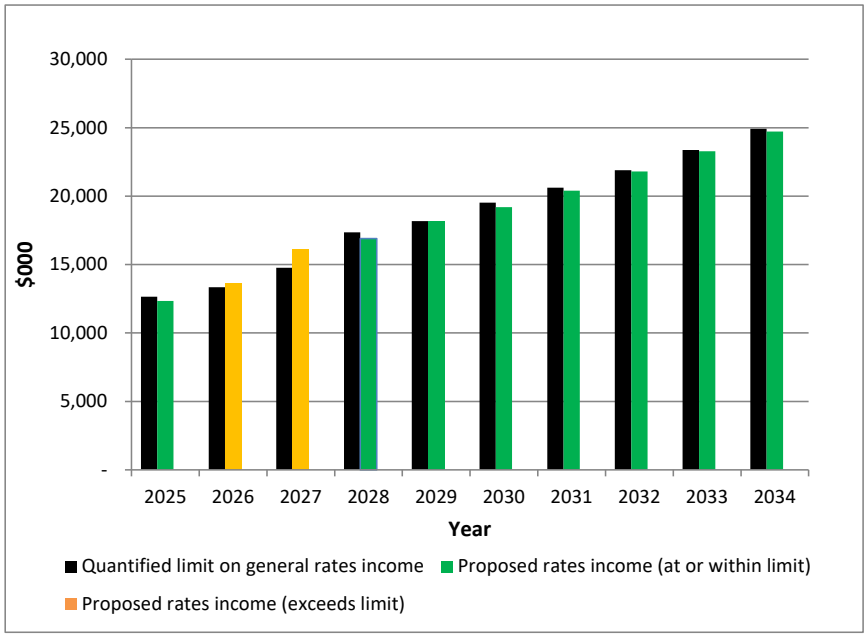
Rate income

Currently, over 60% of council's income is derived from rates as it does not have significant reliable alternative revenue streams.

General rates cap

Ōpōtiki is facing substantial issues with the funding of renewal of infrastructure assets. In order to be able to address these issues in an affordable way, it will require rate increases above the LGCI index for an extended period of time. For this reason, in this LTP Council is proposing an increase of our self-imposed general rates cap from LGCI + 3% to LGCI + 5%.

Council proposes to limit annual general rate increases to the Local Government Cost Index – Local Government Aggregate Cost Adjuster + 5%. 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. This limit excludes increases as a result of growth in rating units and may be exceeded when Council introduces new activities or significantly changes the level of service being delivered by one or more activities. This 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. Council thinks that this flexibility is important given the growth prospects currently in the community. The following graphs show forecast rates revenue over the life of the LTP against the self-imposed cap on general rate increases.



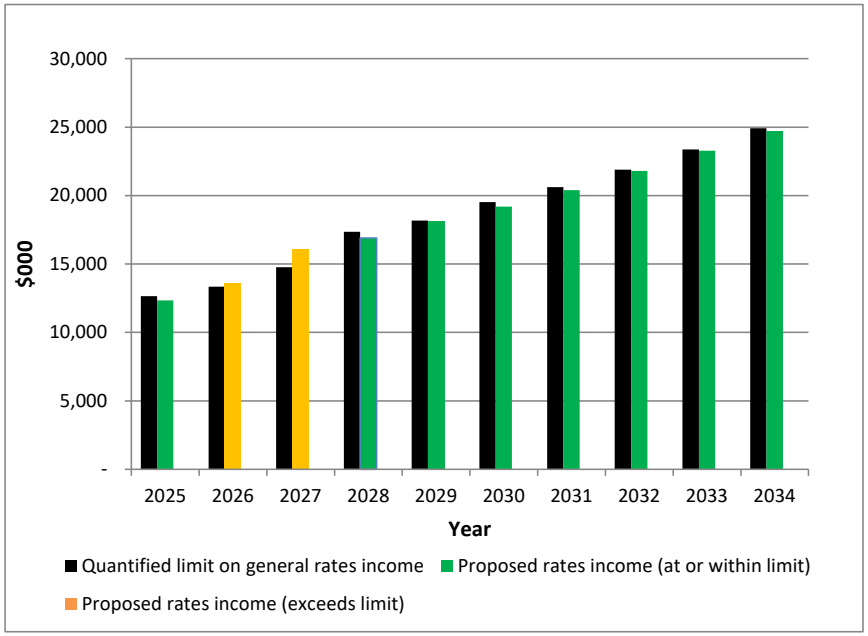
The self-imposed general rates increase limit is proposed to be breached in Years 2 and 3 of the Long Term Plan. Rationale for each breach is provided below:

Year 2: As discussed above, Council is facing a significant challenge funding renewal of infrastructure assets. These breaches are required in order for Council to ensure the renewals programme is being prudently and appropriately funded for, without significant peaks or unrealistic lows of rates increases.

Year 3: Funding of the harbour operation/maintenance activity from rates is expected to come 'online' during this year. This is driving the proposed breach in year 2027.

These breaches can also be observed in the same years for Council's limit on general rates income.

Rates (Income) Affordability – General Rates

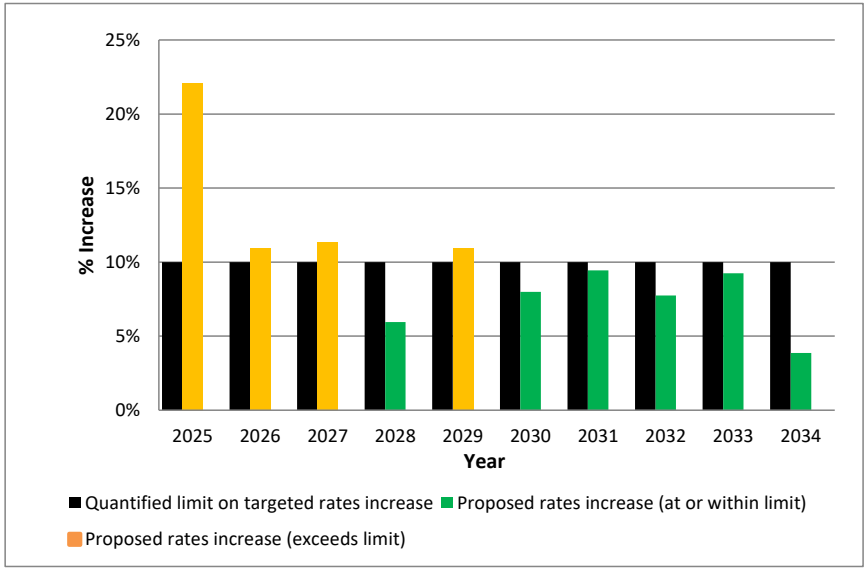


Targeted rates cap

Targeted rates currently make up about 15-20% of Councils 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 and able to pay for them as mentioned earlier.

Council has set a cap limiting increases in targeted rates to 10%. This limit is set higher than the general rate limit to accommodate some level of change in level of service.

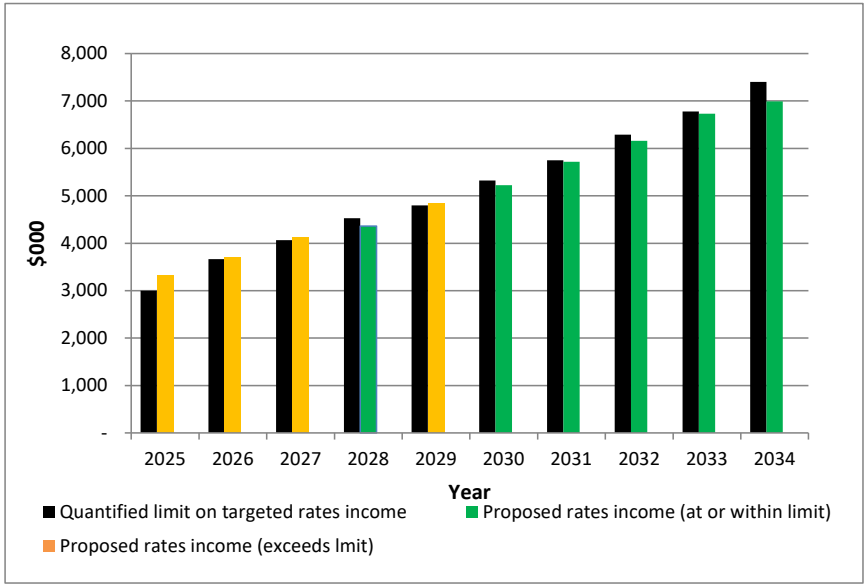
Rates (Increases) Affordability – Targeted Rates



Council is proposing to breach the self-imposed cap of targeted rates income in Years 1, 2, 3 and 5 of the LTP as a result of Council's new direction to redistribute target rate funded activities away from the general rate funding allocation. The initial level of shift in allocation accounts for the breach in Year 1 and is forecast to bleed into Years 2 and 3 (2027). This shift in direction was consulted on through the Revenue and Financing Policy. The breach in Year 5 reflects the decision to delay the rate funding of the Harbour activity in the earlier years.

This breach can also be observed in Council's limit on targeted rates income.

Rates (Income) Affordability – Targeted Rates



Uniform Annual General Charge (UAGC)

The uniform annual general charge (UAGC) in 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. Taking this into consideration Council does not think that continually setting the UAGC at the maximum level permitted is affordable for parts of our community, and especially those in low value properties. Over the last few Long Term Plans Council has gradually reduced the UAGC as a percentage of total rate revenue to around 20%-21%. Council proposes to maintain that with the UAGC around 21% this year.

Fixed rates such as UAGC can be seen as regressive rates that take a larger portion 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 Bay of Plenty Regional Council. It is one of the highest targeted rates for a river scheme in the country and falls on one of the most deprived communities in the country.

Council expenditure

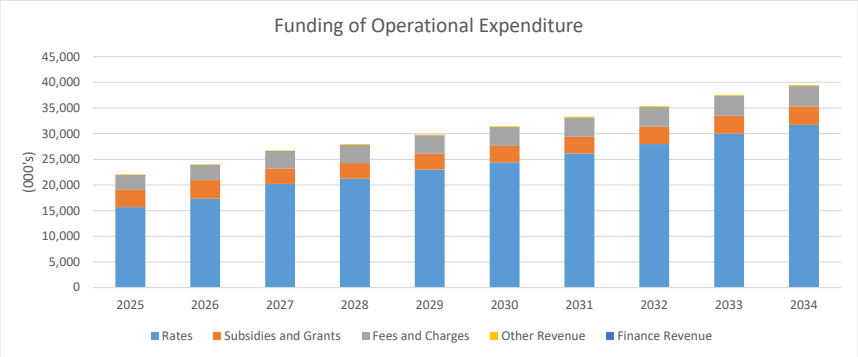
Capital Expenditure

Page 292 of the LTP provides a snapshot of the expected capital expenditure for the lifespan of the 2024-2034 LTP, as well as what portion of that expenditure is dedicated to levels of service improvements and renewals. Both activities contribute to the maintenance of network infrastructure and the delivery of levels of services. The cost of replacing our old assets is the main factor impacting Council's ability to maintain existing levels of service.

As detailed throughout our Infrastructure Strategy, Council is entering a period of pulling back to alleviate cost burdens short-term, and better prepare for future planning, including this anticipated growth. As such, this Financial Strategy primarily focusses on the alleviation of ratepayer costs and an investment into planning and data in order to better understand capital and operational revenue requirements for the expected future growth of the district. The significant capital expenditure on network infrastructure is anticipated in the later years of this LTP as a result of the investment required for the Hukutaia growth expansion, and part of our early 'pulling back' approach to prepare for this is a reduction in levels of services.

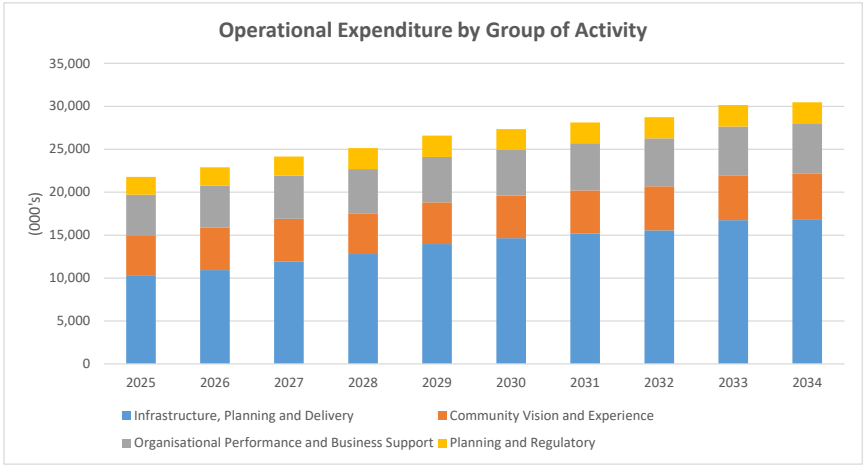
Operating Expenditure

Council is forecasting that operating expenditure will increase from $22 million in 2025 to $39.4 million by 2034. 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 10-year period.



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

Inflation incurred on Council costs is different from household inflation because the spending is on a different basket of goods and services, such as professional services and asphalt for roads. This is reflected in the Local Government Cost Index (LGCI) that has been used as the inflator for the budgets used in the 10 year forecasts.

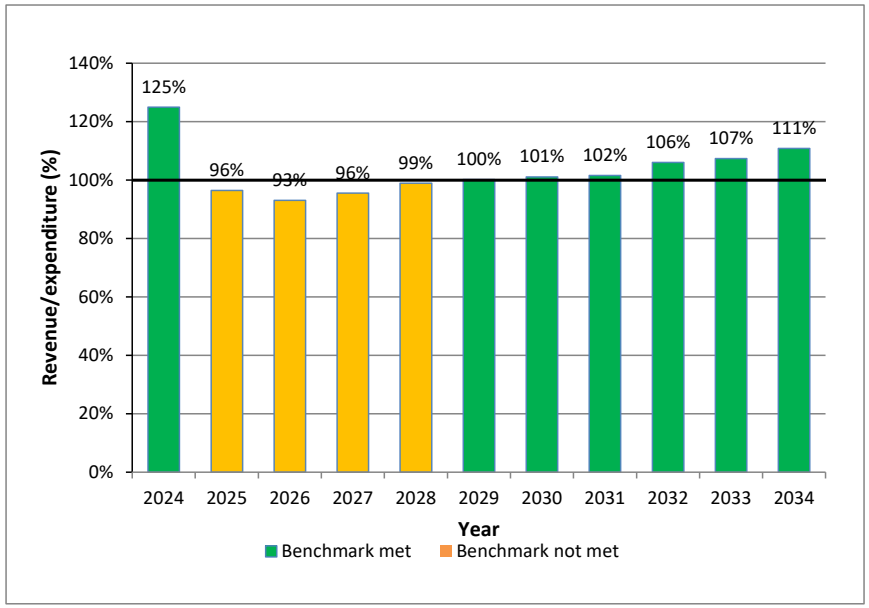


Balanced budget

Council is proposing to have an unbalanced budget for Years 1-4 of the Long Term Plan period.

As earlier discussed, these breaches are related to the significant renewal of infrastructure assets funding requirement. Council is also funding part of the harbour activity in Years 1 and 2 through borrowings, contributing to the unbalanced budget.

Council is planning to implement fully funding harbour operations from Year 3 of the LTP. Phasing in of rolling renewal funding will take place over Year 4-6 and is forecast to fully fund the average renewals in the Infrastructure Strategy over the life on the LTP.



Borrowing

To borrow money (either from banks or the LGFA), Council must offer 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. Using this form of security helps to keep the interest rates on Council debt low. Council's policy on security for borrowing is detailed fully within our Treasury Risk Management Policy, which is available on our website.

Council uses borrowings to spread the cost of expenditure, both capital and operating, over a period of time longer than a single rating year, where that expenditure is expected to produce benefits over more than one year. For Capital expenditure, 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. For operational expenditure borrowing needs to be managed carefully to ensure that Council does not end up borrowing for its business as usual annual expenditure.

Council will need to consider funding of debt retirement in the outer years of the Long-Term Plan period to maintain compliance with these limits

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 Councils existing Treasury and Liability Management Policy:

Borrowing Limits:

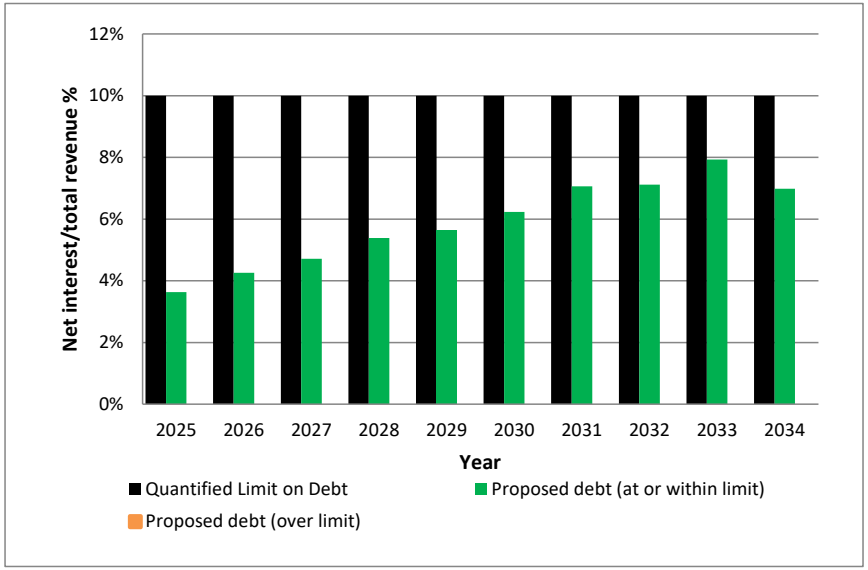
- Net interest expense/total revenue < 10%
- Net interest expense/rates revenue < 15%
- Net cashflows from operating/interest expense>2

The three graphs below outline how Council expects to perform against all of the borrowing limits specified.

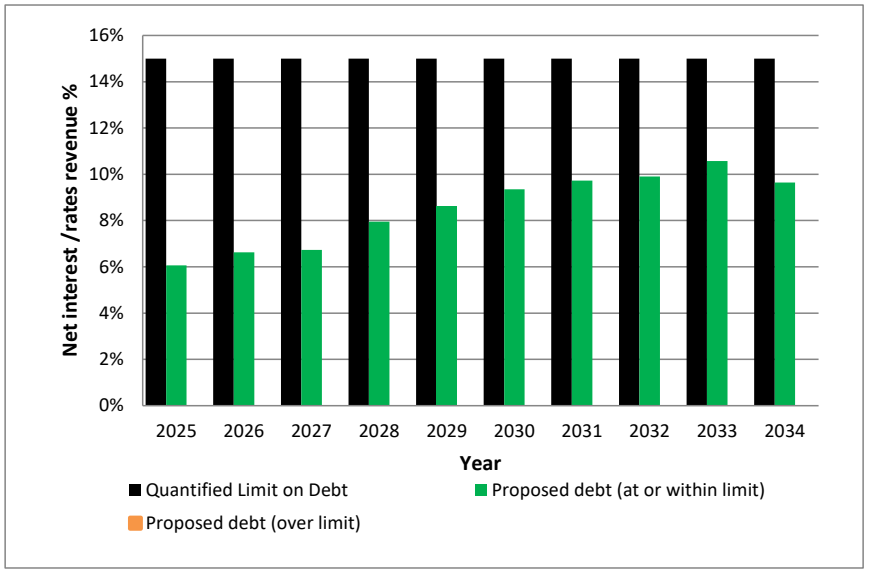
Council expects to maintain the net interest expense/total revenue and net interest expense/rates revenue benchmarks for the duration of the 2024-34 LTP.

Council is proposing to breach the net cashflows from operating/interest expense benchmarks for Years 1-6 of the LTP. Years 1-4 reflect the unbalanced budget discussed above where Council is reducing the level of operating income for affordability reasons also discussed earlier in this Strategy. Year 4-6 reflects the period in which Council is having to grapple with both critical core infrastructure projects, while also continuing to pay down debt.

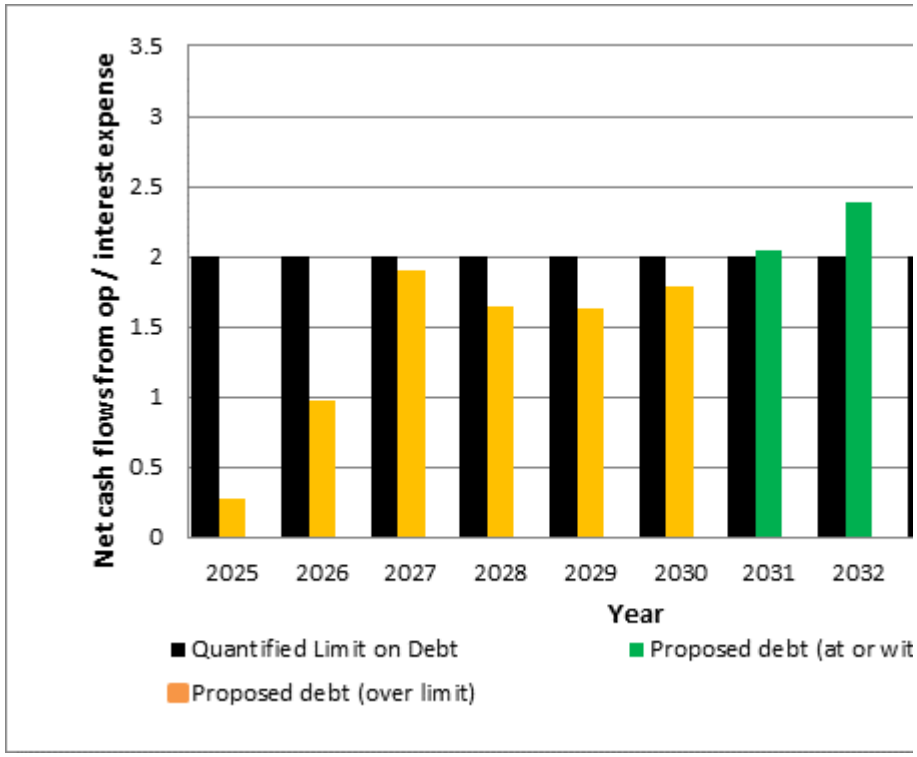
Net Interest Expense / Total Revenue



Net Interest Expense / Rates Revenue



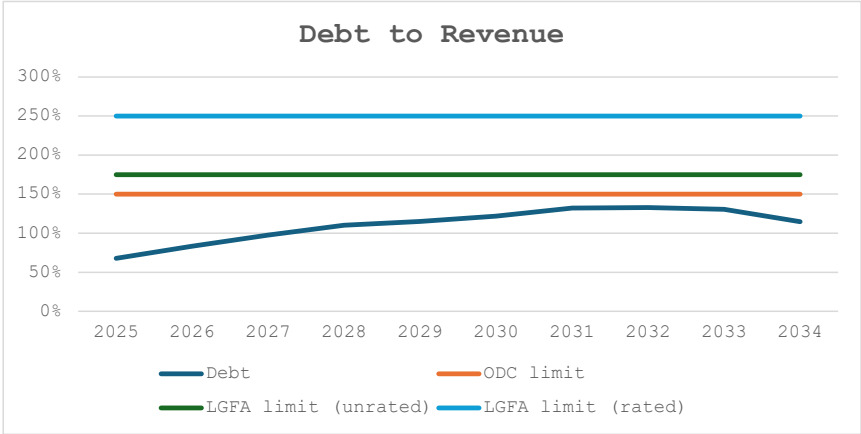
Net cash flows from Operating / Interest Expense



Debt Forecast

Consistent with the previous (2021-2031) Long Term Plan Council is proposing to use the high-growth model. This contributes to Council's expected significant increase in debt from the current $12.5 Million to $50 Million by over the duration of the LTP. Council is forecast to reach its current debt capacity during the LTP period and begin decreasing again by the end of this LTP period.

The next graph outlines the expected borrowings over the term of the LTP. The big driver for the increase in debt is the need for significant expenditure in the three waters activities of Stormwater, Wastewater, and Water Supply. In addition, with the long run average renewal funding approach sees a significantly higher than average level of renewal over the 10 year period of the long term plan when compared to the 30 year period of the infrastructure strategy.



Challenges

Throughout this document we have touched on multiple elements which are likely to pose challenges for the Council and the District within the lifespan of this Long Term Plan. Here we will dig into these in more detail.

1. Levels of Service

Services include most of the activities Council does and provides, from rubbish collection to the facility and services of Te Tāhuhu o Te Rangi. The level of service is how frequently that service is available or completed.

Like any other organisation, there are costs associated with ongoing levels of service, which make up the majority of 'business as usual' Council activities. Like most other costs in recent years, for individuals,

whānau, and businesses alike, the operational costs of services are increasing even though levels of service have remained the same. This is the crux of the challenge around levels of service.

Council is aware of needing to balance affordability for the community and feels that a select reduction in services will provide a level of financial relief to the district when it is needed.

It is never ideal to reduce services. However, Council also understands that financials are tight for everyone, across the district and Aotearoa New Zealand. Council believes this reduction to services creates one avenue of rating relief for our district.

2. Operational and maintenance costs of the Ōpōtiki Harbour

We've discussed previously that the Ōpōtiki Harbour will require operational and maintenance costs once the construction is complete. We've also discussed that a key piece of supporting infrastructure – the commercial marina/wharf – has been delayed, where the intention was for this to contribute toward to maintenance costs of the Harbour.

As a result, Council is faced with deciding how to fund these costs in the short to medium term, to ensure that the burden does not unduly fall to ratepayers.

To address this challenge, Council will be utilising borrowings. These will cover the first two years of the 2024-2034 Long Term Plan, during which time Council will pursue other opportunities to source funding for the Harbour maintenance.

3. Funding of depreciation/renewals

Council is faced with the difficulty of having multiple renewals of assets (such as buildings) coming due within the 2024-2034 LTP. The methods of previous years have not provided the transparency in relation to these challenges as these renewals come up and Council is faced with managing the funding of these renewals. A breakdown in the assets would be detrimental to the services and activities the community use/engage in – and waiting to the point of breakdown would increase the associated costs exponentially.

In the 2018-2028 Long Term Plan Council first considered the implementation of a long run average funding approach. Council does not 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. In practice these estimates can vary significantly with wider changes in market dynamics as has been seen over the previous 3-5 years.

Previously Council has funded a level of depreciation with a minimum level of funding based on the internal debt associated with an activity's capital assets. This approach has produced a high level of volatility in recent years as revaluations of assets during the LTP period cause a significant increase in funding required.

Council will approach this challenge with a method known as long run average renewal. This is discussed in more detail in the *Relationship with our Infrastructure Strategy* section below.

4. Development Contributions

Council adopted a Development Contributions policy in 2021. It is Council's intention to update this policy over the 2024-2034 Long Term Plan period. This policy will identify growth related expenditure and ensure that those growth areas directly contribute to the capital costs Council is required to incur to allow for the delivery or intensification of those areas.

5. Debt retirement

Council has identified the need to consider rating for the retirement of debt in the outer years of the long-term plan. This is one of the options available to Council to prudently manage it finances. This funding of debt retirement would sit at the Whole of Council level to allow the funding of individual activities to still match the expected life or period of benefit of the expenditure.

Investments

Council does not currently hold any investments for the sole purpose of generating a financial return. Where Council does acquire investments, including financial investments and equity securities the required returns will be balanced against the other objectives, including community outcomes, of holding the investment.

Relationship with our infrastructure strategy

Amendments were introduced to the Local Government Act (2002) in 2014 to require an Infrastructure Strategy to be prepared for inclusion in Long Term Plans.

The purpose of the infrastructure strategy is to

> *(a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and*
>
> *(b) identify the principal options for managing those issues and the implications of those options.*[19]

Local authorities hold significant infrastructure assets. Infrastructure operations and works make up most of local authorities' spending.

An infrastructure strategy provides, at a minimum, a 30-year view of Council's approach to managing our infrastructure/assets and offers the opportunity for local authorities to present a strategic picture of their infrastructure portfolio.

As we have discussed in this document already, the funding of depreciation and renewing our assets is the significant relationship between the financial and infrastructure strategies.

Council's renewal funding approach is that of a rolling renewal annuity. That is, Council will fund each year the average of the renewal expenditure planned over the life of the infrastructure strategy, with the annuity being no less than the principal and interest costs of Councils internal debt. Actual renewal expenditure may be higher or lower than this in any given year.

Due to the significant increase in overall funding this approach requires, Council will phase in the introduction of this funding over a four-year period, with the shortfall in funding provided through debt and made up in the subsequent six years of the LTP period.

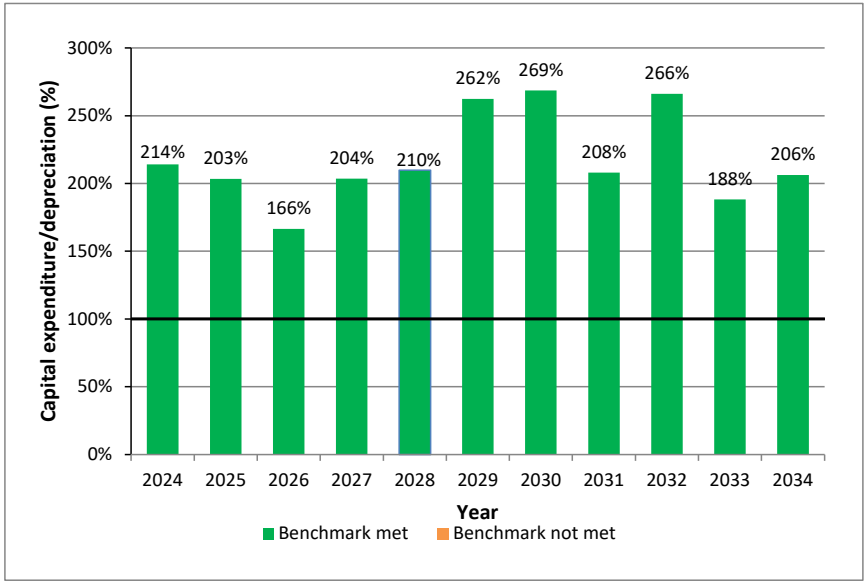
Essential Services Benchmark

The essential services benchmark shows how Council's planned capital expenditure maintains the value of assets over time. This is significantly above the level of depreciation charge associated with Council's assets and further above the average renewal planned over the life of the infrastructure strategy. Due to this misalignment between planned expenditure and the funding of this expenditure, including through the rolling average renewal. Council will carry significant debt through the life of the 2024-2034 Long Term Plan.

This will mean that if the renewal or other capital expenditure requirements are higher than projected within the Infrastructure Strategy

[19] Local Government Act 2002 No 84 (as at 01 October 2023), Public Act 101B Infrastructure strategy – New Zealand Legislation

Council may have difficulty financing additional expenditure through the current approach.



Conclusion

Ōpōtiki District Council is looking to balance the provision of services to achieve a prosperous, vibrant and green district, while keeping funding affordable over time and maintaining a sound financial position. This LTP continues with the strategic theme of prudent financial management, affordability and enabling growth opportunities. This is to be achieved by focusing investment on essential services and infrastructure required to support social and economic growth opportunities, with an approach to 'pull back' in the early years in order to better prepare for the later years.

Overall, Council considers that its financial strategy is generally prudent and sustainable and importantly responds to the community's expectations and vision for the future of the Ōpōtiki District. The strategy will require Council to consider rating for the repayment of debt in the later years of the long term plan or consider increasing those limits that provide a constraint on Council's debt capacity. This may be through the mechanisms that increase debt to revenue, however consideration needs to be given to interest costs associated with debt.

Revenue and Financing Policy

POLICY	STATUS	AT	DATE	DOC ID
Revenue and Financing Policy	*Draft*	*To be adopted at Ordinary Council Meeting*	*30 October 2024*	A1063918

Background

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

In accordance with the LGA, this Revenue and Financing Policy outlines how Ōpōtiki District Council proposes to fund its operating and capital expenditure, who will fund it, and why.

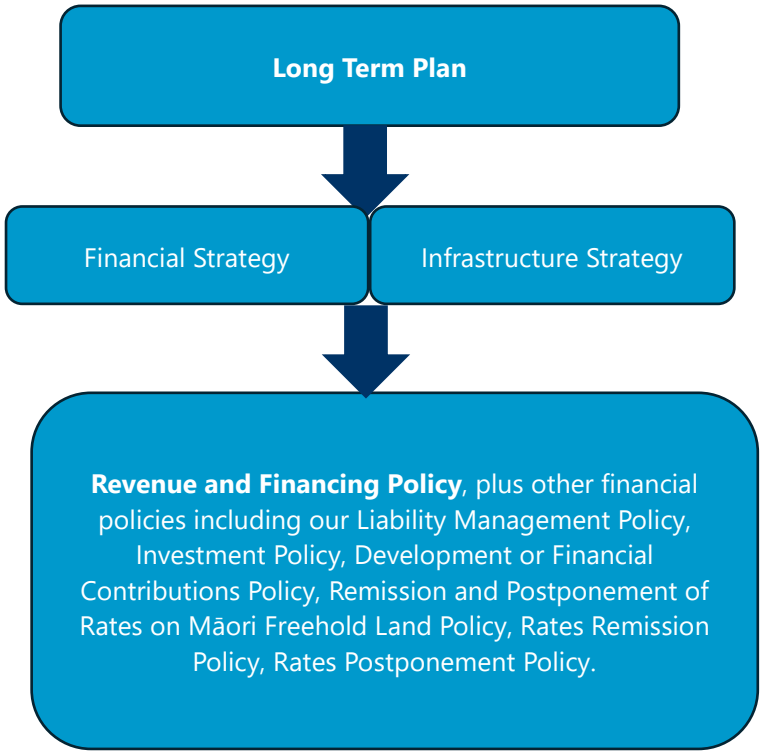
Council provides a number of distinct activities and services to achieve the community priorities identified in its Long Term Plan (LTP). Council is obliged to undertake these activities in a financially prudent and sustainable manner, across a variety of available funding sources.

Council's current activities can be grouped into the following four categories:

- Infrastructure Planning and Delivery
- Community Vision and Experience
- Organisational Performance and Business Support
- Planning and Regulatory

This policy will first identify Ōpōtiki district's community outcomes/priorities. It then describes the Council expenditure necessary to achieve these outcomes alongside the funding sources available, the matters considered by Council when making funding decisions, and Council's approach to each available funding source.

Context of this document



Ōpōtiki District Council's Vision and Community Outcomes/Priorities

Council's vision statement is **Strong community, strong future.**

Council's Community Outcomes/Priorities for the 2024 – 2034 Long Term Plan are:

1. Strong Relationships and Partners
2. Investment in our District
3. Wellbeing is Valued
4. Our Communities are Resilient
5. Growth is Sustained Over Time

Broadly speaking, Council has two types of expenditure to achieve its stated community outcomes/priorities: **operating** and **capital**.

Operating Expenditure

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

Ōpōtiki District Council's policies and practices regarding the funding of its operating expenses are set to ensure that they comply with applicable legislation and accounting practices.

In general terms, Council will use a mix of revenue sources to meet operating expenses. Major sources include general rates, subsidies, and fees and charges.

In addition, revenue from targeted rates is applied to specific activities. Reserve funds (including savings from previous years) are also occasionally used as a revenue source.

Operating costs do not normally utilise borrowings or proceeds from asset sales. Council may use borrowings in specific circumstances where Council decides it is prudent to do so.

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

Capital Expenditure

Capital expenditure is used to fund the acquisition or upgrading of an asset such as equipment or buildings.

Council has three categories of capital expenditure in relation to its activities. These include:

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

Capital expenditure is funded (in order of decreasing priority) from subsidies, user contributions, and borrowings. In roading, some ongoing capital developments are funded from subsidies and rates. Capital development projects that are minor, and those projects that are regular and funded on an annual basis, are rate funded. For example, every year Council funds its share of minor safety road improvements from rates.

Available Funding Sources

Ōpōtiki District Council, like other local authorities, has a number of sources available to fund its activities.

As outlined in s103(2) of the LGA, these include:

- General rates, including choice of valuation system, differential rating, and uniform annual general charges;
- Targeted rates;

- Lump sum contributions;
- Fees and charges;
- Interest and dividends from investments;
- Borrowing;
- Proceeds from asset sales;
- Development contributions;
- Environmental contributions under the Resource Management Act 1991;
- Grants and subsidies;
- Regional fuel taxes under the Land Transport Management Act 2003; and
- Any other source.

Further explanation of each of these funding sources, and how Council uses them, is included on the following pages.

Matters considered by Council when making funding decisions

The Local Government Act requires that Council must consider the matters outlined in section 101(3)(a) when deciding how to fund our activities to best achieve the community outcomes/priorities. Consideration of these matters helped Council to determine which funding source it would use for each of its activities. These matters are:

- The community outcomes/priorities to which the activity primarily contributes;
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- The period in or over which those benefits are expected to occur;
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

To read Council's detailed application of the funding analysis for section 101(3)(a), see our Funding Needs Analysis document (Appendix 1) on the Ōpōtiki District Council website.

Additionally, section 101(3)(b) requires Council to consider "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." This section allows that as a final measure, Council may modify the overall mix of funding that would otherwise apply after the initial assessment of funding for each activity under the matters in section 101(3)(a).

The following considerations will be made, where appropriate, regarding the matters of section 101(3)(b).

1. Affordability and the public's ability to pay rates. Adjustments to limit the impact of fixed rates on lower value rating units were made so that rates are more affordable for lower value rating units. Council also considered how it could maintain an affordable and predictable level of rates in the future.
2. Intentionally position Council and the Ōpōtiki District to maximise all possible benefits from the Harbour Development.
3. How best to enable the ongoing profitability of the rural sector, given the impact it has on the whole community.

4. Fees and charges may be waived or discounted where it is considered appropriate to do so. Some matters we may consider in deciding whether it is appropriate to waive fees are for social reasons (e.g., the promotion of events and facilities) or commercial reasons (e.g., due to poor service or to minimise risk).
5. Rates may be remitted where it considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policies (including Māori Freehold Land). These policies address social matters as well as adjusting rates for benefits that differ for some rates assessment (such as additional or no provision of some services).
6. Council may use accounting provisions and reserve fund to spread the cost of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.

Funding Approach

For our financial challenges, principles, and values, please see our Financial Strategy on the Ōpōtiki District Council website. This policy is also aligned with the following documents:

- The Funding Needs Analysis. This is a detailed application of the matters in section 101(3)(a) to Council's activities. It is guided by the funding principles and choices of funding sources documented in this policy (Revenue and Financing) and the Financial Strategy.
- Council's policies on Rates Remission and Rates Postponement.
- Council's Liability Management, Investment, and Development/Financial Contribution Policies.

Council's approach per funding source

The following approach has been taken by Council and is used alongside the funding principles to determine funding sources for Council activities:

- While effort is made to link payment of rates to benefits received or costs generated, it is not always possible to do this on an individual ratepayer basis (nor is it legally required).
- Subsidies from central government recognise that some services, such as roads, form part of our national infrastructure and only central government can levy charges.

The remainder of this section describes the funding sources available to Council with more specific detail regarding Council's approach to each.

General rates

The general rate is set under Section 13 of the Local Government (Rating) Act 2002. The general rate is a rate in the dollar on capital value applied to all properties in the district.

A general rate is generally used when:

- Council considers that a capital value rate is fairer than the use of other existing rating tools for the activity funded;
- Council considers that the community as a whole should meet costs of the function;
- Council is unable to achieve its user charge targets and must fund expenditure.

Differential Rating

The general rate is sometimes split between the base differential rating category and an 'availability charge' differential rating category.

This occurs when services are available (such as water supply located adjacent to a property), but a property is not connected. In these cases,

the Council charges for the availability of this service (i.e. the ability to connect). Availability is usually charged as targeted rates for water supply, wastewater, and refuse collection.

Uniform Annual General Charge

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

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

Council has a preference to have the UAGC set close to the 20% range. The Local Government (Rating) Act 2002 determines that certain rates must not exceed 30% of total rates revenue. In particular these are UAGC's set in accordance with section 15 and targeted rates that are set on a uniform basis in accordance with section 18(2) and clause 7 of schedule 3 of the Act. This cap excludes targeted rates that are set solely for water.

Targeted rates

A targeted rate is set under Sections 16 or 19 of the Local Government (Rating) Act 2002. A targeted rate could be on capital or land value or fixed. Targeted rates are for funding one or more activities or groups of activities and can apply either to all the land in the district or one or more categories of land. A targeted rate is used when:

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

Fees and charges

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

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

Interest

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

Dividends

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

Borrowing

Borrowing is managed by the provisions of Council's policy on liability and investment management.

Proceeds from asset sales

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

Development contributions

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

Financial and environmental contributions

Council uses funds from financial contributions to fund capital expenditure projects in accordance with the Resource Management Act 1991.

Environmental contributions are a new funding source allowed in the Natural and Built Environments Act. This new option may be used.

Grants and subsidies

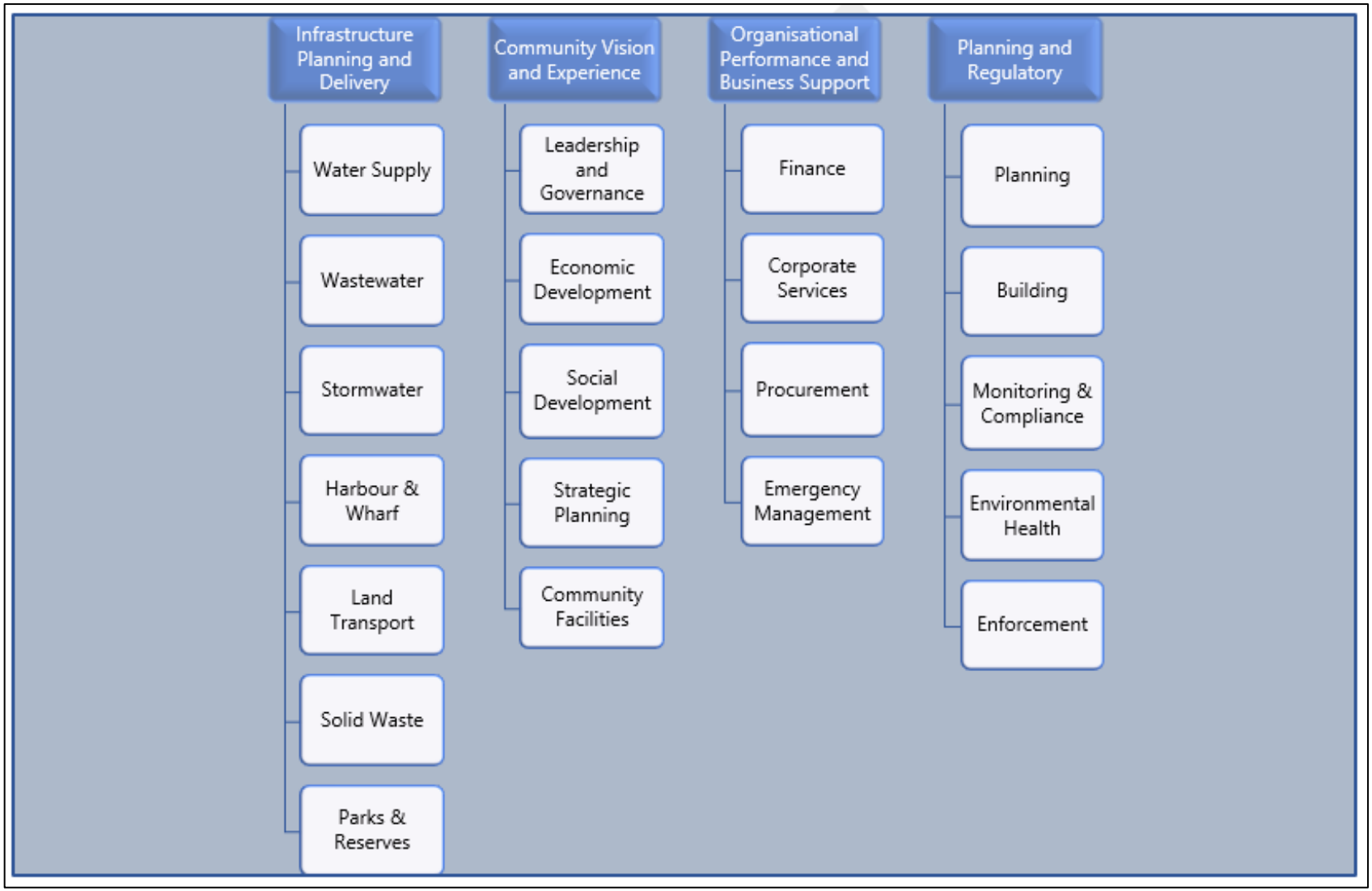
Council receives a subsidy from Waka Kotahi (NZTA) to part-fund operations, renewal, and capital development in Land Transport. The percentage of this subsidy differs for different types of works.

Council pursues other grant & subsidy funding available from central government and other agencies wherever it is considered appropriate.

Council Activities

Council's current activities can be grouped into four categories, as identified below. These groupings are considered the best way to reflect how Council's activities promote community wellbeing across Ōpōtiki district. They also afford clarity and transparency about funding mechanisms. This section then identifies, for each group of activities, what funding mechanisms are available and how Council propose to fund each activity, following consideration of the matters outlined in s101(3) of the LGA.

The following page shows a chart of Ōpōtiki District Council's activity structure and discusses each main group.


Infrastructure Planning and Delivery
Water Supply
Wastewater
Stormwater
Harbour & Wharf
Land Transport
Solid Waste
Parks & Reserves
Community Vision and Experience
Leadership and Governance
Economic Development
Social Development
Strategic Planning
Community Facilities
Organisational Performance and Business Support
Finance
Corporate Services
Procurement
Emergency Management
Planning and Regulatory
Planning
Building
Monitoring & Compliance
Environmental Health
Enforcement

Infrastructure and planning

This group of activities provide infrastructure that enables the community to grow and prosper. Ōpōtiki district needs reliable infrastructure to support the development of businesses and industries. This group maintains the built assets around the district which everyone can access and enjoy.

- Water Supply
- Wastewater
- Stormwater
- Harbour and Wharf
- Land Transport
- Solid Waste
- Parks and Reserves
- Project Management

Community vision and experience

This group of activities provides the mechanisms to enable the Council to plan for the future and inform the other parts of the organisation which way we are going. This group of activities works to ensure our Elected Members are informed of national, regional, and district level requirements.

- Leadership and Governance
- Economic Development
- Social Development
- Strategic Planning
- Community Facilities

Organisational performance and business support

This group of activities can be seen as the "engine room" of the council organisation. There are two main functions of this group. One is to ensure council is correctly and fairly gathering revenue and rates for all the activities it carries out, and those specifics are in this document. The second function is corporate services. In order for Emergency Management to function with enough people/technology, for Parks and Reserves to be equipped with the right gear, for our Elected Members to make robust decisions, this support service is needed in the background.

- Finance
- Corporate Services
- Procurement
- Emergency Management

Planning and regulatory

This group of activities ensures the district makes sure everyone is contributing toward safe buildings, fair planning rules, running compliant businesses, and having clean and healthy food available to purchase.

- Planning
- Building
- Monitoring and Compliance
- Environmental Health
- Enforcement

Funding expenditure

The following table shows which mechanisms could be used to fund the operating and capital expenditure necessary to sustain Council's activities.

Capital costs would be funded on the same principles as the operating costs, subject to the nature and purpose of the expenditure, unless Council resolves otherwise.

Council Activity Group	Activity within the group	Funding of operational expenditure			
		General rates	Targeted rates	Grants & subsidies	Fees & charges
Infrastructure Planning and Delivery	*Water Supply*	✓	✓	✓	✓
	Wastewater	✓	✓	✓	✓
	Stormwater	✓	✓	✓	✓
	Harbour & Wharf	✓	✓		✓
	Land Transport	✓	✓	✓	✓
	Solid Waste	✓	✓	✓	✓
	Parks & Reserves	✓	✓		✓
Community Vision and Experience	*Leadership & Governance*	✓			

Council Activity Group	Activity within the group	Funding of operational expenditure			
		General rates	Targeted rates	Grants & subsidies	Fees & charges
	Economic Development	✓	✓	✓	
	Social Development	✓		✓	
	Strategic Planning	✓	✓	✓	
	Community Facilities	✓	✓	✓	✓
Organisational Peformance and Business Support	*Finance*	✓			
	Corporate Services	✓			✓
	Procurement	✓	✓		
	Emergency Management	✓		✓	
Planning & Regulatory	*Planning*	✓		✓	✓
	Building	✓			✓
	Monitoring & Compliance	✓			✓
	Environmental Health	✓			✓
	Enforcement	✓			✓

Rates Remission and Postponement Policy

POLICY	STATUS	AT	DATE	DOC ID
Rates Remission and Postponement Policy, including on General Land, Māori Land, and Māori Freehold Land	*Adopted*	*Ordinary Council Meeting*	*11 June 2024*	*A1198626*

General

This policy outlines Ōpōtiki District Council's approach to Rates Remissions and Postponements. This includes on General Land, Māori Land, and Māori Freehold Land.

Recognition of Obligations to Māori

The amendment of the Local Government Act 2002 (102(3A)) in the Local Government (Rating of Whenua Māori) Amendment Act 2021 requires that the Rates Remissions Policies must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

This policy supports the matters in the Preamble by giving effect to Council's statutory obligations under the Local Government Act 2002 and the Local Government (Rating) Act 2022 including the matters in the rates remissions policies, Local Government Act 2002 Schedule 11 and Local Government (Rating) Act 2002 Schedule 1. All policies in the Rates Remission and Postponement Policy apply to Māori freehold land unless stated otherwise. Additionally, the Rates Remissions and Postponement policy for Māori Freehold land also apply to Māori freehold land.

Te Ture Whenua Māori Act 1993

This policy will support the Preamble to Te Ture Whenua Māori Act 1993. Council will

- Recognise that land is a taonga tuku iho of special significance to Māori people.
- Promote the retention of that land in the hands of its owners, whānau, and their hapu.
- Protect Wahi tapu.
- Facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and hapu.[20]

Applications process

This section applies to the entirety of this policy. Ratepayers wishing to claim a remission should make an application at the following webpage. PDFs of application forms can also be downloaded at this link. Individuals may request a physical form our main office at 108 Saint John Street.

Rates Remissions and Postponements - Ōpōtiki District Council (odc.govt.nz)

The application for rate remission must be made to the Council prior to April 1 for the next rating year.

[20] Te Ture Whenua Maori Act 1993 No 4 (as at 29 November 2022), Public Act Preamble – New Zealand Legislation

Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Applications for remissions shall be considered by Group Manager Finance and Corporate Services. Further delegations are made from the management level and are documented in Council's Delegation Manual.

The discretion of approving or rejecting any application is the sole determination of Council. Council may delegate the authority to make such approvals to particular Council staff as specified by a resolution of Council.

Decisions of remission of penalties will be delegated to officers as set out in the Council's Delegations Manual.

Rates postponements

Individuals who enter into payment plans for their rates have their rates postponed in accordance with their individual payment plan. Outside of the above, Council does not have a policy allowing for the postponement of rates.

Rates Remission of General Land

Introduction

The Rates Remission on General Land policy identifies the circumstances where the council will consider rates relief on general land.

1 Community, sporting and other organisations

Preamble

Section 8 of the Local Government (Rating) Act 2002 provides for certain categories of land to have rates assessed not exceeding 50% of the rates that would have otherwise been assessed. These categories of land are more specifically detailed in the Act as:

Part 2:

Land 50% non-rateable:

1. Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
2. Land owned or used by a society or organisation of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
3. Land owned or used by a society or organisation of persons (whether incorporated or not) for the purpose of any branch of the arts.[21]

[21] Local Government (Rating) Act 2002 No 6 (as at 23 August 2023), Public Act Schedule 1 Categories of non-rateable land – New Zealand Legislation

Notes:

For the purposes of this part, unless the context otherwise requires, **land** does not include land used for the private pecuniary profit of any members of the society or association. **Land**, in clause 2, excludes land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force. However, in addition there are other groups which Council believes should have a remission.

Objective

To facilitate the ongoing provision of non-commercial (business) community services and non-commercial (business) recreational opportunities for the residents of Ōpōtiki district.

The purpose of granting rates remission to an organisation is to:

- assist the organisation's survival; and
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups – these include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and criteria

For application details, refer to the beginning of the policy. This part of the policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes. The policy does not apply to organisations operated for private pecuniary profit.

The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Rate remission under this policy will be limited to 50% of the general or targeted rates. No remission will be granted on the targeted rates for water supply, sewage disposal or refuse collection.

Council at its discretion may to apply this remission to properties it feels fit the criteria.

Organisations making application should include the following documents in support of their application:

- statement of objectives; and
- financial accounts; and
- information on activities and programmes; and
- details of membership or clients.

The policy shall apply to such organisations as approved by the Council as meeting the relevant criteria. The discretion of approving or rejecting any application is the sole determination of Council. Council may delegate the authority to make such approvals to particular Council Officers as specified by a resolution of Council.

2 Uniform charges on rating units owned by the same owner

Preamble

Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as 1 unit for setting a rate if those units are:

a) owned by the same person or persons; and

b) used jointly as a single unit; and
c) contiguous or separated only by a road, railway, drain, water race, river or stream.

However, sub-divided land owned by a developer while contiguous is not held for the same purpose as each lot can be sold separately to a different purchaser. This has had additional implications where properties of more than one lot are now treated as separate properties. Further there are ownership of properties which to all intent and purposes is similar and which Council consider should have relief under this policy.

Objectives

To provide for relief from uniform charges on land held by a developer or what was formerly a single property but now treated as two or more properties and properties to which the ownership, to all intents and purposes, is similar.

Conditions and criteria

For application details, refer to the beginning of the policy. Rating units that meet the criteria under this policy may qualify for a remission of uniform annual general charges and any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge.

The rating units on which remission is made must to all intents and purposes have the same owner.

Only one of the units may have any residential dwelling situated on the rating unit. Council at its discretion may apply this remission to properties it feels fit the criteria. The policy shall apply to such organisations approved by the Council as meeting the relevant criteria.

3 penalties

Preamble

Council has large rate arrears, and it can be an incentive to the collection of back years' arrears if some concession is made in collection of penalties. Further where owners are prepared to enter into formal payment arrangements any penalties incurred through timing of payments should be waived. There are also other extenuating circumstances where it may be just and equitable to waive penalties.

Objective

The objective of this part of the remissions policy is to:

a) enhance the collection of back years' rates;
b) enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and criteria

For application details, refer to the beginning of the policy. Automatic remission of the penalties incurred on instalments one and two will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the third instalment.

Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.

Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Write-offs

Write-off of penalties applied in previous years may be considered at the Chief Executive's discretion where doing so may facilitate the of payment of rates arrears in full.

As per section 90A and 90B of the LGRA, the Chief Executive may also write off outstanding rates when it is considered by the CE that the rates cannot reasonably be recovered. This may be done at any time by the Chief Executive's initiative or by application from a ratepayer. When this happens, the Chief Executive must:

a) notify a ratepayer of any write-off of the ratepayer's rates; and
b) provide a written response to an applicant within 30 days of receipt of the application, detailing the reasons for the decision to or to not write off the rates specified in the application.

4 Economic development

Preamble

The Ōpōtiki District is one where employment opportunities have been few and far between. Council is also concerned that raw products from farming and forestry in the district leave the district for further processing. The Council wishes to attract investment in processing-type industries, and considers that rate remissions during the development phase of investment projects will assist in achieving this objective.

Objective

To promote employment and economic development within the district by assisting new business.

Conditions and criteria

For application details, refer to the beginning of the policy. This part of the policy applies to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.

Horticultural and residential development may qualify for remission under this part of the policy.

In considering applications for remission under this part of the policy, Council will have regard to the following criteria:

- the likely financial advantage to the district
- employment opportunities
- the extent to which developments of the particular type or types are likely to be promoted or prejudicially affected by the granting of rates remissions.

Applications must be made in writing and must be supported by:

- a description of the development
- a plan of the development (where possible)
- an estimate of costs
- an estimate of the likely number of jobs created by the development.

Applications for remission for economic development will be considered by Council. In considering applications, Council may decide to seek independent verification of any information provided on an application.

Council will decide what amount of rates will be remitted on a case by case basis, subject to a maximum amount of 50 percent of rates, and a maximum remission period of five years from the commencement of the development. For the purposes of this part of the policy, a project will be viewed as having commenced when resource consent is issued.

In granting remissions under this part of the policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

5 Land used for natural, historic or cultural and conservation purposes

Objective

To preserve and promote natural resources and heritage to encourage the protection of land for natural, historic or cultural purposes. This policy will support the provisions of the Ōpōtiki District Council District Plan.

Conditions and criteria

For application details, refer to the beginning of the policy. Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit, e.g. a copy of the Covenant or other legal mechanism.

Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which are voluntarily protected may qualify for remission of rates under this part of the policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.

Applications for the remission for protection of heritage will be considered by Council. In considering any application for remission of rates under this part of the policy, Council will consider the following criteria:

- the extent to which the preservation or natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit
- the degree to which features of natural, cultural or historic heritage are present on the land
- the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land
- the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.

Council will decide what amount of rates will be remitted on a case by case basis.

In granting remissions under this part of the policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

6 Rates remission for a rating unit affected by calamity

Objective of Policy

The objective of this remission policy is to permit the Council to remit part or whole of the rates charged on any land that has been detrimentally affected by erosion, subsidence, submersion, or other calamity.

Conditions and Criteria

For application details, refer to the beginning of the policy.

The Council may remit the rates charged on a rating unit if:

1. Land is detrimentally affected by erosion, subsidence, submersion, or other natural calamity or
2. The land is unable to support the activity for which it was used prior to the calamity, for example a residence or commercial building that is unable to be occupied as a result of a calamity.

Rates remissions will only be considered and made following the receipt of an application by a qualifying property to the financial year in which the application was received. Rates remissions would only apply to rates payable after the date of the calamity. (i.e. next instalments). There will be no backdating of rates remissions.

Rates remissions (for part or all) may be applied to all rates charged on the qualifying properties.

7 Policy rate remission for extreme financial hardship

Objective of the Policy

The objective of the policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.

Conditions and Criteria

For application details, refer to the beginning of the policy. Remissions of rates in part or in whole may be given in cases of extreme financial hardship where it is considered appropriate by Council.

The rating unit which is the subject of the application must be used solely as a domestic residence, be the normal place of residence of the ratepayer and the ratepayer must not own any other property in the Ōpōtiki or any other district. (An interest in Māori freehold land in multiple ownership is not included in this exclusion)

The policy does not apply to vacant land.

The remission will be granted to natural persons only.

Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.

The ratepayer must provide any evidence that the Council deems appropriate to support the claim for extreme financial hardship.

The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

8 Water Rates attributable to Water Leaks

In order to provide relief to people in situations where water usage is high due to a water leak, Council may remit water consumption rates where all of the following apply:

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council promptly after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property and the consumption over and above that average.

Remission for any particular property will generally be granted only once every year. However, where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the delegated officer.

Any remission over 2000 cubic meters of water is to be referred to the Council for decision.

Rates Remission on Māori Freehold Land Policy

Introduction:

The Remission of Rates on Māori Freehold Land policy explains the criteria and conditions used to determine whether rates should be waived on this land. The Ōpōtiki District has a significant amount of Māori Freehold land.

1. Background

Section 108 of the Local Government Act 2002 allows for Councils to adopt a policy on remission and postponement of rates on Māori freehold land.

Under a 2021 amendment to the Local Government (Rating) Act 2002, entire Māori freehold land rating units that are unused are now non-rateable.

This remission policy is therefore intended to cater to situations where a significant part of a Māori freehold land rating unit may be unused, and a remission of rates based on the unused portion of the rating unit is considered fair.

2. Definitions

Māori freehold land is defined by the Local Government (Rating) Act 2002 as being "Land whose beneficial ownership has been determined by the Māori Land Court by freehold order[22]." The same Act states (Clause 91):

"Except where this part otherwise provides, Māori freehold land is liable for rates in the same manner as it if were general land."

The term "unoccupied" means that the land is not occupied. Occupation is where person/persons do one or more of the following for his or her profit or benefit:

1. Leases the land.
2. Resides upon the land.
3. Depastures or maintains any livestock whatsoever on the land.
4. Cultivates the land and plants crops there on.
5. Stores anything upon the land.
6. Uses the land or any improvements thereon in any way.

3. Summary

Council considers this policy for remission of rates on Māori Freehold Land will achieve the aim:

To ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori freehold land have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

4. Objectives

As per section 114A of the LGRA[23], the objective of this policy is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners. Council may remit rates on Māori freehold land where the development of that land is likely to provide:

(a) Benefits to the district by creating new employment opportunities:
(b) Benefits to the district by creating new homes:
(c) Benefits to Council by increasing Council's rating base in the long term:
(d) Benefits to Māori in the district by providing support for marae in the district:
(e) Benefits to the owners by facilitation the occupation, development, and utilisation of the land.

In addition, Schedule 11 of the Local Government Act 2002[24] provides key considerations for Council when determining a rates remission decision. These considerations are:

(a) Supporting the use of the land by the owners for traditional purposes.

(b) Recognising and supporting the relationship of Māori and their culture and traditions with their ancestral land.

(c) Avoiding further alienation of Māori Freehold Land.

[22] Local Government (Rating) Act 2002 No 6 (as at 23 August 2023), Public Act 5 Interpretation – New Zealand Legislation
[23] Local Government (Rating) Act 2002 No 6 (as at 24 August 2023), Public Act 114A Remission of rates for Māori freehold land under development – New Zealand Legislation
[24] Local Government Act 2002 No 84 (as at 01 October 2023), Public Act – New Zealand Legislation

(d) Facilitating and incentivising any desire of the owners to develop the land for economic use.

(e) Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes.

(f) Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).

(g) Recognising and taking account of the importance of the land for the community goals relating to:

  (i) Presentation of the natural characteristics of the coastal environment;
  (ii) Protection of outstanding natural features; and
  (iii) Protection of significant indigenous vegetation and significant habitats of indigenous fauna.

(h) Recognising the level of community services provided to the land and its occupiers.

(i) Recognising matters related to the physical accessibility of the land.

5. The register

Council will maintain a register titled the "Māori Land Rates Relief Register ('the Register') for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy.

The Register will comprise two category lists, these being:

1. The "Māori Land General Remissions List"
2. The "Māori Land Economic Adjustment Remissions List"

6. Māori land general remissions list

Objective

The objective of this remission policy is to permit the Council to remit part or whole of the rates where the below criteria is met and where doing so would facilitate the objectives of section 114A of the LGRA.

Conditions and criteria

For application details, refer to the beginning of the policy.

Council will consider remission for property that comes within the following criteria:

The land is unoccupied and:

(a) The land is set aside as Waahi Tapu; or

(b) The land is set aside for the preservation of natural characteristics of the coastal environment; or

- to protect the outstanding natural features; or
- to protect significant indigenous vegetation and significant habitats or indigenous fauna ; or

(c) The land is inaccessible

(d) The land is unused

The remission for land recorded in the Māori Land Remissions List will be up to 100% of any rates except targeted rates made for water supply, sewerage disposal or waste management.

7. Māori land non-rateable list

Council will consider non-rateable status for property that meets the following criteria:

1. The land is entirely unused and;
    a. Meets the criteria set out in section 55 of the amendment act.
2. Or for land which meets the criteria of non-rateable land under Schedule 1 of the LGRA[25], including:
    a) Nga Whenua Rahui kawenata land under the reserves and conservation acts.
    b) Education land including:
        a. Wānanga.
        b. Kura Kaupapa Māori.
        c. Special programmes under the education and training act.
    c) Urupa.
    d) Māori customary land.
    e) Marae or meeting place.
    f) Māori reservation held for the common use and benefit of the people of New Zealand.
    g) Unused rating unit of Māori freehold land.

The non-rateable land recorded in the Māori Land Non-Rateable List will be up to 100% of any rates. Council will periodically review the status of any land on the non-rateable list to ensure the requirements are still being met.

[25] Local Government (Rating) Act 2002 No 6 (as at 24 August 2023), Public Act Schedule 1 Categories of non-rateable land – New Zealand Legislation

8. Māori freehold land - economic incentives remissions

Objective

The purpose of this section is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners.

Remission Period

Up to five years at the discretion of Council.

Remission Value

Up to 100% of rates.

Conditions and Criteria

1. The Council may remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if the Council is satisfied that the development is likely to have any or all of the following benefits:
    a. benefits to the district by creating new employment opportunities;
    b. benefits to the district by creating new homes;
    c. benefits to the council by increasing the council's rating base in the long term;
    d. benefits to Māori in the district by providing support for marae in the district;
    e. benefits to the owners by facilitating the occupation, development, and utilisation of the land.
2. A remission application must be made in writing.
3. The Council may remit all or part of the rates having considered the duration of the development and the stages of development, having regard to when the ratepayer is likely

to generate income from the development or in the case of housing when the dwelling is likely to be used.

4. The Council may put conditions on a remission including consideration of commencement and completion of the development.
5. Eligibility for this remission will be reviewed once the remission period expires. The Council may provide rates remission for other purposes if these remissions ensure ratepayers are treated equitably by the Council.

Write-offs

The Chief Executive may write off all or part of outstanding rates for a rating unit of Māori freehold land when the following criteria is met:

a) The rates are payable by a person beneficially entitled to a deceased owner's beneficial interest in the land; and
b) The rates were payable by the deceased owner at the death of the owner.

Review of this policy

Refer to Policy Index for the Policy owner. This policy will be reviewed at least once every three years, or as otherwise required by legislation.

Relevant legislation

The following is a summary of the major matters for Māori freehold land as provided in local Government legislation.

1. Local Government (Rating) Act 2002
    a. The Act provides many clauses to address the nature of Māori Freehold Land. For example: trustee liability, multiple landowners, deceased owners, unproductive land, separation of land.
    b. Provision for the chief executive of Council to write-off rates that cannot be recovered.
    c. Provision of remissions on land under development.
    d. Non-rateable land
        i. Nga Whenua Rahui kawenata land under the reserves and conservation acts.
        ii. Education land including:
            1. Wānanga
            2. Kura Kaupapa Māori
            3. Special programmes under the education and training act
        iii. Urupa
        iv. Māori customary land.
        v. Marae or meeting place
        vi. Māori reservation held for the common use and benefit of the people of New Zealand
        vii. unused rating unit of Māori freehold land

2. Local Government Act 2002
    a. Consider the matters in Schedule 11 in developing a Remission on Māori Freehold land Policy.
        i. supporting land for traditional purposes
        ii. recognising the relationships with ancestral lands
        iii. avoiding further alienation of the land
        iv. facilitating development
        v. taking account of waahi tapu
        vi. recognising the importance of the land to Marae and papakainga
        vii. recognising the importance of the land for community goals
        viii. recognising the level of community services provided to the land recognising the physical accessibility to the land.

Treasury Risk Management Policy

POLICY	STATUS	AT	DATE	DOC ID
Treasury Risk Management Policy, including Liability Management and Investment Policies	*Adopted*	*Ordinary Council Meeting*	*19 March 2024*	*A1084256*

1.0 Introduction

1.1 Policy purpose

The purpose of the Treasury Risk Management Policy ("Policy") is to outline approved policies and procedures in respect of all treasury activity to be undertaken by Ōpōtiki District Council ("Ōpōtiki"). The formalisation of such policies and procedures will enable treasury risks within Ōpōtiki to be prudently managed.

2.0 Scope and objectives

2.1 Scope

This document identifies the policy and procedures of Ōpōtiki in respect of treasury management activities. The Policy has not been prepared to cover other aspects of Ōpōtiki's operations, particularly transactional banking management, systems of internal control and financial management. Other policies and procedures of Ōpōtiki cover these matters.

2.2 Treasury management objectives

The objective of this Policy is to control and manage interest costs and investment returns that can influence operational budgets and public equity and set debt levels.

Statutory objectives

All external borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy.

- Ōpōtiki is governed on borrowing and investment matters by the following relevant legislation;
    - Local Government Act 2002, in particular Part 6, including sections 101,102,104 and 105.
    - Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
    - Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act 1956 Part II Investments.
- All projected external borrowings are to be approved by Council as part of the Annual Plan (AP) or the Long Term Planning (LTP) process or resolution of Council before the borrowing is affected.
- Council will not enter into any borrowings denominated in a foreign currency.
- Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself.
- A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:

- The period of indebtedness is less than 91 days (including rollovers); or
- The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

General objectives

- To manage investments and the protection of investment capital, optimise returns whilst balancing risk and return considerations within the parameters of the Policy.
- Manage Council's costs and risks in the management of its borrowings.
- Manage Council's exposure to adverse interest rate movements.
- Monitor, evaluate and report on treasury performance.
- Borrow funds and transact risk management instruments within an environment of control and compliance under the Council approved Policy so as to protect Council's financial assets and manage costs.
- Arrange and structure external long term funding for Council at the lowest optimal margin t from debt providers.
- Optimise flexibility and spread of debt maturities within the funding risk limits established by this Policy statement.
- Monitor and report on financing/borrowing covenants and ratios under the obligations of Council's lending/security arrangements.
- Comply with financial ratios and limits stated within this Policy.
- Monitor Council's return on investments.
- Ensure the Council, management and relevant staff are kept abreast of the latest treasury products, methodologies, and accounting treatments through training and in-house presentations.
- Maintain appropriate liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- Ensure that all statutory requirements of a financial nature are adhered to.
- To ensure adequate internal controls exist to protect Council's financial assets and to prevent unauthorised transactions.
- Develop and maintain relationships with financial institutions, the Local Government Funding Agency (LGFA), brokers and investors.

2.3 Policy setting and management

The Council approves Policy parameters in relation to its treasury activities. The Council's Chief Executive Officer has overall financial management responsibility for the Council's borrowing and investments. Overall financial delegations can be read in the Council delegation manual.

3.0 Governance and management responsibilities

3.1 Overview of management structure

Policy statements

- Council will ensure effective controls over treasury management and segregation of duties controls are in place.
- Council may, by way of a resolution, depart from the Treasury policy where it considers that the departure would advance the broader well-being of the district or other policy objectives.
- Council will report any departures from this policy on a quarterly basis until those instances have returned within policy allowances, or have otherwise resolved.

Procedures and Delegations

Authority levels, reporting lines, treasury duties and responsibilities, as well as details of those individuals and bodies who have treasury responsibilities, can be read in the Treasury Procedures Manual and Council delegation manual.

4.0 Liability management policy

4.1 Introduction

Council's liabilities are comprised of borrowings and various other liabilities. Council maintains borrowings in order to:

- Raise specific debt associated with projects and capital expenditures.
- Raise finance leases for fixed asset purchases.
- Fund assets whose useful lives extend over several generations of ratepayers.
- Borrowing provides a basis to achieve inter-generational equity by aligning long-term assets with long-term funding sources, and ensure that the cost are met by those ratepayers benefiting from the investment.

4.2 Borrowing Limits

Procedures

Debt will be managed within the following limits:

ITEM	COUNCIL (LGFA) LIMIT
Net External Debt / Total Revenue	<175%
Net Interest on External Debt / Total Revenue	<20%
Net Interest on External Debt / Annual Rates Income	<25%
Net Debt / Council Equity	
External, term debt + committed bank facilities + unencumbered cash/cash equivalents to existing external debt.	>110%

- Total Revenue is defined as cash derived and earnings from rates, government capital grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).
- Net interest on external debt is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.
- Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).
- Annual Rates Income excludes regional levies.
- Disaster recovery requirements, urgent financing of emergency-related works and services are to be met through the special funds and liquidity policy.

4.3 Asset management plans

In approving new external debt Council considers the impact on its borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with Council's LTP and Financial Strategy.

4.4 Borrowing mechanisms

Procedures

Ōpōtiki is able to externally borrow through a variety of market mechanisms including, direct bank borrowing, the LGFA, accessing the short and long-term wholesale/retail debt capital markets directly using Commercial Paper, Floating Rate Notes and Fixed Rate Bonds or internal borrowing of reserve and special funds.

Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.

In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the F&CSGM, takes into account the following:

- Council's projected debt requirements.
- Available terms from banks, LGFA, debt capital markets and loan stock issuance.
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates and margins relative to term for loan stock issuance, debt capital markets, LGFA, and bank borrowing.
- The outlook on bank and debt capital market credit margins.
- Ensuring that the implied finance terms and conditions within the specific debt (e.g. project finance) are evaluated in terms such as cost/tax/risk limitation compared to the terms and conditions Ōpōtiki could achieve in its own right.
- Legal documentation and financial covenants considerations.
- Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, term, redemption value and effective cost of funds.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with its investors, LGFA, and financial institutions/brokers.

4.5 Security

Policy statement

- Council offers a Debenture Trust Deed on the security arrangement for its external borrowing and investment activities.
- Council assets may be pledged as security where it is advantageous, lawful and cost effective to do so.

Procedures

Council's external borrowings and interest-rate risk management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government (Rating) Act 2002. The security provided by Council ranks all lenders equally.

From time to time, and with Council approval, security may be offered by providing a charge over one or more of Councils assets, where it is beneficial to do so.

- Any internal borrowing will be on an unsecured basis.
- Any pledging of physical assets must comply with the terms and conditions contained within the Debenture Trust Deed.

4.6 Debt repayment

Procedures

The funds from all asset sales and operating surpluses will be applied to the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

4.7 Guarantees/contingent liabilities and other financial arrangements

Policy statement

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, Trusts, or Business Units, when the purposes of the loan are in line with Council's strategic objectives.

Procedures

Council is not allowed to guarantee loans to Council Controlled Trading Organisations under Section 62 of the Local Government Act 2002.

Financial arrangements include:

- Rural housing loans.
- Tenant contribution flats.
- Rural water supply loans.
- Advances to community organisations.

Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed.

Guarantees provided will be reported quarterly to Council.

4.8 Internal borrowing of special and general reserve funds

Procedures

Given that Council may require funding for capital expenditure cash shortfalls over the remaining life of the existing special and general reserve funds, where such funds are deemed necessary, they should be used for internal borrowing purposes when external borrowing is required. Accordingly, Council maintains its funds in short term maturities emphasising counterparty credit worthiness and liquidity. The interest rate yield achieved on the funds therefore is a secondary objective.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead, Council will manage these funds using internal borrowing facilities.

Any internal borrowing of special funds used must be reimbursed for interest revenue lost. Interest on internally funded loans is charged annually in arrears, on year-end loan balances.

Except where a specific rate has been approved for particular circumstances, interest is charged annually in arrears on all internal loans at the weighted average cost of external borrowing (including credit margin and other related costs). The Council has the ability to reset interest rates monthly If required.

4.9 Capital works funding and debt period

Policy statement

Capital works will be funded through raising new debt.

The use of long-term loan funds will be restricted to capital items only unless there is a compelling business case to do so.

Procedures

Capital works will be funded through raising new debt.

Term debt greater than one year will not be used to fund annual operational expenditure.

4.10 New Zealand Local Government Funding Agency Limited

Despite anything earlier in the Liability Management Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA in the form of Borrower Notes.
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- Commit to contribution additional equity (or subordinated debt) to the LGFA if required.
- Subscribe for shares and uncalled capital in the LGFA.
- Secure its borrowing from the LGFA, and the performance of the other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

5.0 Investment policy and limits

5.1 Introduction

Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Generating a commercial return on strategic investments is considered an objective. Investments and associated risks are monitored and managed, and regularly reported to Council. Specific purposes for maintaining investments include:

- For strategic purposes consistent with Council's Long Term Plan;
- The retention of vested land.
- Holding short term investments for working capital and liquidity requirements.
- Holding investments that are necessary to carry out Council operations consistent with Annual Plans, to implement strategic initiatives, or to support inter-generational allocations.
- Provide ready cash in the event of a natural disaster. The use of which is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets.
- Invest amounts allocated to accumulated surplus, Council created restricted reserves and general reserves.
- Invest funds allocated for approved future expenditure.
- Invest proceeds from the sale of assets.

Council should internally borrow from special reserve funds in the first instance to meet future capital expenditure requirements, unless there is a compelling reason for establishing external debt.

5.2 Policy

Council's general Policy on investments is that:

- Council may hold financial, property, and equity investments if there are strategic, commercial, and economic or other valid reasons.
- Council will keep under review its approach to all investments and the credit rating of approved creditworthy counterparties.
- The authority to acquire financial investments is delegated to the F&CSGM.

5.3 Mix of investments

Council maintains investments in the following assets:

- Equity investments.
- Property investments.
- Financial investments.

5.4.1 Equity investments

Equity investments, including investments held in CCO/CCTO and other shareholdings.

Council maintains equity investments and other minor shareholdings. Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the LTP.

Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment and their stated philosophy on investments.

Dividends received from CCO's/CCTO's and unlisted companies not controlled by Council are recognised when they are received in the consolidated revenue account.

Any purchase or disposition of equity investments requires Council approval and any profit or loss arising from the sale of these investments is to be recognised in the Statement of Financial Performance. Any purchase or disposition of equity investments will be reported to the next meeting of Council. Council may also acquire shares that are gifted or are a result of restructuring.

Unless otherwise directed by Council, the proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then included in the relevant consolidated capital account.

Council recognises that there are risks associated with holding equity investments and to minimise these risks Council, through the relevant Council-committee, monitors the performance of its equity investments on a twice-yearly basis to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when it considers this appropriate.

5.4.1.1 New Zealand Local Government Funding Agency Limited

Despite anything earlier in this Investment Policy, the Council may invest in shares and other financial instruments of the LGFA, and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for Council.

As a borrower, Council's LGFA investment includes borrower notes.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

5.4.2 Property investments

Property investments incorporating land, buildings, a portfolio of ground leases and land held for development.

Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, Council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output of Council. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. Council generally follows similar assessment criteria in relation to new property investments.

Council reviews the performance of its property investments on a regular basis. All income, including rentals and ground rent from property investments is included in the consolidated revenue account. All rented or leased properties will be at market rentals, except where Council has identified a level of subsidy that is appropriate.

Properties for sale are to be marketed in accordance with statutory requirement and in a manner that does not disrupt the market place, and in consultation with Community Boards and Committees where appropriate.

Any purchased properties must be supported by a current registered valuation, substantiated by management including a fully worked capital expenditure analysis. Council will not purchase properties on a speculative basis.

5.4.3 Financial investments

Objectives

Council's primary objective when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties.

The parameters governing Opotiki's financial market investment activities are contained in Appendix 1 Council should only hold investments that are permissible with a underlying the parameters set out in Appendix A. credit rating of AA- or above. Credit ratings are monitored and reported at least six-monthly.

Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due. Council prudently manages liquid financial investments as follows:

- Any cash investments must be restricted to a term of no more than 91 days ensuring that meets future cash flow and capital expenditure projections are met.
- Interest income from financial investments is credited to general funds, except for income from investments for special funds, reserve funds and other funds where interest may be credited to the particular fund.
- Internal borrowing will be used wherever possible to avoid external borrowing.

Trust funds

Where Council hold funds as a trustee, or manages funds for a Trust then such funds must be invested on the terms provided within the trust. If the Trusts investment policy is not specified then this policy should apply.

5.4.4 Loan Advances

Council may provide advances to CCOs, CCTOs, charitable trusts and community organisations for strategic purposes only. New loan advances are by Council resolution only. Council does not lend money, or provide any other financial accommodation, to a CCO or CCTO on terms and conditions that are more favourable to the CCO or CCTO than those that would apply if Council were borrowing the money or obtaining the financial accommodation.

Council will assess risk, and reviews performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved.

All loan advances are reported in the annual report.

5.5 Utilisation of investment sales and insurance monies

Funds released from investment sales (after sale costs) or non-reinstatement of damaged properties must be applied in the following order of priority:

- Repayment of any associated debt.
- Repayment of debt, which incurs interest at a rate well above the rate able to be earned on the proceeds where costs are justified.
- Placement of funds in reserves to the extent that the reserve is underfunded and/or is required for intended future events.
- Purchase of assets / capital works rather than borrowing for those assets at an interest rate well above the rate able to be earned on the proceeds.
- Council may change the order of priority as required.

5.6 Departures from normal Policy

The Council may, in its discretion, depart from the Investment Policies where it considers that the departure would advance its broader social or other policy objectives. As per section 80 of the Local Government Act (2002), any resolution authorising an investment under this provision shall

- Clearly identify the inconsistency (departure from policy).
- The reasons for this.
- And any intention of amending the policy to accommodate this decision.

5.7 Investment management and reporting procedures

Council's policy for the management and reporting of investments includes:

- The legislative necessity to maintain efficient financial systems for the recording and reporting (inter alia) of:
    - All revenues and expenditures;
    - All assets and liabilities; and
    - The treatment and application of special funds.
- Adherence to Council's financial processes and delegations to Council's staff to invest surplus short-term funds and negotiate reinvestments, subject to the provision of adequate cash resources to meet normal expected cash demands;
- Treasury reporting is completed on at least a quarterly basis.

6.0 Risk recognition/identification/management

Policy statements

- Total amount of debt should be spread across the range of financial institution and maturity dates.
- Variable debt compared to fixed rate debt should be managed to appropriate percentage levels given the overall level of borrowing.
- Hedging instruments can be used in the management of wholesale market interest rate exposure, but should not increase Council's overall risk.
- Council's portfolio shall be arranged to provide, at all times, sufficient funds for planned expenditure and to allow for payment of its obligations as they fall due.
- The risk of default in respect to any individual investment will be minimised by the selection of creditworthy investments spread across different entities.
- Council may invest in equity instruments where they meet Council's strategic goals.

Procedure

The definition and recognition of liquidity, funding, investment, interest rate, counterparty credit, operational and legal risk of Council is detailed below and applies to both the Liability Management Policy and Investment Policy.

6.1 Interest rate risk

6.1.1 Risk recognition

Interest rate risk on borrowing, is the risk that funding costs (due to adverse movements in market wholesale interest rates) will materially exceed projections included in the LTP and AP so as to adversely impact cost control and capital investment decisions/returns/feasibilities.

The primary objective of interest rate risk management is to manage and reduce uncertainty relating to interest rate movements through fixing/hedging of funding costs. Certainty around funding costs is to be achieved through the active management of underlying interest rate exposures.

6.1.2 Approved financial instruments.

The approved derivative interest rate risk management instruments are as follows:

- Fixed interest rate swaps, including forward starting swaps.
- Forward Rate Agreements ("FRA").
- Interest rate options – includes caps, swaptions and collars. For a collar the amount of the sold option must match the amount of the purchased option.
- Fixed rate term loans.

Options on hedging floating rate debt with an exercise rate greater than 2.00% above the equivalent period interest rate at the time of inception cannot be counted as part of the fixed rate cover percentage calculation. For example a two year cap at 5.00% would only count as a fixed rate hedge if the underlying swap rate at the time of inception was greater than 3.00%.

Any other financial instrument must be specifically approved by the Council on a case-by-case basis and only be applied to the one singular transaction being approved.

6.1.3 Interest rate risk control limits

Exposure to interest rate risk is managed and mitigated through the risk control limits below. Council's forecast external core debt as determined by Management should be within the following fixed/floating interest rate risk control limits.

Core external debt is defined as minimum gross external debt over the financial year. When approved forecasts are changed, the amount of fixed rate protection in place may have to be adjusted to ensure compliance with the Policy minimums and maximums:

FIXED INTEREST RATE RISK CONTROL LIMITS		
	Minimum Fixed Rate	**Maximum Fixed Rate**
0 – 2 years	40%	100%
2 – 5 years	20%	80%
5 – 8 years	0%	60%
8 – 12 years	0%	30%

- "Fixed Rate" is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.
- "Floating Rate" is defined as an interest rate repricing within 12 months.
- The percentages are calculated based on the rolling 12 month projected external core debt levels calculated by management.
- Any interest rate swaps with a maturity beyond 12 years must be approved by Council.
- These limits shall not apply if external debt is less than $7.5 million.

6.2 Liquidity risk/funding risk

6.2.1 Risk recognition

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of cash, short-term financial investments, loans and bank facilities. Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at acceptable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions or unexpected credit events.

6.2.2 Liquidity/funding risk control limits

To ensure funds are available when needed Council ensures that:

- There is sufficient available operating cash flow, liquid investments (cash/cash equivalents) and unused committed bank facilities to meet cash flow requirements between rates instalments as determined by the Finance Team.

For liquidity purposes Council maintains the following

- External term debt plus committed bank facilities, plus unencumbered cash/cash equivalents to existing external debt shall be maintained at a minimum of 110%.

- Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt plus uncommitted loan facilities.
- Council has the ability to pre-fund up to 18 months forecast debt requirements including re-financings.
- To avoid concentration of debt maturity dates Council will, where practicable, aim to have no more than 40% of debt subject to refinance in any rolling 12 month period.

6.3 Cash management

The Finance and Corporate Services Advisor (FM) has the responsibility to carry out the day-to-day cash and short-term debt management activities. All cash inflows and outflows pass through bank accounts controlled by the finance function. The Finance Team prepares rolling cash flow and debt forecasts to manage Council's cash management and borrowing requirements. The overdraft facility is utilised as little as practical with any operational surpluses prudently invested.

6.3 Counterparty credit risk for derivative instruments

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a derivative financial instrument where the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by the Council. Treasury related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of long-term S & P's Global Ratings, (or equivalent Fitch or Moody's rating) being AA- and above and/or short-term rating of A-1 or above.

In determining the usage of the above gross limits, the following product weightings will be used:

- Interest rate contracts - determined by adding 3% of the notional 'face' value of the contract to its mark-to-market valuation. If this sum is negative (i.e. the instrument is substantially 'out of the money'), there is no counterparty credit exposure on the contract.
- Foreign exchange contracts - determined by multiplying the notional value of outstanding transactions by 10%.

Credit ratings should be reviewed by the Finance and Corporate Services Supervisor on an ongoing basis and in the event of material credit downgrades should be immediately reported to the F&CSGM and assessed against exposure limits. Counterparties exceeding limits should be reported to the Council.

6.4 Foreign currency

Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

Generally, all individual amounts of NZD 100,000 or greater for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved and the currency amount, and timing are known. Both spot and forward foreign exchange contracts can be used by Ōpōtiki.

Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency. Council does not hold investments denominated in foreign currency.

6.5 Operational risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls.

6.6 Legal risk

Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, Ōpōtiki may be exposed to such risks.

Ōpōtiki will seek to minimise this risk by adopting policy regarding:

- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
- The matching of third-party confirmations and the immediate follow-up of anomalies.
- The use of expert advice.

6.6.1 Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with Council. Council's internal/appointed legal counsel must sign off on all documentation.

6.6.2 Financial covenants and other obligations

Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

Segregation of duties

As there are a small number of people involved in the treasury activities, adequate segregation of duties among the core functions of deal execution, confirmation, settling and accounting/reporting is not always strictly achievable. The risk will be minimised by the following the process included in appendix 3.

7.0 MEASURING TREASURY PERFORMANCE

In order to determine the success of Council's treasury management function, the following benchmarks and performance measures have been prescribed.

Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) are to be reported to Council or an appropriate sub-committee of Council on a quarterly basis.

- Statement of policy compliance.
- Commentary on economic conditions and the debt markets.

8.1 Treasury reporting

8.1.1 Reporting

This report forms the basis for the reporting of the Council's funding and associated interest rate risk management activity and provides the elected members and management with details about the Council's borrowing activities. The report shall contain the following:

The following reports are produced:

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Treasury Report • Total debt facility utilisation, including any debt sourced from a bank, the capital markets and the LGFA. • Interest rate maturity profile against percentage hedging limits. • New hedging transactions completed - interest rate risk management. • Weighted average cost of funds. • Funding profile against the policy limits. • Liquidity profile against the policy limits.	Quarterly	FC	F&CSGM /CEO/ Council
• Exception reporting as required. • Summary of any unresolved exception reports.			

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Trustee Report	As required by the Trustee	FC	Trustee company
Revaluation of financial instruments	Annually	FC	F&CSGM /CEO/Council
LGFA Covenant Compliance	Six monthly	FC	LGFA

Benchmarking

Management has delegation as set out in the Council Delegations Manual to manage debt and interest rate risk within policy control limits. Thus, the actual funding rate achieved must be compared against an appropriate external benchmark interest rate that assumes a risk neutral position within policy. In this respect, a risk neutral position is always precisely at the mid-point of the minimum and maximum control limits specified in the policy.

Given the Fixed/Floating Interest Rate Risk Control Limits of this policy, the market benchmark (composite) indicator rate will be calculated as follows:

- 30% Average 90 day bill rate for reporting month.
- 10% 3 year swap rate at end of reporting month.

- 10% 3 year swap rate, 3 years ago.
- 10% 5 year swap rate at end of reporting month.
- 10% 5 year swap rate, 4 years ago.
- 7.5% 8 year swap rate at end of reporting month.
- 7.5% 8 year swap rate, 8 years ago.
- 7.5% 10 year swap rate at end of reporting month.
- 7.5% 10 year swap rate, 10 years ago.

The actual reporting benchmark is the 12 month rolling average of the monthly calculated benchmarks using the above parameters. This is compared to actual cost of funds, excluding all credit margins and fees.

8.2 Accounting treatment of financial instruments

Council uses financial arrangements ("derivatives") for the primary purpose of reducing its financial risk to fluctuations in interest rates. The purpose of this section is to articulate Council's accounting treatment of derivatives in a broad sense. Further detail of accounting treatment is contained within the appropriate operations and procedures manual.

Under New Zealand Public Benefit Entity (PBE) International Public Sector Accounting Standards (IPSAS) changes in the fair value of derivatives go through the Income Statement unless derivatives are designated in an effective hedge relationship.

Council's principal objective is to actively manage the Council's interest rate risks within approved limits and chooses not to hedge account. Council accepts that the marked-to-market gains and losses on the revaluation of derivatives can create potential volatility in Council's annual accounts.

All treasury financial instruments must be revalued (marked-to-market) at least every six months for risk management purposes.

9 Relevant Legislation

- Local Government Act 2002.
- Local Government (Financial Reporting and Prudence) Regulations 2014.
- Trustee Act 1956.

10 Policy review

The Policy is to be formally reviewed on a triennial basis, or as required by legislation. Refer to the Policy Index for policy owner.

Appendix 1: Authorised Financial Market Investment Parameters

AUTHORISED ASSET CLASSES	MAXIMUM LIMIT AS A PERCENTAGE OF THE TOTAL PORTFOLIO	APPROVED FINANCIAL MARKET INVESTMENT INSTRUMENTS (MUST BE DENOMINATED IN NZ DOLLARS)	CREDIT RATING CRITERIA – S&P (OR MOODY'S OR FITCH EQUIVALENTS)	LIMIT FOR EACH ISSUER SUBJECT TO OVERALL PORTFOLIO LIMIT FOR ISSUER CLASS
New Zealand Government or Government Guaranteed	100%	Government Bonds Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	50%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'A'- or A S&P ST rating of 'A-1+' or LT 'A+ or better	$2 million $4 million
Unrated local authorities where rates are used as security	25%	Bonds/MTNs/FRNs	Not applicable	$2 million
New Zealand Registered Banks	100%	Call/Term Deposits Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'A-' or 'A' S&P ST rating of 'A-1+' or LT 'A+' or better	$3 million $12 million
State Owned Enterprises	33%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'A-' or 'A' S&P ST rating of 'A-1+' or LT 'A+' or better	$2 million $4 million
Corporates	25%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of 'A-1' or LT 'A-' or 'A' S&P ST rating of 'A-1+' or LT 'A+' or better	$1 million $2 million

Development Contributions and Financial Contributions Policy

POLICY	STATUS	AT	DATE	DOC ID
Development Contributions and Financial Contributions Policy	*Adopted*	*Extra Ordinary Council Meeting*	*29 June 2021*	*A249588*

Introduction:

The Policy on Development Contributions and Financial Contributions outlines the Council's policy on the use of development and financial contributions. A development or financial contribution is a contribution of money or land (including reserve land), or both.

1 Preamble

Under the Local Government Act, the Council is required to have a policy on development contributions and financial contributions as part of its funding and financial policies. Development contributions may be required if the Council's policy is to collect development contributions.

Currently Council does not require development contributions for development that triggers section 198(1) of the Local Government Act 2002 ("LGA") on or after 1 July 2015.

It is Council policy to continue to allocate the development contributions collected for qualifying projects prior to 2015 included in Councils former policies for development contributions on the same basis as previously prescribed. These projects are identified in the 2018-28 Long Term Plan.

Financial contributions are currently taken by Council as consent conditions for subdivision and land use activities approved under the Resource Management Act 1991("RMA"). Formulae are specified in the District Plan for collecting financial contributions to remedy or mitigate the adverse effects of subdivisions on District roads and reserves.

Financial contributions for reserves and subdivision undertaken on roads listed under Section 11.3.4.4 of the District Plan will continue to be collected under the District Plan provisions. This is to enable Council to recover 100% of the cost of upgrading a number of identified roads in the District that are currently at capacity and where additional traffic loading would make the use of those roads non-viable.

2 Development policy

The Ōpōtiki District Council does not require development contributions for new development.

3 Circumstances where a development contribution is payable

The Council will not require development contributions for development that triggers section 198(1) of the LGA.

4 Capital expenditure for community facilities

Except for development contributions required under assessments prior to 1 July 2015 to meet the components of qualifying capital works projects for community infrastructure arising from growth, the Council will fund the remaining costs of capital works for other community facilities from other sources.

See Table 1 for the estimate of capital expenditure for which development contributions collected prior to 1 July 2015 will be allocated.

5 REFUNDS OF DEVELOPMENT CONTRIBUTIONS

Section 209 of the LGA applies, and requires the refund of money or return of land if:

- The resource consent lapses or is surrendered; or
- The building consent lapses; or
- The development or building in respect of which the resource consent or building consent was granted does not proceed; or
- The Council does not provide the reserve, network infrastructure or community infrastructure for which the development contribution was required.

The Council may retain any portion of a development contribution or land of a value equivalent to the costs incurred by the Council in relation to the development or building and its discontinuance.

6 Development contributions and financial contributions

Development Contributions under the LGA are different from Financial Contributions under the Resource Management Act 1991 (RMA).

Financial contributions under the RMA are primarily used for infrastructure provision as mitigation of the effects of activities whereas development contributions have in the past been used for capital improvements to land (e.g. playgrounds, toilets, pavilions, car parking, roading upgrades) required as a result of growth.

The Council has in place financial contributions policies, objectives and rules in the District Plan. These are summarised below.

The Council may include conditions requiring financial contributions as defined in Section 108(9) of the RMA upon the granting of a resource consent. Financial contributions are imposed for the purpose of achieving the objectives of the District Plan. This section contains general objectives, policies, and rules relating to financial contributions.

Financial contributions are imposed so that the costs associated with new development or activity do not fall inequitably upon the entire community. The District Plan uses financial contributions to build into the cost of any new development any physical and environmental costs that can be identified.

Contributions are imposed in respect to roads, water supply, storm water, sewerage, reserves, and parking. They are intended to cover a fair share of the cost of expanding the capacity of existing systems to cope with additional demand from new development or activity. They are also intended to impose upon the developer a fair share of the burden of avoiding, remedying, or mitigating the adverse effects resulting from development and new activity.

Having considered the factors in section 101(3) of the LGFA, the Council recognises that development in different parts of the district places different costs on Council and different loadings on infrastructural systems. A flat fee across the entire district would be unfair for development in areas where there are low additional costs. Financial contributions will reflect as close as possible the actual costs associated with ensuring positive effects from anticipated development.

7 Explanation of financial contribution provisions

The provisions that relate to financial contributions in the District Plan prepared under the RMA are detailed in Section 1 of the Ōpōtiki District Plan. These provisions include a statement of the resource management issues, the objectives and policies, the rules, an explanation of reasons for the provisions and the anticipated environmental outcomes.

There are specific rules which:

- authorise the imposition of conditions of resource consent relating to financial contributions; and
- provide for the manner in which the Council will assess whether to impose conditions requiring financial contributions and the amount of such contributions;

  for:

  (i) car parking (rule 11.3.3), based on the cost of forming the number of car parks required by an activity pursuant to the development rules in the Plan but not otherwise provided;

  (ii) roading (rule 11.3.4), based on the cost of road formation, sealing or other roading works required as a result of the consented development, and depending on whether the relevant road is sealed or unsealed;

  (iii) water supply, sewerage networks and stormwater treatment (rule 11.3.5), based on the upgrade costs of those network services required as a result of the development;

  (iv) reserves (rule 11.3.6), based on the cost of acquiring and improving reserves to meet increases in the number of households, which has been calculated as $790 (excluding GST) per new allotment created.

These financial contribution provisions are intended to deal with the effects of activities, including the effect of growth on infrastructure and the need to fund increased capacity of that infrastructure to avoid other adverse effects (such as congestion, flooding etc).

8 Policy review

The Council next expects to review this policy in year one of the 2021-31 LTP. Any proposed amendment to the policy before that time will be consulted on in a manner that gives effect to the requirements of section 82 of the LGA.

Council has determined the funding sources as disclosed in the table above as being an appropriate allocation of the contributions already collected.

The above table indicates where Council will spend development contributions that it has received.

Council may also collect financial contributions as identified earlier however there are no specific projects in the Long Term Plan that we allocate Financial Contributions to. These are generally used to mitigate adverse effects of a specific resource consent application initiated by a ratepayer or developer. We haven't made any assumptions about when these will occur.

Any financial contributions collected will be used as specified in consent conditions of the resource consent. These will generally relate to the requirement for car parking, roading, water supply, sewerage networks, storm water treatment, and reserves.

General advice (not forming part of the Policy): Council has a new funding policy for capital expenditure to be adopted as part of the 2018-28 Long Term Plan. Notwithstanding the application of contributions already collected, capital expenditure will be funded as follows from 1 July 2018;

Expenditure Type	Funding Source

Renewal of existing assets	Internal Loan
Increase in level of service	Internal Loan
Growth in demand	Internal Loan

* All types of capital expenditure may be funded by subsidies, in fact grant and subsidy revenue is sought to help fund any expenditure where there is funding available.

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

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.

Subsidaries: Nil

Significant policies and objectives in regard to Ownership and Control

Each of the following nine councils in the region holding a 11.11% share:

- Bay of Plenty Regional Council
- Kawerau District Council
- Ōpōtiki District Council
- Rotorua District Council
- Taupo District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Whakatane District Council
- Gisborne District Council.

BoPLASS Ltd conducts itself in accordance with its Constitution, its annual Statement of Intent agreed with shareholders and the provisions of the Companies Act 1993 and Local Government Act 2002. Unless otherwise agreed by the Board, each appointee is the current or acting Chief Executive of the council shareholders. In addition, the Board may appoint up to three professional directors to supplement the Directors/Chief Executives' expertise.

Nature and Scope of Activities

The principle nature and scope of the activity of BoPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent Councils
- Facilitate shared services that benefit Councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value

- Pursue best practice in the management of all activities to obtain best value and minimise risk
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, Council contributions, or Government funding where available
- Allow other Councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly
- Represent the collective views of its shareholders in matters with which it is associated.

Other shared services may be provided after the Board has considered each individual business case and formally agreed to take on and deliver (or host/procure etc) the shared service.

BoPLASS Ltd will also proactively explore opportunities to partner with other local authorities and shared services organisations within New Zealand where they are either developing or considering developing cost effective shared services and products that are of value to the Bay of Plenty councils.

Key Performance Targets and Other Measures of Performance

BOPLASS Ltd has achieved the initial performance targets. The following is the performance target for the next three years:

Performance Targets:
Investigate new joint procurement initiatives for goods and services for BOPLASS councils – Minimum of 4 per annum.

TOI-EDA

Toi-EDA is the Eastern Bay of Plenty Regional Economic Development Agency set up by the three territorial authorities (Kawerau, Ōpōtiki and Whakatane) working together with local iwi.

Toi-EDA has a strong focus on its vision of enhancing the Eastern Bay of Plenty's economic growth and resultant wealth and jobs for its people. The Agency plays an important role in the Bay of Plenty regional partnership, Bay of Connections, both in terms of representing Eastern Bay of Plenty economic development interests, and in implementing relevant actions from the Regional Strategies.

Toi-EDA is a Charitable Trust, with six Trustees appointed from commercial, community and iwi backgrounds. The CEO's of the three Eastern Bay Councils also participate actively in Trust meetings.

Toi EDA is not considered by Council to be a Council Controlled Organisation as per the Local Government Act 2002.

Subsidiaries: Nil

Significant Policies and Objectives in regard to ownership and control:

Policies relating to the ownership and control of the Trust include the Trust Deed setting out the purpose of the Trust and matters relating to the appointment of Trustees and the business of the Trust. The Trust Deed states the settlers have no powers to give directions to or exercise control over the Trustees or any part of the Trust's activities.

Nature and Scope of Activities

The principal nature and scope of the activity for the Toi-EDA is stated in the Trust Deed, which is to:

- Cultivate economic initiatives and foster growth for the benefit of Māori and the Eastern Bay of Plenty Community
- Promote the economic, environmental, cultural and social wellbeing of Māori 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 Māori 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.

2024-2054 Infrastructure Strategy

Objective ID: A1224019

Executive summary

Scope and purpose of the strategy

This strategy describes the key infrastructure-related challenges to three waters, solid waste, transport and harbour activities that the Ōpōtiki District Council will face over the next 30 years. It explains what the options and implications are for responding to these challenges, and Council's preferred approach.

The key challenges facing our infrastructure are:

- Replacing old assets (ageing infrastructure)
- Improving levels of service due to community expectation and or mandated requirements
- Meeting the demands of future growth and
- Natural hazards
- Water Services Reform.

Self Disclosure – LGA 2002 Section 101(b)

The Infrastructure Strategy has a primary focus on investment required through years 1-10 to renew existing assts, accommodate regulatory compliance (or other Level Of Service requirements), improve resilience and meet underlying growth assumptions. This does include some investment, for critical infrastructure, that would address requirements over a 30 year period.

However, for years 11-30 the strategy generally sets out requirements to operate, maintain and renew existing assets with less focus on estimating additional investment required to further accommodate growth and level of service improvements beyond what would be catered for through years 1 to 10.

For this reason, we disclose that the Infrastructure Strategy does not fully comply with the requirements of Section101(b).

Key challenges facing our infrastructure

The table below summaries the infrastructure challenges we face, and the associated range of decisions considered to address these issues. The ***underlined bold*** decision highlighted for each challenge is the preferred approach for Council.

Infrastructure Challenge	Significant Issue	Significant Decisions
Replacing Old Assets	Are we prudent managers of our assets?	• Invest based on asset end of life and get ahead of curve. • ***Adopt long run average renewal approach and invest operationally to mature renewal approach based on asset condition, service condition and criticality.*** • Limit renewal programme.
Improving levels of service due to community expectation and or mandated requirements	The ability to pay needs to be balanced against the desire to improve levels of service and in some cases the requirement to improve levels of service in response to the regulatory environment.	• Invest heavily in improving both desired and mandated levels of service. • ***Limit improvements in level of service primarily to mandated areas.*** • No investment in improving levels of service.
Meeting the demands of future growth	How proactively should Council invest in infrastructure for growth?	• Invest fully in infrastructure to enable growth. • ***Limited investment in identified areas to assist growth.*** • No pro-active investment for growth.
Natural Hazards	How actively should council be investing in ensuring our infrastructure is resilient to natural hazards?	• Invest significantly to address resilience. • ***Limited investment to critical assets to mitigate some risk.*** • No investment to manage resilience.
Water Services Reform	Can we afford to fund and resource management of three waters assets ourselves.	• Continue with current delivery model for three waters infrastructure. • ***Investigate alternative delivery model for three waters infrastructure.***

Replacing old assets

As a Council we are responsible for carefully managing our existing assets, including renewing them at the right times to maintain levels of service. We aim to get better at deciding when to invest in our assets based on their actual condition, not just their age. This means putting more resources into collecting asset condition data and better understanding how critical each asset is to inform when to renew our assets and what assets can be pushed to their limit. This avoids premature investment, and premature burden to the community. This is especially important for our three waters and solid waste assets which need more detailed asset information to better inform renewals programmes. Our transport assets generally have more consistent data across the board, and it is clear we need to invest more in maintaining them to keep them in good condition. To assist in funding of the depreciation of assets, we have adopted a 'Long Run Average Renewal' approach to funding renewals. This means Council will set its funding level to the long run average costs of renewals over 30 years.

Improving levels of service due to community expectation and or mandated requirements

Improving levels of service due to community expectations and / or mandated requirements is an ongoing challenge. The ability to pay needs to be balanced against the desire to improve levels of service and in some cases the requirement to improve levels of service in response to the regulatory environment. The community has expressed a strong interest in better managing stormwater in the Ōpōtiki Township. They want a new stopbank at the southern end of town to prevent floodwater from entering the urban area and to upgrade the pump station capacity to remove water more effectively. The community will need to support other upgrades, like obtaining a new permit for the Ōpōtiki Township wastewater treatment plant and disposal field with new conditions and moving the Te Kaha water treatment plant to meet water quality requirements consistently, which is currently a challenge during wet weather. Our approach in this area is to limit improvements to level of service to primarily mandated areas.

Meeting the demands of future growth

The district is growing and is estimated to continue to grow with up to 14,600 people predicted to be living in Ōpōtiki District by 2055. The ability for Council to meet this demand on services needs to be balanced with the affordability of investing in the required infrastructure. With the cost of living high, the community's ability to handle increases in costs and the Council's increased costs to deliver services needs to be balanced with the required renewals and upgrades to infrastructure, particularly with the growth that Ōpōtiki is experiencing.

We are adopting an approach of limited investment in identified areas to assist growth as opposed to fully funding growth projects. This means costs to the community can be spread over time to help balance the needs of the assets against the ability of the community to pay. In this manner growth is still provided for in some capacity.

Natural Hazards

The Council faces challenges in keeping its infrastructure safe from natural hazards. The Auckland and Hawke's Bay floods in 2023 have shown we share similar risks. Investment in resilience against natural hazards can be expensive for our community but we can't ignore the need for it. Our strategy involves ongoing investment to better understand the risks to critical assets and develop ways to manage these risks. This means finding a balance between preventing service disruptions with the ability to restore services if they are disrupted. A key part of our approach is to make sure the community understands both the benefits and risks of these management strategies so everyone can support them as a collective effort. Our focus will be on key critical infrastructure to mitigate some of these risks.

Water Services Reform

The New Zealand government is working to change the way water services are delivered. They previously indicated they are seeking to aggregate services to various entities across New Zealand. This is now uncertain with the new government, and therefore we are currently in a holding period. Proposed legislation changes earmarked to be fully in place by mid-2025 under the "Local Water Done Well" policy is likely to result in Council retaining much of the three waters services in-house but keeps the door open for different models of service delivery.

Assessments of the state of three waters infrastructure in New Zealand estimate that the cost of upgrading water and wastewater infrastructure to address public health and environmental impacts is in the order of $10 billion.

Ōpōtiki District Council is not without its own challenges with regard to its ability to fund the required level of investment required to renew existing assets, improve levels of service and accommodate growth. The challenges to three water services are significant, and Council continues to plan for and react to the dynamic legislative landscape to ultimately provide a fit for purpose service to our community. The direction therefore is to explore alternative delivery models for three waters infrastructure.

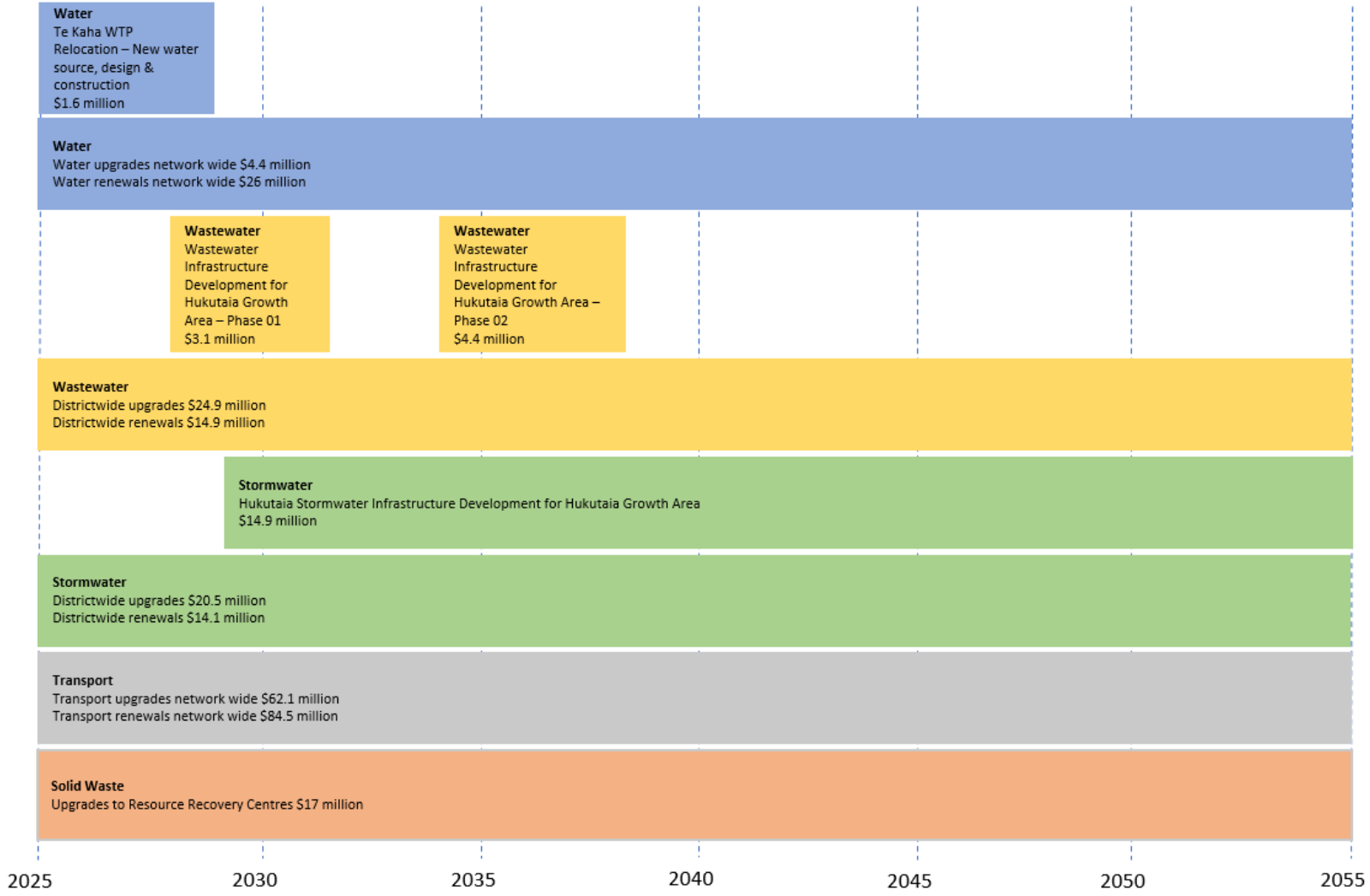
Capital works investment direction

ACTIVITY	YEARS 1-3	YEARS 4-10	COMMENTARY
All	Limit to historic delivery levels	Increase, based on long run average renewal approach and limits on LOS, Growth and risk mitigation.	• Adopt long run average renewal approach and invest operationally to mature renewal approach based on asset condition, service condition and criticality • Limit improvements in level of service primarily to mandated areas • Limited investment in identified areas to assist growth • Limited investment to critical assets to mitigate some risk
Three Waters	Limit [whilst investing operationally to improve work programme]	Increase	• Progress with critical works Opotiki township WWTP consent and upgrade • Progress WWPS01 and Rising Main renewal/upgrade for resilience, I&I and future growth • Progress Te Kaha WTP • Growth projects in later years, can be brought forward if funding sourced. • Unmandated LOS projects (i.e. SW improvements) in later years, can be brought forward if funding sourced.
Transport	Increase [within combined limit to historic delivery levels]	Increase	• Work programme is mature, increase investment to catchup with renewal programme and make use of NZTA 75% funding rate.

ACTIVITY	YEARS 1-3	YEARS 4-10	COMMENTARY
Solid Waste	Increase [within combined limit to historic delivery levels]	Increase	• Work programme is immature, increase investment to address immediate needs whilst investing operationally to improve work programme
Harbour	On Hold	On Hold	• Awaiting outcome of negotiations with MBIE

Proposed major infrastructure projects

The following figure highlights the major infrastructure projects that are proposed over the next 30 years.



1.0 Introduction

1.1 Purpose and scope

This Infrastructure Strategy describes the key infrastructure-related challenges facing the Ōpōtiki District over the next 30 years, what the options and implications are for responding to these, and the Ōpōtiki District Council's preferred approach.

The strategy covers the Council's transport, three waters, solid waste, and harbour activities. This strategy focuses on the big picture issues for Council's infrastructure and is supplemented by the relevant 202 asset management plans (AMPs). These additional plans give a more comprehensive insight into how Council manages the assets for each activity.

Self Disclosure – LGA 2002 Section 101(b)

The Infrastructure Strategy has a primary focus on investment required through years 1-10 to renew existing assts, accommodate regulatory compliance (or other Level Of Service requirements), improve resilience and meet underlying growth assumptions. This does include some investment, for critical infrastructure, that would address requirements over a 30 year period.

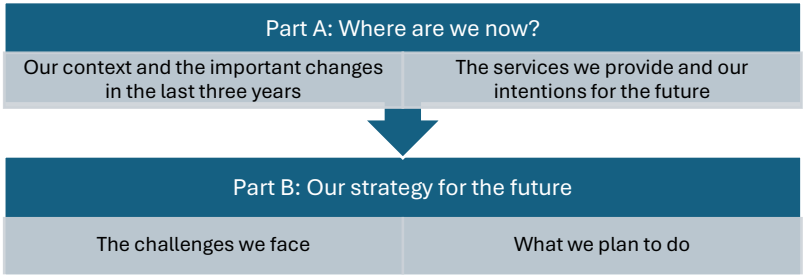
However, for years 11-30 the strategy generally sets out requirements to operate, maintain and renew existing assets with less focus on estimating additional investment required to further accommodate growth and level of service improvements beyond what would be catered for through years 1 to 10.

For this reason, we disclose that the Infrastructure Strategy does not fully comply with the requirements of Section101(b).

Note: The financial forecasts in this document are inflated unless stated otherwise.

1.2 Document structure

This strategy has a two-part structure, shown below.



1.3 Guiding principles for the infrastructure strategy

ŌDC's vision is "Strong communities, Strong future". To support this vision, ŌDC has five strategic priorities, shown in the table below, along with the guiding principles used in the infrastructure strategy to support these priorities.

Council's strategic priorities	How this strategy supports the strategic priorities
Strong relationships and partners	We strive to establish, develop and maintain genuine relationships with Iwi and hapu, community groups and stakeholders.
Investment in our district	We advocate for and attract high-quality investment across our district.
Wellbeing is valued	We prioritise the wellbeing, hauora and engagement of all our communities, now and into the future.
Our communities are resilient	We enable our communities to make informed, safe decisions about resilience and adaptation.
Growth is sustained over time	We plan for a district which is future focused and ready for growth.

2.0 Our Strategic Context

The key big-picture element that are shaping our approach to infrastructure are:

- makeup of our district
- resilience
- inflation
- iwi partnerships and settlements
- growth
- the harbour development project and
- New Zealand is feeling the impacts of climate change.

These are covered in the sections below.

2.1 Makeup of our district

The Ōpōtiki district is in the Eastern Bay of Plenty and extends from the Ōhiwa Harbour to Cape Runaway along the coast. It incorporates the township of Ōpōtiki, along with rural settlements including Kutarere, Ohiwa, Waiotahe, Opape, Torere, Omaio, Te Kaha, Waihau Bay and Cape Runaway, with the majority located along the coastline. The district covers 308,978 hectares of rural, urban, coastal and forested areas.

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

Key industries in the area are agriculture and kiwifruit. Aquaculture (open-ocean mussel farms and associated processing) is growing into a significant employer, too.

The district relies on the state highway (SH) network for connectivity to the wider region and beyond.

Although Ōpōtiki is an area with a rich natural environment and inspiring people, the district as a community faces many social and economic challenges. Approximately 70% of the district's land area is non-rateable. Close to 52% of the landmass is in the Department of Conservation (DoC) estate, with a further 12% managed through Nga Whenua Rāhui, in association with DoC. Ōpōtiki has a high proportion of Māori land blocks, particularly east of Ōpōtiki township and there are 193 hectares in reserve land.

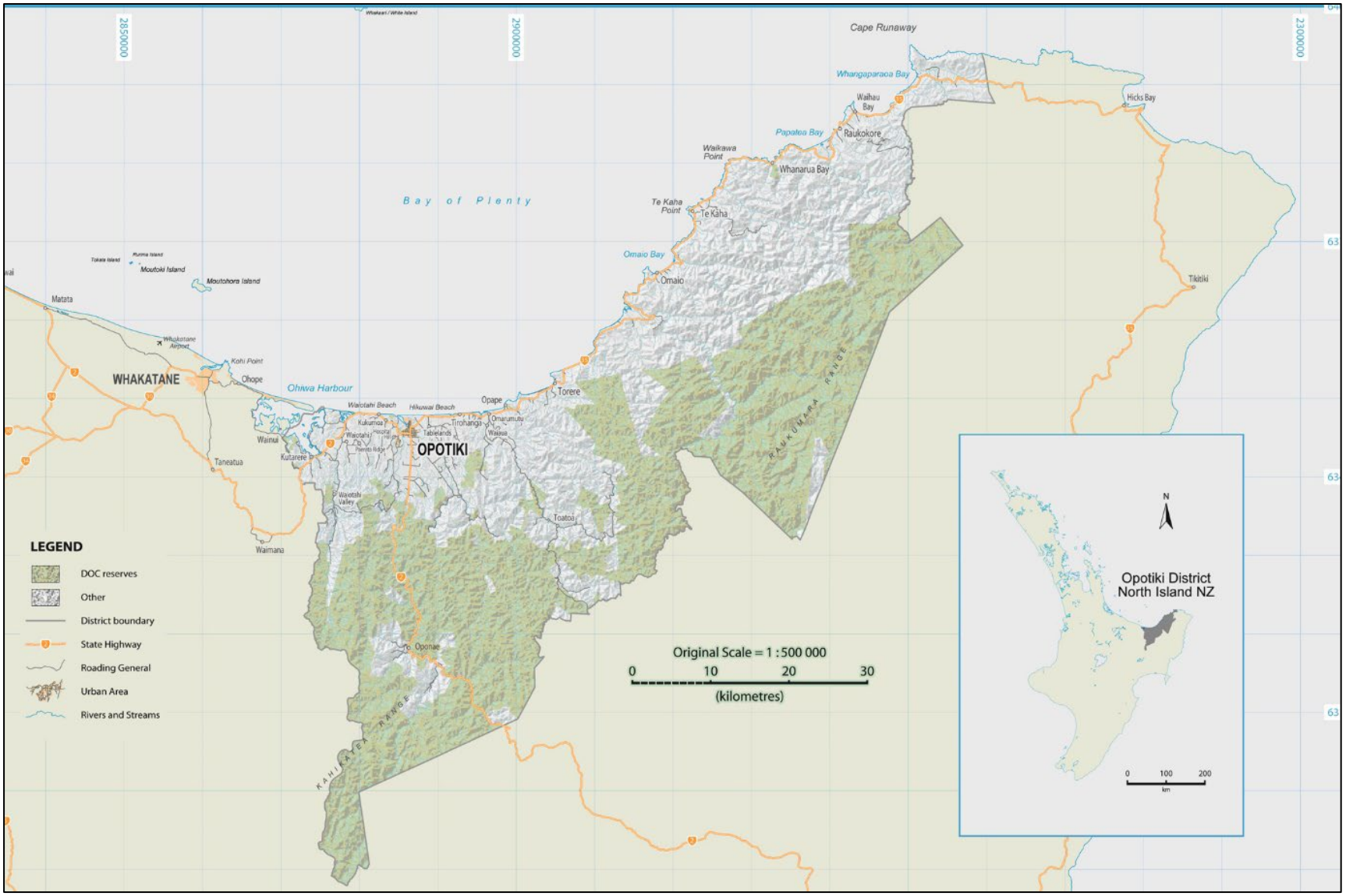


Figure 2-1: Map of Ōpōtiki District Council

2.2 Resilience

Infrastructure resilience is a key issue facing councils throughout New Zealand. Resilience in infrastructure can be defined as a network that provides a reliable level of service. This means that natural and man-made risks can be minimised or managed, planning is adaptive to emerging risks, and the network can recover from unplanned hazards and events.

The Ōpōtiki District has recently seen heavy rain events resulting in widespread surface and river flooding, together with major slips and river scour adjacent to roads. These events disrupt the district and result in additional costs to Council in the form of emergency works. The 2022/23 year has seen an increase in emergency works expenditure of over 50% compared to the 2021/22 year.

The wet weather events of 2022/23 resulted in $1.6M in storm damage works on the network. There are several sites in the network that are likely to deteriorate and trigger further reinstatement expenditure requirements.

Notable projects that have been initiated since the last Infrastructure Strategy are the Tarawa Creek Pump Station upgrade which has been designed, as well as conceptual designs for Duke St West Stopbank and Wellington St Stormwater Basin. These projects, when completed, will directly contribute to the flooding / stormwater resilience of Ōpōtiki Township.

The dialogue around climate change is ongoing with the following documents contributing to the national understanding.

- An LGNZ report in 2019 estimated that $14 billion of local government infrastructure is exposed to sea level rise.
- The adoption of the Climate Change Response (Zero Carbon) Amendment Act 2019, which established a Climate Commission, set emissions targets, and enables mandatory reporting on emissions targets by utility operators.
- The Ministry for the Environment published New Zealand's first Climate Change Risk Assessment in 2020.
- The Ministry of Environment published New Zealand's first national adaptation plan in 2022.
- The IPCC published their 6th assessment report in 2023, which concluded that deep, rapid reductions in greenhouse gas emissions across all sectors are required within this decade to avoid overshooting 1.5 C° of warming.

The current government has indicated that adaption planning will be the key focus nationally.

The investments by local government into infrastructure are key to making their communities adaptive and resilient. As we go into the next ten years, this will be an area of slow but increasing focus for Council. To support this, Council is currently developing a climate change strategy which will outline ŌDC's intentions and focus areas. Council has plans in place to address wider resilience issues and are ready to implement projects to achieve these goals. The constraint to date is adequately funding these projects to deliver the works.

2.3 Inflation and affordability

Interest rates in NZ have been at historical lows since 2009, with the official cash rate almost at 0% for two years from mid-2020. However, rates have jumped back up towards long term averages over the last two years. Alongside this, inflation has followed a similar path.

This has resulted in increased costs of living and business in the community. For Council, it has increased the cost of projects, the cost of debt, and the amount of depreciation that Council must rate (because asset valuations have increased).

In the last 2021 LTP, Council made decisions aimed at making things more affordable for the community. One decision was to assume that Government grants would pay for major growth projects, based on discussions with the Government of the day. Unfortunately, this funding did not eventuate, so now developers will likely have to cover those costs. Another decision was to not fully fund depreciation costs, which kept rate

increases lower. However, we now need to make up for the shortfall in funding. Ōpōtiki district still has a long way to go to reduce deprivation levels relative to the rest of the country.

2.4 Iwi partnerships and settlements

The aspirations of our local iwi and opportunities enabled by settlement will play a significant role in the development and growth of the Opotiki district over the next ten years.

ŌDC strives to establish, develop and maintain genuine relationships with iwi and hapū, community groups and stakeholders.

2.5 Growth

The growth we are forecasting is primarily driven by economic activity. We currently experience a large influx of seasonal workers for the kiwifruit season. The aquaculture and kiwifruit industries have largely complimentary working seasons, creating the opportunity for staff requirements to grow together, creating a year-round workforce, and further service industries to support them.

Council supports this growth. It increases the quality of services that Council can provide and supports the wellbeing of the community through additional employment.

Infrastructure plays an important role in supporting this growth. Industry requires infrastructure that can meet its business needs. Likewise, large scale residential growth is more attractive to developers when serviced by infrastructure because the subdivisions can have a higher yield from smaller lot sizes.

2.6 The harbour project

The Ōpōtiki Harbour Development Project is underway, and work on the harbour entrance is almost finished. This upgrade will allow bigger boats to enter the harbour in almost all suitable working weather conditions. As a result, Ōpōtiki will be a service and processing base for aquaculture and other marine related industries.

Physical works on the Ōpōtiki Harbour Development Project started in June 2020. The harbour walls have been completed in 2024, however the establishment of the dunes and the dredging capital works will continue into 2025 and possibly beyond.

The project will provide a platform for sustainable economic growth by:

- Capitalising on opportunities from the existing 3,800-hectare marine farm offshore from Ōpōtiki.
- Enabling other aquaculture ventures and marine related development in the Eastern Bay of Plenty.
- Increasing overall social, economic and cultural wellbeing in Ōpōtiki and the wider Eastern Bay of Plenty.
- Enhancing recreation opportunities and public access to the coast.

An additional project for the private development of a new marina is currently progressing with consenting. The timing is still to be confirmed but construction may occur within the next few years.

Provincial Growth Fund (PGF) funding has also been obtained for development of the Harbour industrial zone on the western approach to town and was granted Resource Consent in September 2024. Further funding has enabled the construction of the mussel processing factory on the southern side of town, now in operation. The Crown has provided funding for improvements to the town centre and the town wharf refurbishment. The town wharf refurbishment is largely complete as of October 2024.

Te Whanau Apanui are currently developing a mussel hatchery and research hub in the Te kaha area. They have also applied for a 10,000-hectare seawater consent off the coast of Te Kaha for aquaculture activities.

These developments are all part of the development of an aquaculture industry associated with the Ōpōtiki Harbour development.

This development is expected to deliver:

- Employment of 936 people
- Provision of $27.3 million in household income
- Contribution of $34.6 to Ōpōtiki's GDP
- An increase in $44.9 million in output.

3.0 Overview of our services and intentions

This section outlines key information about how the core infrastructure council operates, and our long-term intentions for the services we provide through them.

3.1 Transport

The transport network plays a vital role in the District by supporting the social and economic well-being of the community. The transport system enables people to move within and through the District, and for primary producers to access State Highways 35 and 2 for links to Whakatāne, Kawerau, Tauranga and Gisborne. Keeping the roading network in good condition is essential for the continued growth and economic success of the Ōpōtiki District, ensuring they are safe and efficient for everyone to use.

3.1.1 Overview of our assets

Transport infrastructure includes roads, footpaths, cycleways, parking facilities, bridges, and traffic control measures (such as signage, lighting, and road markings). Council's responsibilities include operation and maintenance of the current network and planning for future development. The Council manages transport planning, policy and networks through the transportation activity. ŌDC's current network is made up of over 300km of rural and urban streets, roads and connectors. 176km's are sealed roads and 134kms are unsealed rural and unclassified roads.

Table 3.1 provides an overview of the transport assets owned and maintained by the Council.

Table 3.1: ŌDC Transport Assets Valuations (Beca, 2022)

Asset Type	Component	Unit	Base life (average)	Age	RUL	% Base consumed	Replacement Cost	Depreciated Replacement Cost	Annual Depreciation
Formation	Formation	m2					69,285,166	69,285,166	
Sealed Pavement	Sealed Subbase	m2					28,615,026	28,615,026	
	Sealed Basecourse	m3	108	51	57	47%	49,296,874	25,725,400	454,655
	Sealed Surfaces	m2	16	10	6	63%	8,049,680	3,103,499	505,407
Unsealed Pavement	Unsealed Subbase	m2	0	0	0		6,715,198	6,715,198	
	Wearing Course	m3	5	3	2	60%	1,170,703	583,242	233,310
Footpaths and Crossings	Footpath	m2	67	16	51	24%	15,671,449	11,826,681	233,149
	Vehicle Crossings	m2	80	12	68	15%	43,114	36,647	539
	Pedestrian Give Way	each	80	11	69	14%	22,437	19,468	280
Drainage	Drainage	each/m	74	41	33	55%	14,344,395	6,309,656	193,238
Surface Water Channels	Surface Water Channels	m	80	24	56	30%	8,862,509	6,253,866	110,781
Streetlights	Light	each	26	5	21	19%	559,680	453,424	21,464
	Brackets	each	50	16	34	32%	350,350	240,194	7,007
	Poles	each	50	23	27	46%	1,047,375	570,536	20,948
Structures	Bridges	m2	99	46	53	46%	49,927,263	26,827,762	506,001
	Retaining Walls	m2	60	5	55	8%	716,386	646,326	11,846
Traffic Facilities	Traffic Signs	each	26	20	6	77%	882,775	190,511	33,943
	Edge Marker Posts	each	15	5	10	33%	31,805	20,143	2,120
	Railings	m	35	18	17	51%	1,366,956	666,154	39,554
	Bollards	each	50	1	49	2%	5,064	4,968	101
	Gates	each	25	2	23	8%	41,038	37,717	1,642
Total							257,005,243	188,131,584	2,375,986

3.1.2 What is important to our community

The community priorities specific to transport are as follows:

- Wellbeing – The condition of the existing transport system is efficiently maintained at a level that meets the current and future needs of users.
- Wellbeing – Transport is made substantially safer for all.
- Resilient – The transport system is better able to cope with natural and anthropogenic hazards and failure.

3.1.3 Our current situation and intentions for what is important

ŌDC has aging assets from a maturing network, resulting in higher maintenance requirements and programmed renewals.

To meet the community's needs, planning and development of new transportation assets to fill the current infrastructure gaps will be needed. This includes investment to bring existing infrastructure up to standard to ensure safe access. Improvements will cover better drainage, adding footpaths to make sure pedestrians and mobility vehicles can move safely around the Ōpōtiki township. Anticipated growth from town developments will likely lead to new internal subdivisions provided by private fund sources and Kāinga Ora. This will include the new transportation assets that will have to be created within these developments including facilities for public transport.

Economic development has led to an increase in traffic, including more heavy vehicles, that are resulting in increased deterioration and maintenance requirements on the network. With the Ōpōtiki Harbour Development project underway there will continue to be additional pressure on the transport network from the growth this project will result in. The growth in the district is seeing the town expand and there is more demand for connectivity and facilities that support safe options for pedestrian and cyclist travel.

Road safety continues to be an issue throughout the district. Road crash deaths and serious injuries in the Ōpōtiki District are a significant issue making up 13% of crashes in the district, minor injury crashes account for 31% of crashes. By improving road infrastructure and setting and enforcing safe speed limits a safer road system can be created.

The increased annual rainfall and the higher intensity storms that the district is experiencing are having an impact on the network resilience. The wet weather events of 2022/23 resulted in $1.6M in storm damage to the network, and there remains a number of sites in the network that are likely to deteriorate and trigger further reinstatement expenditure requirements.

A resilient transport network is an important economic, social, and safety component, particularly as there are areas within the district where roading network routes are few or there is no alternative access. Ongoing assessments of infrastructure resilience will be necessary to plan interventions while working with Waka Kotahi to prioritise maintenance and emergency response operations for SH35 as a lifeline route.

Overall, Council is planning so that 30 years from now, the levels of service that are important to the community have been maintained, through long term renewals and maintenance programmes.

3.2 Solid Waste

3.2.1 Overview of our assets

ŌDC's Solid waste infrastructure includes three resource recovery centres, which sort and process solid waste. The RRC's are located in Ōpōtiki township (main RRC), Te Kaha and Waihau Bay.

Materials collected at the coastal RRCs are transported to Ōpōtiki RRC by Council's contractor. Ōpōtiki RRC has adequate capacity to handle the quantity of waste generated in the district at present.

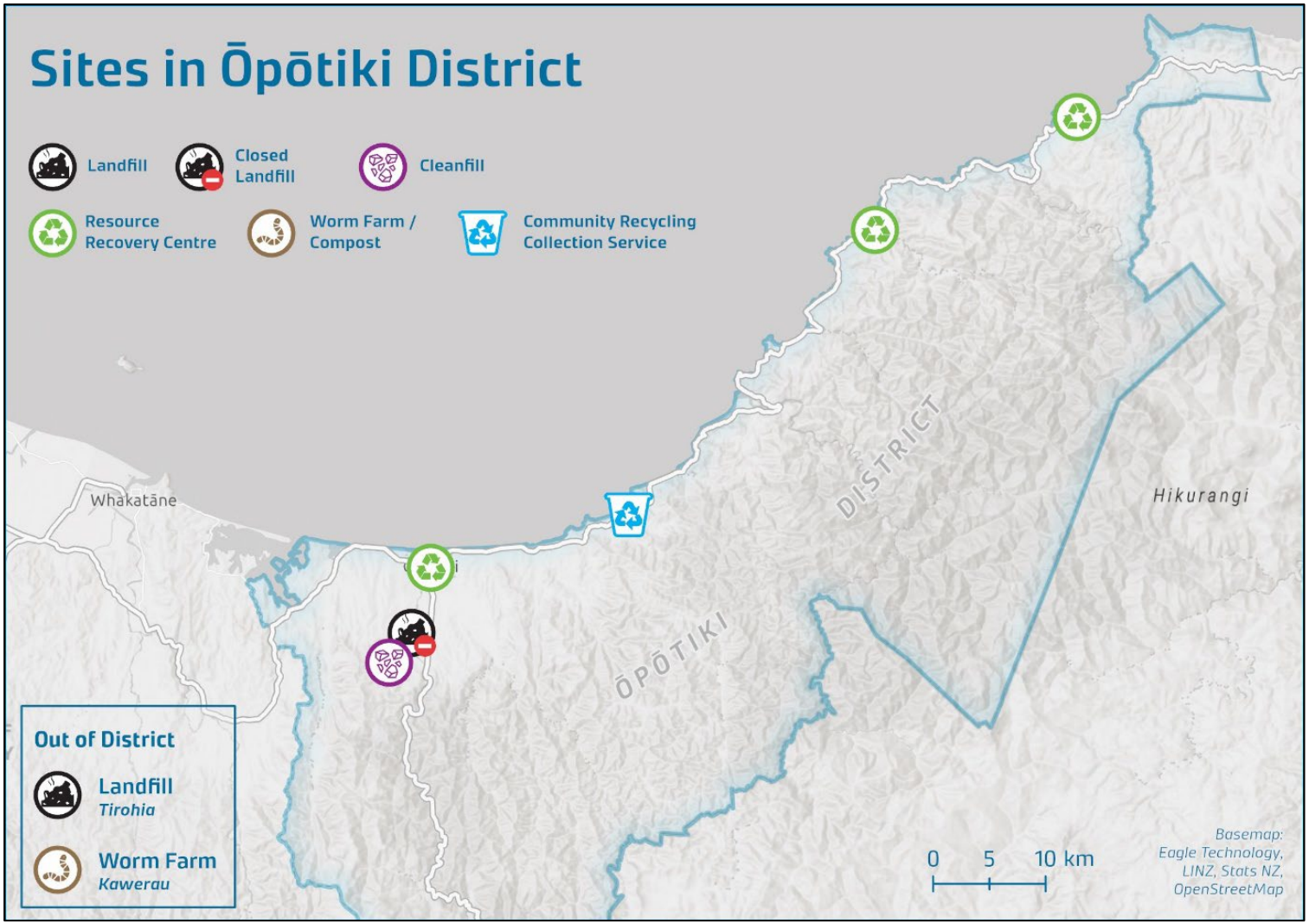


Figure 3-1: key waste facilities in Ōpōtiki district

ŌDC also has a kerbside refuse and recycling collection service for urban Ōpōtiki. This service is provided to 65% of households and 1-2% of businesses across the district through a targeted rate (at no cost to Council). Many residents choose to drop their waste at the resource recovery centres (RRCs). Businesses can pay to have their waste and recycling collected or dispose of their recycling at the RRC for a fee. There is no separate food waste collection for households or businesses.

3.2.2 What is important to our community

The community priorities specific to solid waste are as follows:

- Wellbeing - Kerbside collections are reliable and tidy.
- Wellbeing - Transfer stations are accessible.
- Wellbeing - Active improvements in reducing waste.
- Strong relationships - Strong relationships and partners to facilitate waste minimisation.

3.2.3 Our current situation and intentions for what is important

Managing solid waste is a significant activity in Ōpōtiki District. Since the Woodland landfill closed in 2004, Ōpōtiki has had to dispose of all non-clean fill solid waste out of the district. Municipal solid waste from kerbside collections and the three RRCs is currently sent to Tirohia Landfill in Hauraki District, located approximately 200 km from Ōpōtiki. There is uncertainty about how long this facility will be available, therefore other options are to be explored. All recyclable materials are consolidated at the Ōpōtiki RRC before being transported to end users or for further processing.

With legislation changes and solid waste reforms include implementing a food waste service and kerbside collection. From February 2024, all district and city councils are excluding plastic types 3,4,6 & 7 from their recycling collection. By 2030, all district and city councils are to provide food scraps (or food and garden waste) collections to households in urban areas of 1000 people or more. The Government has decided to raise the waste levy and include more types of disposal facilities covered by the levy.

According to current proposals, half of funding collected from this levy will be given to councils based on population in their areas. For the Ōpōtiki District, this means there is a potential future funding stream to support services and/or investment in appropriate infrastructure.

The following goals have been established to focus on what is important for waste management and minimisation in Ōpōtiki District:

- collective responsibility for our resources and where they end up
- enabling systems to support the reuse, reduction and recycling of materials
- collaborate and innovate for a circular economy.

3.3 The Harbour

3.3.1 Overview of our assets

The Ōpōtiki Harbour Transformation Project has been a key project for the organisation, the community and district for decades. Ōpōtiki District Council are in the process of agreeing with asset owner the timing for handover of maintenance and operation to Council.

Currently the Town Wharf is owned by ŌDC. An upgrade of the Town Wharf to accommodate mussel boats will be completed in the 2024/2025 financial year (already funded). The Town Wharf upgrade is a measure implemented in lieu of the Marina Development not being ready yet. It is expected the Marina will come on-line within 10 years and the mussel boats will move to that location reducing the significance of the Town Wharf infrastructure.

Walkways and rubbish bins which are part of the harbour project are currently considered part of the existing assets. These have been included in the transport and solid waste categories of the infrastructure strategy for simplicity. Eventually, these will form the assets of the harbour development.

3.3.2 What is important to our community

The community priorities specific to the harbour and wharf are as follows:

- Investment - The entrance is open in all suitable open ocean working conditions i.e. open ocean conditions are safe to work in and the bar is safe to cross.
- Investment - The channel is deep enough for working boats.
- Investment - The wharf is set up for commercial operation.

3.3.3 Our current situation and intentions for what is important

An opening ceremony of the harbour walls was held in September 2024. Due to the impending decisions that need to be made around the wharf and the harbour, it was decided to ring-fence the wharf and the operating model to be included in the next cycle of the infrastructure strategy.

3.4 Water Supply

Council supplies drinking water to approximately 60% of the Ōpōtiki District population. Schemes service Ōpōtiki Township (including Hukutaia and the Waiotahe Drifts) and Te Kaha and Ōhiwa.

The water supply schemes are designed to provide for the environmentally safe collection, treatment and reticulation of potable water.

3.4.1 Where we are providing this service

The water supply activity services approximately 5,750 of the Ōpōtiki District population in Te Kaha, Ōpōtiki Township (including Hukutaia and the Waiotahe Drifts) and Ōhiwa.

The areas we currently provide water supply services are shown in the maps below.


Te Kaha Water Supply Area
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0
0.25
0.5
1 mi
0
0.4
0.8
1.6 km
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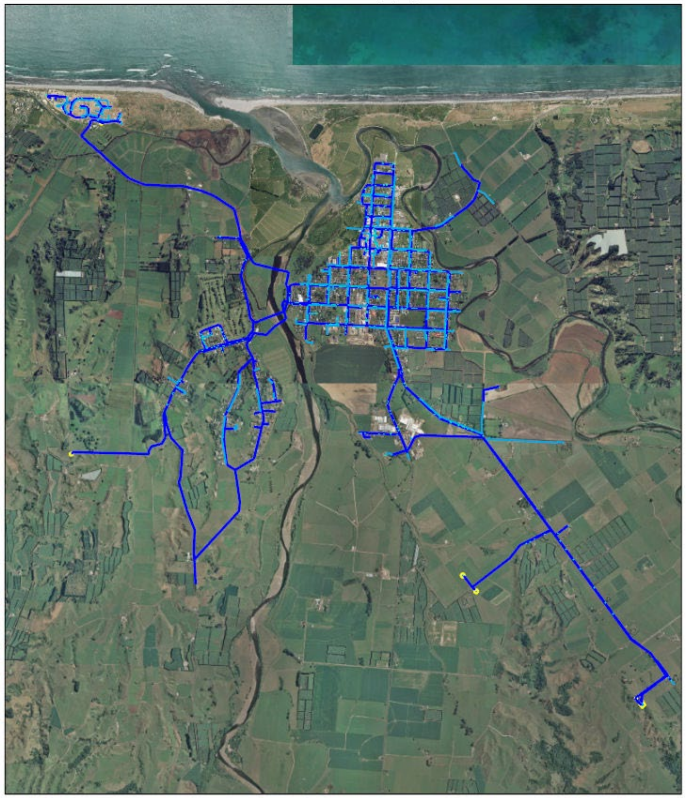
Opotiki District Council
No guarantee is given as to the accuracy, location and the completeness of services. Proceed with caution and always verify on site.

Opotiki Water Supply Area



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1:40,000

0 0.33 0.65 1.3 mi

0 0.5 1 2 km

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Opotiki District Council

No guarantee is given as to the accuracy, location and the completeness of services. Proceed with caution and always verify on site.

Ohiwa Water Supply Area

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1:10,000

0 0.07 0.15 0.3 mi

0 0.13 0.25 0.5 km

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Opotiki District Council

No guarantee is given as to the accuracy, location and the completeness of services. Proceed with caution and always verify on site.

3.4.2 Overview of our assets

The Ōpōtiki Township scheme is relatively new (the average age of most assets is less than 20 years) and already provides for growth. On the other hand, the Hukutaia area has older infrastructure (average age greater than 45 years). Despite its age, Hukutaia is an ideal candidate for upgrades or renewals to support growth.

The Te Kaha scheme is halfway through its life (average age 30 years) with sections requiring remedial action and upgrade to maintain service pressures and provide for growth. Te Kaha requires a new water source to supply the town due to turbidity issues during and following heavy rainfall events. One bore has been formed. However, the secondary bore has collapsed and will require further investigation to re-establish a duty/standby operation in Te Kaha.

The Ōhiwa scheme reticulation is also relatively new (average pipe age 12 years) but requires an upgrade of treatment facilities to ensure the protection of public health. This upgrade was completed in 2019.

Table 3.2 provides an overview of the water supply assets for each scheme that are owned and maintained by the Council:

Table 3.2 Water supply scheme overview

Water scheme	Scheme overview	Replacement value (2022)
Ōpōtiki Township (including Hukutaia and Waiotahe Drifts)	• Population served: 4,530 • Number of connections: 2,175 • Demand average and peak: 2100 m^3/d, 3000 m^3/d • 2 water sources (bore capacity is 8,600 m^3/d, consented for 4,925 m^3/d, treatment capacity 3,600 m^3/d) • 1 water treatment plant • 3 booster pump stations • 3 water storage sites (1 reservoir (4500 m^3 and 2 x 250 m^3 tanks) for a total of 5,000 m^3 • 86.6 km of pipe	$41,100,000
Te Kaha	• Population served: 410 • Number of connections: 321 • Demand average and peak: 315 m^3/d, 480 m^3/d • 1 water source (infiltration well capacity is 2,000 m^3/d, consented for 972 m^3/d, treatment capacity 480 m^3/d) • 1 water treatment plant • 1 booster pump station • 3 water storage sites (reservoirs and tanks) for a total of 410 m^3 • 14.9 km of pipe	$7,700,000
Ōhiwa	• Population served: 50 to 410 (seasonal) • Number of connections: 21 • Demand average and peak: 23 m^3/d (average), 32 m^3/d (peak) • 1 water source (bore capacity is 300 m^3/d, unconsented for <35 m^3/d, treatment capacity 100 m^3/d) • 1 water treatment plant • 2 x 60 m^3 water storage tanks • 0.8 km of pipe	$400,000
TOTAL	• Population served: 4,990 – 5,350 • Number of connections: 2,412	$49,200,000

3.4.3 What is important to our community

To our community, the most important aspects of our water supply service are that:

- The water is safe to drink
- The supply is reliable
- The supply is available for new homes and businesses

- The supply supports firefighting.

Overall, we are performing well in these important areas. Our long term intentions for these are discussed in the following section.

3.4.4 Our current situation and intentions for what is important

Safe to drink

Council operates modern treatment plants and robust systems, ensuring a good track record in providing safe water. Plans are in place to move Te Kaha Water Treatment Plant to a new location to address issues with the quality of raw water by switching its source. The goal is for all Council-managed water systems to remain safe to drink and meet drinking water standards 30 years from now.

The provision of safe drinking water is a legal responsibility of Council as a water supply provider. The outbreak of Campylobacter in the Havelock North water supply resulted in a national enquiry. Careful consideration has been given to the findings in the report produced from the enquiry and though Ōpōtiki Council's water supplies are, for the most part, of a very good standard some short comings were noted in relation to the changes and direction expected from central government.

All supplies have been assessed for public health risk. Treatment processes have improved in Te Kaha and Ōhiwa to ensure that not only bacteria but also protozoa are removed. These improvements were completed in 2019 and 2020, Ōpōtiki and Ōhiwa supplies are now fully compliant, with Te Kaha still regularly failing protozoa compliance due to high turbidity issues in source water.

Despite improvements, the Te Kaha intake struggles with contamination during heavy rain. Plans to switch to a cleaner groundwater source are underway with one bore already operational. However, a secondary bore collapsed, necessitating further investigation to achieve a reliable backup system for Te Kaha's new water source, especially during heavy rainfall.

With regulatory changes, Council may need to manage several small, privately-owned water supplies. The Council has yet to assess the implications on capacity, resource and affordability if this were to occur.

Reliable

Council's water supplies are reliable but some of our assets are getting old, making them more prone to breaking. Overall, we are planning so that, 30 years from now, Council water supplies will be more reliable than they are presently.

The Hukutaia area has limited water storage capacity, with just one reservoir on Crooked Rd. Council plans to improve the resilience of supply to the Hukutaia area by either making the reservoir bigger to hold more water or adding a new river crossing and Booster Station. This station would allow Hukutaia to get water directly from the main Ōpōtiki reservoir or, in emergencies, from water bores. Both options will enable increased resilience by ensuring that a 24-hour storage capacity is available to both Ōpōtiki township and Hukutaia.

The replacement of 5.8 km of DN300 uPVC watermain from the WTP to Ford Street is planned to go ahead due to multiple previous pipe failures in this section of the network. This will reduce the effect on the community during a pipe failure and ensure a reliable service is provided.

Council has a continuous plan for updating aging assets. By actively replacing older assets, the network becomes more reliable, leading to fewer breakdowns and less water being lost.

Available

Council currently provides drinking water to all new properties in areas serviced by our schemes. However, we are expecting more growth than before. We are planning so over the next 30 years, the Council's water supply will continue to be available at the boundary of all new properties in planned growth areas. We are also planning to support water supply requirements of new industry in growth areas so long as they have minimised their needs as much as practical.

The key areas for growth are infill housing in the Ōpōtiki township and in Hukutaia. Council already provides water supply in these areas and does not anticipate any challenges in providing future connections.

The abstraction consent for Ōpōtiki is due for renewal in 2045 so is within the 30 years timeframe of this plan. Current population predictions assuming continued economic development in the town, suggest demand will be close to the abstraction consent at that time. If the town grows more than expected or industrial water use increases, the Council might apply to renew this consent to allow for more water to be drawn. The consent limit set for abstraction is still well below the capacity of the bore and so an increase should not harm the environment.

The water supply for the Ōpōtiki Township can meet current demand. However, within the next 10 years, to keep up with anticipated growth, the treatment capacity will need to expand by 2027. After 10 years, more storage will be necessary to handle long periods of high demand, expected by 2039.

The current consent limits for the Ōpōtiki supply will need to be increased when the consent is renewed in 2045. The Ōpōtiki Township water supply has been designed so that the treatment capacity can be increased to cope with increased demand. There is currently one treatment "cell" at the plant with capacity for up to two additional "cells" to be added when required.

Te Kaha water supply has been upgraded but further works are proposed in 2022 to meet demand.

The water supply for Ōhiwa is meeting current demands but may need to be increased for seasonal variations in demand or if the resident population increases. Further investigation is needed and resource consent obtained if demand is likely to exceed consent limits.

Firefighting

Enough water is stored for firefighting in Ōpōtiki, Hukutaia Waiotahi Drifts and Ōhiwa. But in Te Kaha, there is a need for more water storage specifically for firefighting. This will require further investigation once a new water source is determined.

Industrial properties must arrange for their own firefighting water needs if these go over and above the requirements for residential areas.

3.5 Wastewater

The wastewater activity provides for the environmentally safe collection, treatment and disposal of the District's sewage wastes. Council is involved in the collection, treatment and safe disposal of human and commercial/trade wastes which is essential for the protection of public health and environmental outcomes in urban areas.

Council is possibly unique in New Zealand as all its treated effluent is discharged onto land.

3.5.1 Where we are providing this service

Council operates two schemes: one serves the Ōpōtiki Township (inclusive of the Waiotahi Drifts); the other serves a small subdivision at Waihau Bay, as shown in the maps below. All other properties in the District are serviced by privately owned septic tank systems.

Figure 3 6 Wastewater network in Waihau Bay.

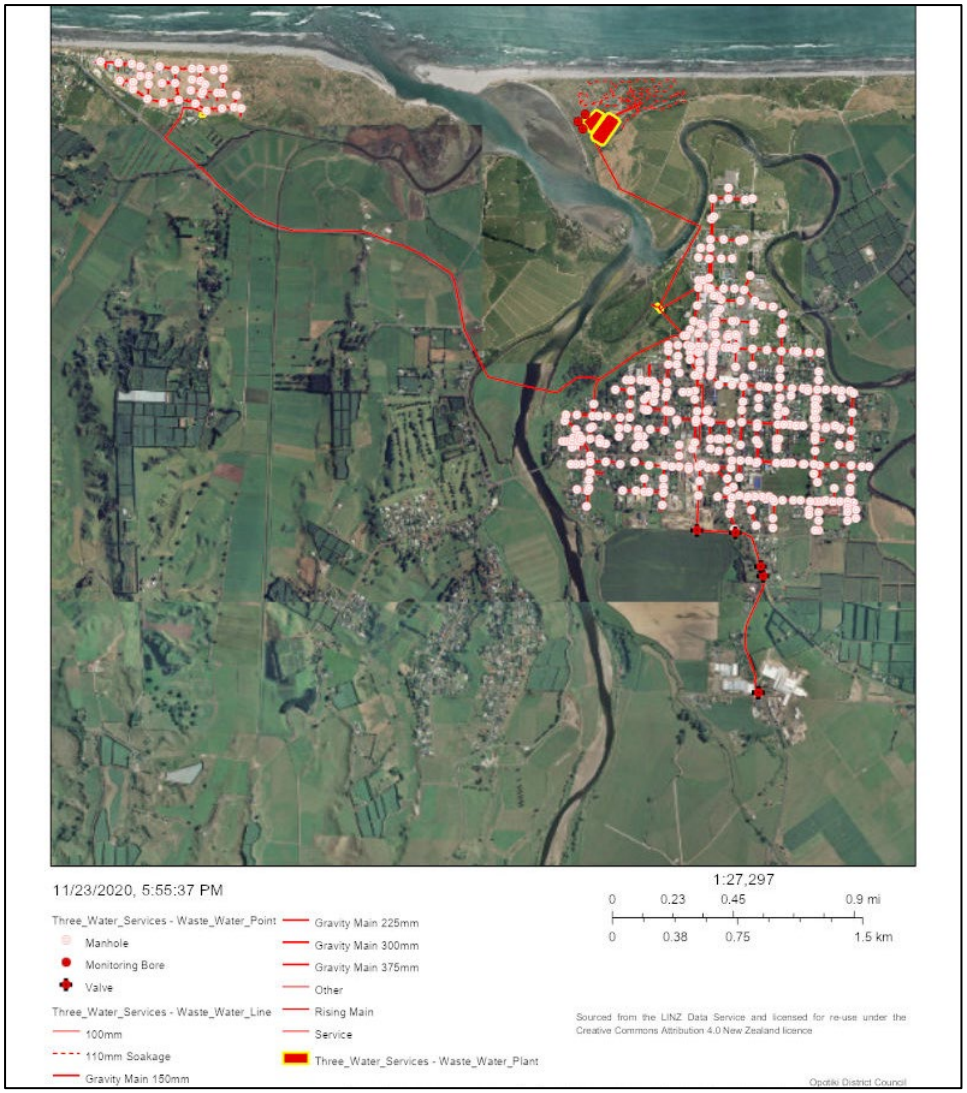


Figure 3 5 Wastewater Network extent for Ōpōtiki and the Waiotahi Drifts.

3.5.2 Overview of our assets

Council's wastewater network is made up of traditional gravity network and pumpstations.

In the past, ŌDC completed a sewer relining project that targeted the areas with the worst stormwater infiltration and groundwater inflow (I/I). This work was undertaken to reduce extremely high wet weather flows, to address two major issues:

- The overloading of the reticulation meant that some residents had trouble getting their toilets to flush properly, to the extent that Council would hire porta-loos and set them up in affected areas; and
- The overloading of the treatment plant impacted Council's ability to operate the plant successfully.

ŌDC is planning to input monitoring systems to track the ongoing performance of the network and identify further leaks or residents reinstating illegal stormwater connections.

Table 3.3 provides an overview of the wastewater assets for each scheme that are owned and maintained by the Council.

Table 3.3: Wastewater scheme overview

Wastewater scheme	Scheme overview	Replacement value (2022)
Ōpōtiki / Hukutaia	• Population served: ~3,780 • Number of connections: 1,416 • Demand flows: 1,039 m^3/d dry weather, 1,590 m^3/d average, 10,166 m^3/d peak wet weather • Peak capacity: Pump Stations 22,000 m^3/d, Pond +5,000 m^3/d, consented for 2,500 m^3/d, Soakage 3,000 m^3/d • 1 treatment plant (comprising Milli Screen, Imhoff Tank, 30,000 m^3 Oxidation Pond, 10,000 m^3 Overflow Pond, and 3 km Soakage Field) • 8 pump stations • 46.3 km of pipe	$29,970,000
Waihau Bay	• Population served: 10-30 • Number of connections: 26 • Demand flows: 1-5 m^3/d • Peak capacity: Pump Station 100 m^3/d, consented for 23 m^3/d, treatment 5 m^3/d • 25 m soakage lines and 25 m^3 septic tank • 1 pump station • 0.4 km of pipe	$430,000
TOTAL	• Population served: ~3,800 • Number of connections: 1,442	$30,400,000

3.5.3 What is important to our community

To our community, the most important aspects of our water supply service are that:

- The wastewater system is **sanitary** (doesn't create public health issues)
- The wastewater system minimises **environmental impacts**
- The system is **reliable** even in large storms
- The system is **available** for new homes and businesses
- The wastewater system meets **cultural needs**

Overall, we are performing well against these important areas, however there are a number of challenges for the system during large storm events. Our long-term intentions for these are discussed in the following section.

3.5.4 Our current situation and intentions for what is important

Public health risk and reliability

Council's wastewater network performs well during dry weather but struggles during heavy rain. The system can't handle the extra water from leaks and stormwater entering it. We have already completed work to reduce the amount of water getting into the network. Plans include upgrading wastewater pump station 1 (WWPS01) and the corresponding rising main from WWPS01 to the wastewater treatment plant. This upgrade will allow for additional capacity in the network. Overall, we are planning so that, 30 years from now, the Council wastewater system will be safer and more reliable than it is now.

Our immediate focus is on reducing stormwater getting into the system. The biggest public health risk comes from the system overflowing during storms, which can also stop properties from being able to flush toilets during very heavy rain.

Upgrades are also planned for the wastewater treatment plant and disposal field to handle increased flows from population and industrial growth without risking public health.

Renewals are programmed on an ongoing basis to replace aging assets. A proactive approach to renewals mean less system breakages and reduces the amount of water entering the system during wet weather, making it more resilient.

Available

The plan is to ensure that, for the next 30 years, Council's wastewater system continues to be available at the boundary of all new properties in planned growth areas.

Currently, all infill housing in areas with existing wastewater services can connect to the network. We are planning to extend wastewater into Hukutaia, to support the area as a growth node.

We are also planning to support wastewater requirements of new industry in serviced areas so long as they have minimised their needs as much as practical.

Previously we were planning to accommodate the new mussel factory and the anticipated wastewater that would be produced and discharged into public reticulation. However, the mussel factory is now treating and discharging their own waste, alleviating any associated foreseeable issues with capacity for the Ōpōtiki WWTP.

The largest planned growth areas are infill housing in the Ōpōtiki township and in Hukutaia.

We plan to support higher intensity development in Hukutaia by building a new wastewater network to connect the area to the existing treatment plant. This will be done in a staged approach, subject to actual demand. It is intended that stages will include provision to new and existing households.

Council plans to upgrade the wastewater treatment plant. With a need to renew its consent in 2025, Council will take the opportunity to expand the plant's capacity. This expansion is aimed at supporting both new residential properties and industrial customers.

For Waihau Bay, the existing wastewater system is adequately meeting current demands. Seasonal and permanent population trends will be monitored to better understand any capacity constraints as whilst currently adequate the system is nearing capacity during peak demand.

Environment impact

We are planning so that, 30 years from now, we are addressing the impacts of growth to achieve and to improve the level of environmental impact.

Council has a good record of compliance with the resource consents for its wastewater services. This is helped by our ability to discharge all of our treated effluent to land instead of water. However, we are facing increased demands from growth and the renewal of our resource consent.

Culture

With the new consent, Council aims to improve how the wastewater system addresses cultural needs with continuous improvements planned for the next 30 years.

Our current wastewater system was created before cultural needs were considered important. Fortunately, our current systems all dispose treated wastewater to land. As part of the renewal process for our existing consent renewal (expires 2025) and growth needs, we plan to work with iwi to understand cultural needs for the treatment plant.

3.6 Stormwater

The stormwater activities within the district are the key approach for managing nuisance surfaces and also damaging flooding from stormwater that hasn't yet entered the local flood scheme. The stormwater networks have two primary components:

a. Reticulation network, attenuation and pumping arrangements within the township to collect and dispose stormwater into the rivers.

b. Overland flowpaths from the wider sub-catchments within and surrounding the township

A combination of the activities above ensures that habitable areas within Ōpōtiki are not inundated during storm events, and public infrastructure is still accessible during minor storm events.

3.6.1 Where we are providing this service

Council's stormwater schemes service the Ōpōtiki township (inclusive of Waiotahe Drifts and Hukutaia). Key infrastructure provisions include stormwater attenuation basins, pumps and reticulation networks (both piped and open drain). The extent of stormwater provision within Ōpōtiki township is shown in the figures below.

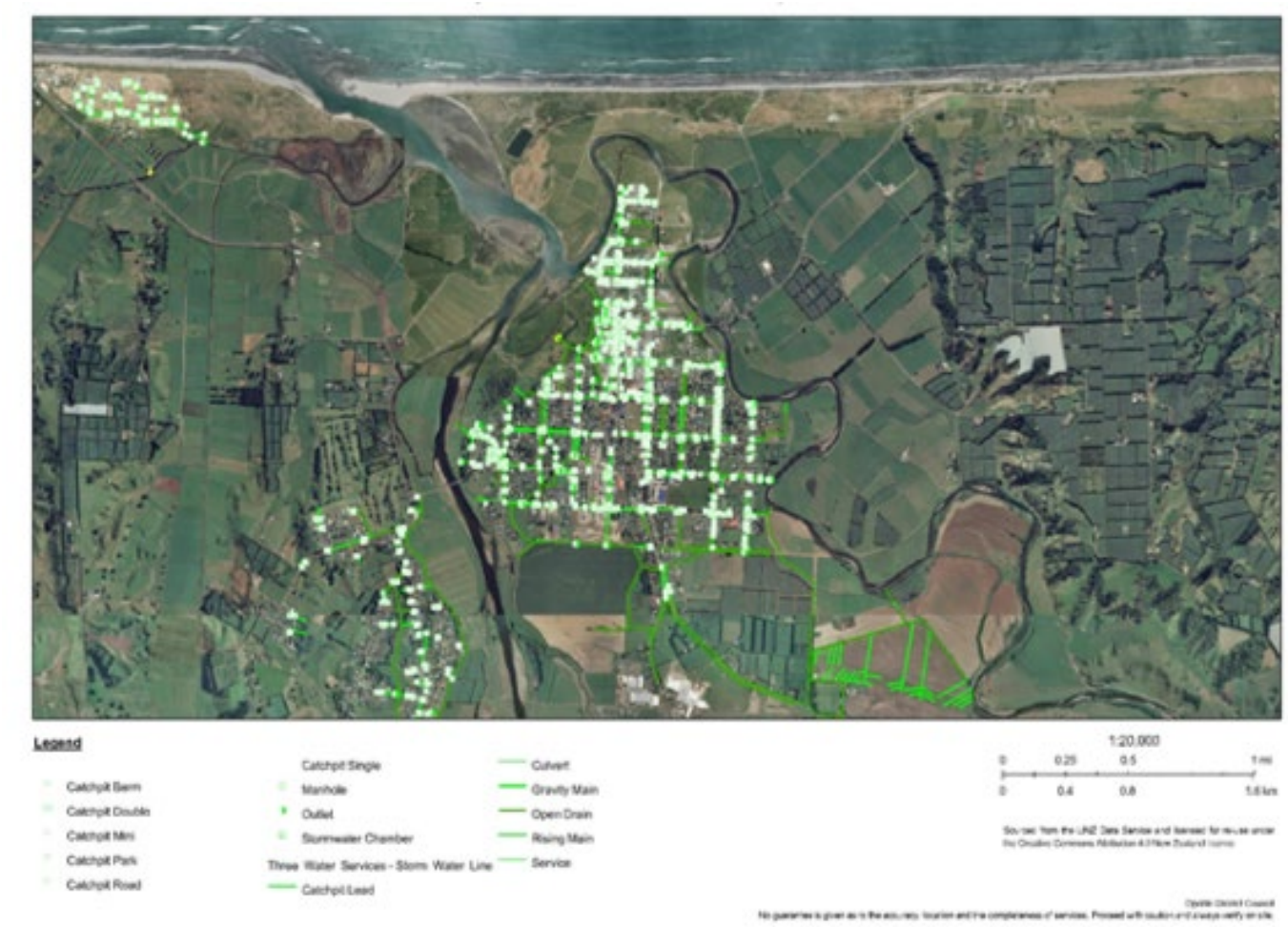


Figure 3 7 Ōpōtiki Township – Stormwater Provisions.

Figure 3 8 Waiotahe Drifts – Stormwater Provisions.

Figure 3 9 Hukutaia– Stormwater Provisions.

3.6.2 Overview of our assets

The reticulated network across the township, including pump stations and attenuation basins, is Ōpōtiki District Council's responsibility. Council also has a duty to protect habitable buildings and key infrastructure from the effects of low level or nuisance flooding.

Stormwater modelling of the urban network has been undertaken, with allowance for the effects of climate change and sea level rise. The model results have show locations that require upgrades to the network, attenuation provisions and pump capacity across the township.

The stopbanks along both rivers around the township are part of the flood scheme operated by the Bay of Plenty Regional Council and aren't considered part of the stormwater scheme. The one exception to this is the Duke Street flood scheme pump station, and BOPRC asset, which pumps water from ŌDC's stormwater network during storms.

In addition to the below-ground and open drain reticulation network within the township, the road corridors act as conveyance routes for overland flow. This primarily occurs when the reticulation network is overwhelmed during large storm events. Stormwater attenuation basins and pump stations are located at several low points around the township, lifting stormwater into the Otara or Waioeka rivers. Some of the overland flow entering Ōpōtiki is from rural land upstream of the township. The District Council works with the Bay of Plenty Regional Council to manage this flow.

Table 3.4: Ōpōtiki Stormwater Assets - Overview

Asset description	Quantity	Replacement value (draft 2020)
Piped drains	28.8km	$32,100,000
Manholes and catchpits	688 no.	
Pump stations	12 no.	
Flood gates	21 no.	
Culverts, inlets and outlets	265 m	
Open drains	20 km	

3.6.3 What is important to our community

To our community, the most important aspects of stormwater activities are:

- That all properties can **dispose of their stormwater** adequately
- That **nuisance flooding** from stormwater is minimised
- That **damaging floods** from stormwater are minimised

Our long-term intentions for these are discussed in the following section.

3.6.4 Our current situation and intentions for what is important

During the last Infrastructure Strategy period, we expected significant spikes in stormwater activity between 2021 and 2033. This was because we needed to build more reticulation capacity, new ponding basins, pump stations and other network upgrades.

These upgrades were planned to help mitigate against an increase in intensity and magnitude of storms and other extreme weather events.

Due to limited budgets for new projects, plans to fund LOS improvements will be delayed, focusing instead on asset renewals. This shift in focus may lead to a decrease in LOS over time. The intentions to address the predicted surge in stormwater activity in context of key community outcomes are as follows:

Disposing of stormwater

Overall, Council is planning to ensure that, over the next 30 years, issues with stormwater disposal will have improved. This will be achieved by prioritizing how these issues are addressed.

Within the Opotiki township many properties struggle to get rid of their stormwater adequately due to the high ground water table and poor soakage. This problem occurs whether they try to direct the water to kerb and channel or overland flow to a gulley or drain. However, we know that some properties cannot do this well, as shown by the persistent practice Council has found of some residents connecting downpipes to wastewater gully traps.

The Hukutaia and Waiotahe Drifts area do not face the same challenges where properties are generally situated at higher elevations or well-draining ground.

Address nuisance and damaging flooding

While nuisance and damaging flooding have different impacts, the overall approach to handle both is similar. Actions taken to address one type of flooding often help with the other, so they are discussed together below.

Currently, neighbourhoods around the township experience localised areas of nuisance and damaging flooding for storm events between a 1 in 10-year and 1 in 50-year AEP. The Council's goal over the next 30-years, is to ensure that no homes in the township will flood from a storm that's expected once every 50 years (1 in 50-year ARI event).

Urban stormwater modelling has helped identify locations where the reticulation network requires upgrading or extending to address existing issues. Plans are in place to increase the pumping capacity and ensure that resilience (provision of back-ups and retrofitting) improvements have also been planned in the trunk parts of the network to address large storm events.

Council has also planned for future demographic growth to be located away from vulnerable areas, into locations that are more sustainable, for instance with Hukutaia. Sustainably planned growth areas allow for more robust scoping and provision of stormwater assets without the requirement for frequent upgrades and renewals. This in turn provides reliable protection against issues such as nuisance flooding or floor level flooding for small magnitude storm events.

Renewals works are also programmed on an on-going basis to replace ageing assets and address any shortcomings. A proactive renewals programme increases resilience in the network by reducing the number of breakages that occur, thereby maintaining levels of service during and in the aftermath of large storm events.

Overland flow entering the township from the south is also of major concern, particularly during large storm events. To address this issue, ŌDC plans to work with Regional Council to mitigate against this overland flow, therefore minimising the volume of stormwater runoff entering the township from upstream catchments. The planned options here include the upgrade of the SH2 culvert and the provision of increased attenuation through the provision of stop banks with a suitable standard of protection for the township.

Furthermore, like with Hukutaia, future plans for population growth will avoid areas prone to flooding, ensuring that new infrastructure is also placed in safer locations. This approach enhances the resilience and reliability of the stormwater infrastructure while mitigating against predicted climate change and sea level rises.

Part B: Strategy for the future

4.0 The challenges facing our infrastructure

This section sets out the major challenges facing our infrastructure and the services they deliver. It covers:

- Natural hazards;
- Community needs and expectations (LOS);
- Growth; and
- Ageing assets
- 3 Waters Reform Changes

4.1 Natural hazards

Our district faces many natural hazard risks. Being a predominantly low-lying coastal area means we have existing and potential future challenges to manage due to natural hazards exposure. The district has relatively high exposure to flooding and coastal inundation, with approximately 2,000 homes across the district estimated to be exposed to rainfall related flooding, 2,700 homes exposed to coastal inundation at a sea level rise of 0.9m and 450 homes located within a potential coastal erosion zone[26].

4.1.1 Sea Level Rise

Our district has approximately 160 km of coastline. In many coastal areas the land is at, or only just above, current mean sea levels. Sea levels are projected to rise by 0.21 m in 2040 and 0.67 m in 2090[27]. This will significantly impact our district, particularly in the form of increased coastal erosion, coastal inundation, and higher groundwater elevations.

Most of the East Cape can be accessed along the coast on State Highway 35, but this route is at risk of getting damaged by increasing coastal erosion, flooding, and sea level rise. State Highway 35 and State Highway 2 may experience more disruptions due to landslides. For transport there are currently no direct issues associated with sea level rise for Councils' network. However, it is noted that this could become an issue over time with roads into some of the smaller coastal towns likely to be susceptible to inundation during king tide events. Additional work is required to forecast when rising groundwater levels might have an adverse impact on pavements.

4.1.2 Ōpōtiki Flooding

As noted above our district and in particular our townships are located along the coastline. In addition to this many of our urban areas are adjacent to rivers and streams.

Over the past decade the Ōpōtiki District has been subjected to numerous heavy rain events resulting in widespread surface and river flooding, together with major slips, that disrupt transportation connectivity to other districts and regions. These events have resulted in the additional costs to the Council in the form of emergency works.

Flooding also impacts on the urban areas and other services such as water supply (in Te Kaha) and the wastewater network (in the Opotiki township).

A resilient transport network is an important economic, social, and safety component, particularly as there are areas within the district where roading network routes are few or there are no alternatives.

4.1.3 Climate Change

Our climate is warming which will result in rising sea levels, more frequent and severe extreme weather events and greater risk of increased flooding and drought/wildfire events. Temperatures are set to increase by a further

[26] Bay of Plenty Regional Climate Change Risk Assessment – Volume 2: District Summaries

[27] National Climate Change Risk Assessment for New Zealand – Snapshot. MfE 2020.

1°C by 2040 and 3°C by 2090[28]. This warming will likely be greatest in the northeast of New Zealand where Ōpōtiki is situated.

These changes will exacerbate already present natural hazard risks of coastal inundation and flooding because of sea level rise as highlighted in Section 4.1.1 and 4.1.2.

An increasing frequency and magnitude of severe weather events means that Ōpōtiki will experience higher rainfall, flooding and future risk of increased landslips. This is a potential issue for transport infrastructure with the network comprising a large number of rural largely unsealed roads that would be more prone to damage.

Ōpōtiki is home to a thriving aquaculture industry, with oyster and mussel farms in Ōhiwa Harbour and surrounding coastal waters. However, these farms are facing challenges. They are vulnerable to increasing sediment deposition and temperature increases as shellfish are highly sensitive to contamination from agricultural runoff. Rising sea levels and storm surges may cause damage to aquaculture facilities, particularly in more exposed coastal locations.

Farms are mostly located on the fertile river flats of the Otara, Waioeka and Waiotahe Rivers. These farms may be subject to increased flooding and loss of land as sea level rises. Coastal erosion, rising groundwater and severe rainfall events will increasingly impact farmland. Increased temperature may result in animal welfare issues and increase the persistence of pests and diseases.

Pockets of forestry are located along the East Cape in the foothills of the Raukumara Ranges. These relatively steep plantations may be at risk of damage from increasing erosion, extreme weather, drought, landslides and fire risk, as well as disruption to logging connections due to flooding of transport routes.

[28] National Climate Change Risk Assessment for New Zealand – Snapshot. MfE 2020.

4.1.4 Earthquake and Liquefaction

Like many parts of New Zealand, the Ōpōtiki district is susceptible to earthquakes. The Bay of Plenty region is located within the Taupo Volcanic Zone in which there are many known fault lines. Much of the region is coastal and low-lying and therefore also potentially susceptible to liquefaction. Liquefaction is a natural process where earthquake shaking increases the water pressure in the ground in some types of soil, resulting in temporary loss of soil strength. Soils that are susceptible to liquefaction require a certain level of earthquake shaking (duration and intensity of ground shaking) to cause them to liquefy.

While the risk of liquefaction has yet to be quantified in our district, from historical regional earthquake events it is likely that damage caused by liquefaction is a risk to our infrastructure. Bay of Plenty Regional Council (BOPRC) undertook a liquefaction vulnerability assessment in 2021, which informed the natural hazard maps for the District. The maps show the extent of the land expected to be covered by each natural hazard event and provide information about the likelihood of future events.

4.1.5 NZ wide changes to 3 Waters Industry

The New Zealand government is currently reviewing the way water services are delivered in New Zealand. Proposed legislation changes earmarked to be fully in place by mid-2025 under the "Local Water Done Well" policy is likely to result in Council retaining much of the three waters services in-house but keeps the door open for different models of service delivery. Currently, it isn't certain how this model will look. The state of the country's three waters infrastructure and the cost of upgrading infrastructure to address public health and environmental impacts is in the order of $10 billion. The challenges to three water services are significant, and Council continues to plan for and react to the dynamic legislative landscape in

conjunction with other local Councils to ultimately provide a fit for purpose service to our community.

4.2 Responding to community needs and expectations

We provide services for the benefit of our community. As a Council we talk with people and groups involved to make sure we can realistically provide what our community needs and wants. It's important to have these discussions to make sure we consider everything that may affect the development of our infrastructure.

Council consults with external stakeholders and customers such as our domestic, commercial and industrial users through 'Pop up shops', customer surveys and direct discussions with community members. A strategy day was also held with community leaders, Iwi, Bay of Plenty Regional Council and Central Government. The strategy day was a chance for all involved to share their concerns, talk about solutions, and come up with a holistic plan for the future.

Internal stakeholders including elected officials, asset managers, planners and finance have also contributed to the development of this strategy. Elected officials have been involved at every step to guide the decision-making process, planners have contributed through the operative district plan and asset managers have provided the key consideration of the assets themselves.

We are expecting minimal change to the levels of service provided by Council in response to community needs and expectations. We acknowledge that some in the community have aspirations for stormwater to be improved, wastewater to function better during wet weather, and ongoing investment to keep our road and footpaths in good condition.

When it comes to the levels of service we provide to the community, Council's strategic approach for infrastructure is to:

- Ensure that legislative and regulatory requirements are met; and
- Provide a service in alignment with community needs and expectations taking into account what is realistically affordable.

4.2.1 Transport

The key transport infrastructure options for achieving and maintaining our desired levels of service over the next 30 years are outlined in the table below:

ISSUE: Ongoing road safety and local road upgrades

Capital improvements up to the value of $2,000,000 for any individual project will be procured through the Low Cost Low Risk (LCLR) programme. This includes projects related to the following activity classes:

Local road improvements

Safety Improvements (Road to Zero)

Walking and cycling improvements

Note that for 2024 – 2026 NZTA have not approved any funding of the LCLR programme for years 1, 2 and 3. However, NZTA have indicated there is a high likelihood that funding could be confirmed in years 1, 2 and 3. Council's approach is to set aside a 25% local share budget that will be available to contribute to and match NZTA funding if this becomes available (ODC Local Share Minor Improvements). The LCLR programme is a discretionary fund from NZTA. Without their 75% share additional discretionary level of service improvements will accordingly be reduced.

Key Investment decisions: The investment is seen as necessary to improve transport Level of Service, access and reduce system vulnerabilities throughout the network.

SCENARIO 1	**SCENARIO 2 - PREFERRED**	**SCENARIO 3**
Investment upfront, without deferring any projects.	Harbour Access Road $ 400,000 | 2024-2025 Seal Extensions $8,613,069 | 2024-2054 ODC Local Share Minor Improvements $677,651 |2025-2027	Deferring of investment would lead to deteriorating assets and loss of LOS.
IMPLICATIONS- Scenario 1	**IMPLICATIONS – Scenario 2**	**IMPLICATIONS- Scenario 3**
The option of upfront investment in the LOS projects would be expensive and unrealistic in terms of do-ability.	Harbour project is underway so the access road not going ahead would risk breaching arrangements with other parties and not being able to access the harbour. Potentially for loss of LOS if seal extensions and minor improvements and deferred. Deferring partial investment is mitigated by increased investment in OPEX budget to better understand the assets.	Deferring all upgrades across the network would increase risk to public and infrastructure, while worsening or deteriorating the network over time.

UNCERTAINTY: There is a high level of uncertainty relating to the LCLR programme in the short term as NZTA have not approved funding in Years 1, 2 and 3 but have indicated other possible funding avenues. For other LOS investment outside of the LCLR programmes there is a low level of uncertainty as overall, the Transport activity is relatively mature and the network needs understood adequately, and funding has been provided by NZTA for these.

4.2.2 Solid Waste

<table>
<tr><td colspan="3">ISSUE: Obtaining and then complying with resource consents and key assets required to accommodate new legislation</td></tr>
<tr><td colspan="3">Key Investment decisions:
The investment is seen as necessary to maintain levels of service and reduce system vulnerabilities.</td></tr>
<tr><td>SCENARIO 1
Investment upfront, without deferring any projects.</td><td>SCENARIO 2 – PREFERRED
Investment upfront to upgrade key assets required to maintain LOS and comply with resource consent.

New bins for organic collection, required for new legislation:
$269,613 | 2027-29

Upgrades to RRCs:
Ōpōtiki Town
$442,084 | 2024-29

Te Kaha
$338,178 | 2025-32

Waihau Bay
$443,226 | 2024-32</td><td>SCENARIO 3
Deferred investment of RRC upgrades would lead to deteriorating assets and loss of LOS.</td></tr>
<tr><td>IMPLICATIONS- Scenario 1
The option of upfront investment in the LOS projects would be expensive and unrealistic in terms of do-ability (based on historic deliverability of capital expenditure Council wide and within the Solid Waste activity).</td><td>IMPLICATIONS- Scenario 2
This option balances the need to upgrade assets to comply with resource consent requirements and to meet new legislation, while spreading upgrades overtime to keep expenses down.</td><td>IMPLICATIONS- Scenario 3
This option would mean non-compliance with resource consent requirements and would result in further costs due to fines. It would also result in further deterioration of assets, meaning further expenses down the track.</td></tr>
<tr><td colspan="3">UNCERTAINTY: There is a moderate level of uncertainty with these scenarios due to the relatively immature state of asset management for the Solid Waste activity. As Council continues to invest in data collection, understanding the activity performance, asset management processes and overall systems to better understand the assets, then the reliability of level of service upgrades and timing of projects will improve.</td></tr>
</table>

4.2.3 Water Supply

<table>
<tr><td colspan="2">ISSUE: Te Kaha water treatment plant relocation.
The existing Te Kaha treatment plant does not meet water quality standards for protozoal removal during heavy rain events. The treatment plant and reservoir therefore need to be relocated to a new water source. Investigations have been undertaken to determine if there is a suitable bore located on Copenhagen Road; two bores were drilled, and one is viable. The secondary bore collapsed and therefore investigations are underway to determine a new site for the secondary bore so the new Te Kaha WTP can operate the bores on duty/standby to meet current and foreseeable demand. The need for a larger reservoir will be put on hold until the water source issues can be resolved. In addition, this project also aims to resolve ongoing access issues to the trunk main, as it currently runs through private property.</td></tr>
<tr><td colspan="2">Key Investment decisions: Long term viability of a water source and provision of treated water for Te Kaha settlement. This significant investment will enable the treatment plant to be compliant with NZ drinking water standards.</td></tr>
<tr><td>OPTION 1 (Preferred)
Relocate Te Kaha water treatment plant and connect Te Kaha reticulation to new supply.

Te Kaha Water Treatment Plant Relocation – New Water Source
$160,000 | 2024

Te Kaha Water Treatment Plant Relocation – Design
$130,813 | 2025

Te Kaha Water Treatment Plant Relocation – Construction
$1,358,658 | 2026</td><td>OPTION 2
Continue existing operation.</td></tr>
<tr><td>IMPLICATIONS - Option 1
Relocating the Te Kaha water treatment plant to a more viable water supply will mean the water treatment will be consistently more compliant with the regulations. Council treatment plant and assets would be wholly located on Council-owned land compared to the current arrangement.</td><td>IMPLICATIONS - Option 2
Not relocating the Te Kaha water treatment plant will likely mean that Te Kaha will continue to have noncompliance episodes during storm events. This exposes the public to health risks that are considered unacceptable.</td></tr>
<tr><td colspan="2">UNCERTAINTY: The uncertainty of requiring an upgrade or relocation of the treatment plant is considered low given the high likelihood that signalled changes to drinking water standards will occur in the industry. There is low uncertainty with this project as all early investigations have indicated a suitable raw water supply and water treatment plant location.</td></tr>
</table>

ISSUE: Water reticulation renewals - Replace 5.8km of DN300 uPVC watermain from the water treatment plant to Ford Street. The section of 5.8km of DN300 uPVC water from WTP to Ford Street has been proven to be a brittle batch of uPVC pipe and requires replacement following multiple breaks on this section of watermain leaving Ōpōtiki residents with untreated raw water whilst repairs are undertaken. The replacement of this watermain is critical for the supply of safe drinking water to the Ōpōtiki community and to maintain compliance with the drinking water regulations.	
Key Investment decisions: The project is considered critical as a water supply provider to meet regulatory and public health requirements.	
OPTION 1 (Preferred) WTP to Ford Street DN300 uPVC Replacement 5.8 km - Design $25,000 | 2024 WTP to Ford Street DN300 uPVC Replacement 5.8 km - Construction $8,925,858 | 2027-50	**OPTION 2** Defer replacement.
IMPLICATIONS - Option 1 Replacing the reticulation as described will provide stability to the supply of treated water to the Ōpōtiki community and allow for consistent compliance accordingly to the drinking water safety standards and regulations.	**IMPLICATIONS – Option 2** Electing to defer or not replace the water main will potentially lead to ongoing pipe failures resulting in emergency raw water supply to the community and ongoing expenses related to the response team as well as contractors repairing pipe failure, this would result in increased cost to the existing rate payers.
UNCERTAINTY: There is a medium level of uncertainty surrounding the process and timing of these works as sections will need to be replaced in stages resulting in the potential loss of water supply to Ōpōtiki community during renewal.	

4.2.4 Wastewater

All our major LOS programmes are mainly driven by either the need for growth or need for renewals. The main LOS improvement is to extend wastewater services to the existing properties at Hukutaia. This project has been pushed back, however, to the later years of the LTP and will rely on developer funding. The main reason for this project is to encourage growth in an area that is more capable of withstanding challenges, so we discuss this project in the growth section. Another project to accommodate the anticipated industrial growth is the Factory Road wastewater extension. The main options for wastewater infrastructure that we're considering to support LOS for the next 30 years are outlined in the tables below:

<table>
<tr><td colspan="2">ISSUE: The Ōpōtiki Township population connected to the wastewater system is set to increase in the long-term. This includes development in Hukutaia, Waiotahe Drifts, catchment infill, marina development and potential additional flow and load associated with industry.
The existing consent to discharge effluent to the existing disposal field expires in July 2025 and a new resource consent will be required. As part of the new consent l it is expected the conditions will require the level of service in terms of treatment quality to improve whilst also catering for the growing demand.</td></tr>
<tr><td colspan="2">Key Investment decisions: The project is driven by the Ōpōtiki town's wastewater treatment plant requiring a new consent in 2025. It is expected the upgrades proposed will need to improve LOS in Ōpōtiki which is heavily impacted by I&I issues within the network. The upgrades also allow for growth based on the growth predictions.</td></tr>
<tr><td>OPTION 1 – upgrade treatment plant (Preferred)
obtain a new consent for the wastewater treatment plant and upgrade the capacity.
This option allows for major upgrades and capacity increases to account for ongoing I&I issues and anticipated growth.

Cost and timeframes:
WWTP Upgrade – New Resource Consent (Stage 1)
$ 203,820 | 2024-2025
WWTP Upgrade – Early Works Design (Stage 2a)
$ 75,000 | 2024-2025
WWTP Upgrade – Preliminary Design (Stage 2b)
$ 560,000 | 2024-2025
WWTP Upgrade – Detailed Design (Stage 3)
$ 747,504 | 2025-2026
WWTP Upgrade – Construction – Early Works (Stage 4a)
$ 1,068,275 | 2025-2027
WWTP Upgrade – Construction (Stage 4b)
$ 18,102,155 | 2027-2036</td><td>OPTION 2 – no upgrades
Delay the capacity increase and rely on the I&I works to reduce the issues.
This option does not allow for any upgrades and capacity increases. It also does not address the requirement for a new consent.</td></tr>
<tr><td>IMPLICATIONS - Option 1 It is likely the new consent will need an increased level of treatment. This option also allows for a greater increase in capacity required for anticipated growth.</td><td>IMPLICATIONS - Option 2 Council will not have a consent to operate the wastewater treatment plan. In the short term, I/I reduction may not create the required capacity. In the long-term dry weather flows may have capacity issues with the increased capacity anticipated growth will require.</td></tr>
<tr><td colspan="2">UNCERTAINTY: Timing and nature of industry standards and regulatory changes. The current trends in wastewater treatment standards are for more stringent requirements. While it is likely that this consent for the wastewater treatment plant will require upgrades the level of these upgrades could be higher than expected.
There is also future uncertainty over the suitability of the current site due to natural hazards and viability due to other site constraints. Work is required to better understand these uncertainties.</td></tr>
</table>

<table>
<tr><td colspan="2">ISSUE: In 2025 a new resource consent will be required. As part of the new consent, it is expected the conditions will require the level of service in terms of treatment quality to improve whilst also catering for the growing demand.

As a part of increasing the capacity at the WWTP in Ōpōtiki wastewater pump station 1 (WWPS01) and rising from WWPS01 to the WWTP requires an upgrade.
Currently there are also LOS issues during wet weather events where WWPS01 is overrun and sections of Ōpōtiki township wastewater reticulation is surcharged.</td></tr>
<tr><td colspan="2">Key Investment decisions: The project is driven by LOS issues in Ōpōtiki and the Ōpōtiki town’s wastewater treatment plant requiring a new consent in 2025. The upgrades proposed will need to improve the LOS for the Ōpōtiki township which is heavily impacted by Inflow and Infiltration (I&I) issues within the network. The upgrades also allow for growth based on the growth predictions.</td></tr>
<tr><td>OPTION 1 – upgrade WWPS01 and rising main (Preferred)
Obtain a new consent for the wastewater treatment plant and upgrade the capacity. This option allows for major upgrades and capacity increases to account for ongoing I&I issues and anticipated growth.

Cost and timeframes:
Ōpōtiki Town - Wastewater Pump Station 01 Potts Avenue - Upgrade
$ 1,699,346 | 2024-2026
Ōpōtiki Town - WWPS01 Rising main to WWTP - Diversion and Upgrade
$ 2,728,364 | 2024-2028</td><td>OPTION 2 – no upgrades
Delay the capacity increase and rely on the I&I works to reduce the issues.
This option does not allow for any upgrades in relation to the condition of assets and capacity increases.</td></tr>
<tr><td>IMPLICATIONS - Option 1 This option will increase the condition and performance of WWPS01 and the rising main, allowing for increased capacity correlating with the WWTP upgrades. This will improve performance during wet weather events as well as provide capacity for anticipated residential and industrial growth.</td><td>IMPLICATIONS - Option 2 This option may continue to cause overflows and surcharging during wet weather events if the I&I remediation does not create enough capacity. In the long-term dry weather flows may have capacity issues with the increased capacity anticipated growth will require. Given the condition of the pump station and rising main operational failures may occur leading to loss of service while repairs are undertaken.</td></tr>
<tr><td colspan="2">UNCERTAINTY: There is future uncertainty over the capacity as a result of climate change and I&I issues in the WW reticulation. We are currently considering that over the next 30 years the site will continue to be suitable, however, sustainable future intensification of the site will be considered with each major upgrade.</td></tr>
</table>

4.2.5 Stormwater

ISSUE: Tarawa Creek – Pump station upgrade and flood water storage area

The township is surrounded by the Waioeka and Otara rivers, which have stopbanks to prevent fluvial flooding into Ōpōtiki. However, during large storm events, the elevated water levels in the two rivers, combined with overland flow from rural land to the south of Ōpōtiki results in the township being inundated.

The inundation has flood water impacts on property and access routes but also has impacts on the Ōpōtiki Township wastewater network.

There is a requirement to maintain or improve levels of service within the township to better deal with this flooding and improve level of service for the water network.

Upgrades are required for all pump stations within the Ōpōtiki township to ensure the level of service to the township is maintained, as a minimum requirement. The pump station infrastructure currently in place serves to discharge urban stormwater out of the township and into the downstream river or tidal environment.

Key Investment decisions: These upgrades are seen as a key investment decision, with several projects proposed in a staged manner to address the key strategic objective of improving/maintaining levels of service with increased risk from natural hazards.

OPTION 1 (Preferred)	**OPTION 2**	**OPTION 3**
Upgrade stormwater reticulation alongside pump station and storage basin upgrades to address the issue holistically. Cost and timeframes: Ōpōtiki Town - Flood Water Storage Area - Tarawa Creek $ 3,141,220 | 2034-2036 Ōpōtiki Town - Stormwater Pump Station - Tarawa Creek Upgrade $ 3,873,900 | 2031-2033	Complete stormwater upgrades within the initial 3 year period, as these upgrades have the most developed design to inform them.	Maintain status quo on provision of levels of service.
IMPLICATIONS - Option 1 Reduced risk of flood hazard for the Ōpōtiki township. Regulatory compliance for stormwater discharges on the Ōpōtiki scheme.	**IMPLICATIONS – Option 2** Option 2 would require a lower initial outlay of capital, but lesser priority upgrades may worsen in time and could cost more than the planned capital sum. This may also limit growth across the township.	**IMPLICATIONS – Option 3** Deferring all upgrades across the township would increase risk to public and infrastructure, while worsening or deteriorating over time.

UNCERTAINTY: The level of uncertainty for the requirement of stormwater upgrades is considered to be low – given the confidence in projections of climate change and sea level rise. The list of upgrades identified have also been through a combination of anecdotal evidence and district-wide modelling. It should be noted that the stormwater modelling does not capture minor or localised issues, and rather focuses on major issues like overland flowpaths and flooding due to tidal and fluvial water levels.

ISSUE: Rural to urban flood protection – SH2 culvert upgrade

The township is surrounded by the Waioeka and Otara rivers, which have stopbanks to prevent fluvial flooding into Ōpōtiki. However, during extreme storm events, the elevated water levels in the two rivers, combined with overland flow from rural land to the south of Ōpōtiki results in the township being inundated from rural properties in the south of Ōpōtiki. There is a requirement to maintain or improve levels of service within the township to mitigate flooding.

There is a Bay of Plenty Regional Council stormwater pump station located south of Duke Street, during storm events flood waters overrun this pump station flowing into Ōpōtiki from the South. This flooding is pushed from rural areas into southern parts of the Ōpōtiki township.

The SH2 culvert aims to address the flooding on the eastern side of SH2 to minimise the effect of rural flooding on the eastern urban area of Ōpōtiki. This project in combination with Duke Street Stopbank will aim to prevent the rural flood water entering into the urban area and will rely on the Bay of Plenty Regional Council's pump station to pump the water into the Waioeka river.

Key Investment decisions: These projects are driven by maintaining levels of service with increased risk from natural hazards.

OPTION 1 (Preferred)	**OPTION 2**
Upgrade SH2 culvert. Cost and time frames: Ōpōtiki Town - Rural to Urban Flood Protection - SH 2 Culvert Upgrade - 1 - Investigation and Design $93,438 | 2025 Ōpōtiki Town - Rural to Urban Flood Protection - SH 2 Culvert Upgrade - 2 - Consent and Approvals $54,915 | 2026-2027 Ōpōtiki Town - Rural to Urban Flood Protection - SH 2 Culvert Upgrade - 3 - Construction $ 1,358,390 | 2029-2030	Maintain status quo on level of service provisions.
IMPLICATIONS - Option 1 Renewing and upgrading the SH2 culvert was not resolve all flood risk issues, solution to be paired with other network improvements.	**IMPLICATIONS – Option 2** Deferring the upgrade across would increase risk to public and infrastructure, while worsening or deteriorating over time.

UNCERTAINTY: The level of uncertainty for the requirement of pump station upgrades is considered to be low – given the confidence in projections of climate change and sea level rise. The list of upgrades identified have also been through a combination of anecdotal evidence and district-wide modelling. It should be noted that the stormwater modelling does not capture minor or localised issues, and rather focuses on major issues like overland flowpaths and flooding due to tidal and fluvial water levels.

<table>
<tr><td colspan="2">ISSUE: Stormwater reticulation extensions/upgrades

Stormwater reticulation extensions and capacity upgrades are required across the township to keep up with projected climate change and sea level rise scenarios. The township is surrounded by the Waioeka and Otara rivers, which have stopbanks to prevent fluvial flooding into Ōpōtiki. However, during extreme storm events, the elevated water levels in the two rivers, combined with overland flow from rural land to the south of Ōpōtiki results in the township being inundated. There is a requirement to maintain or improve levels of service within the township to mitigate this flooding.</td></tr>
<tr><td colspan="2">Key Investment decisions: These upgrades are seen as a key investment decision, with a number of projects proposed in a staged manner to address the key strategic objective of improving/maintaining levels of service with increased risk from natural hazards.</td></tr>
<tr><td>OPTION 1 (Preferred)

Upgrade the existing open channel network. (to service greenfield and infill development)

Cost and timeframes:

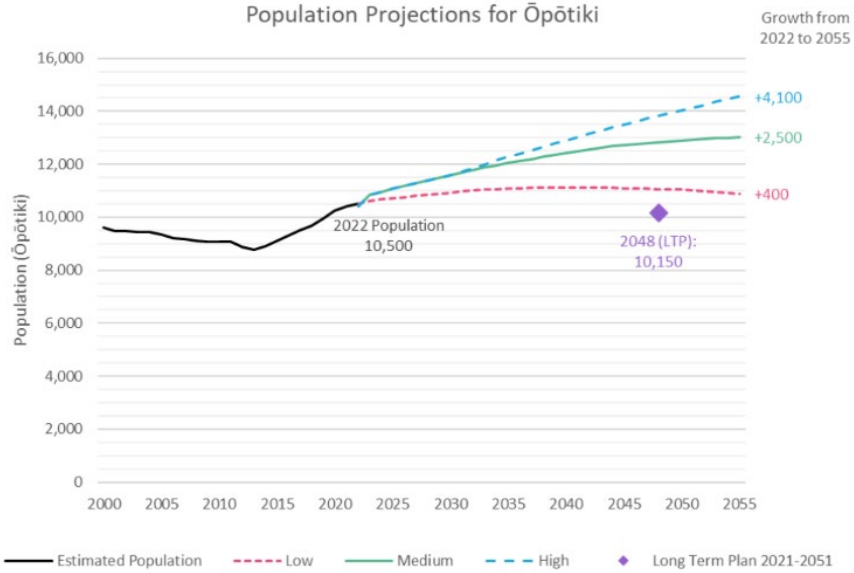
Ōpōtiki Town - Stormwater Reticulation extensions/upgrades

$ 9,272,920 | 2030-2054</td><td>OPTION 2
Staged upgrades to existing open channel network driven by planned growth. (to service greenfield development, with staged upgrades for infill development)</td></tr>
<tr><td>IMPLICATIONS - Option 1
Renewing and upgrading the entirety of the planned works within Hukutaia is dependent on the proposed growth in the region to actually happen. Should growth not occur as projected, this would result in increased cost to the existing rate payers.</td><td>IMPLICATIONS – Option 2
While staging the reticulation upgrades would provide a saving on cost in the near future, the downstream stormwater storage basin would require construction to its full capacity. Benefits of economics of scale would be lost if the work is staged.</td></tr>
<tr><td colspan="2">UNCERTAINTY: There is a medium level of uncertainty surrounding the timing and staging of these works as projected growth trends may vary with actual growth. However, the uncertainty around this region being a necessity to facilitate growth within Ōpōtiki is low.</td></tr>
</table>

4.3 Responding to growth

The population in Ōpōtiki is projected to increase in the future. The District population is expected to increase to 12,000 residents in 2033, up from 10,400 in 2022. ŌDC are currently undertaking district wide spatial planning with the view that Council will lead plan changes for the district to then give developers a level of certainty for future developments. To accommodate the full growth potential, a development contributions model will be set up to help deliver the associated infrastructure required over and above the limited growth investment Council have adopted.

Figure 4.1: Population projections for Ōpōtiki (Source: MRC Population Projections



NZ3321 Eastern BoP HBA Research Report*)*

There are significant uncertainties with this growth that Council must consider:

- **The rate of growth.** The main factor driving growth is economic activity, which is more difficult to forecast than growth from population changes like births and deaths. This means the actual rate at which our community grows could be faster or slower than what we're expecting.
- **The location of the growth.** Where this growth happens is also important because it affects where we'll need to extend or upgrade networks. We have assumed that the primary areas for residential growth will be new subdivisions in Hukutaia and Woodlands area and infill housing in Ōpōtiki (plus smaller development at The Waiotahi Drifts and also some unserviced locations). However, we know that where this growth occurs is subject to landowner initiative and capacity, and it could occur in alternate locations, for example papa kāinga housing on iwi land.

Our approach to this uncertainty in rate and location is to monitor indicators such as subdivision and building consents, industry enquiries, school rolls, and the census. If these indicate that actual growth is significantly different from our forecast, we will adjust the timing and/or location of the infrastructure projects needed to support growth.

Decisions about growth-driven infrastructure carry certain risks for the community. If we build infrastructure in anticipation of growth that doesn't occur as expected, there's a risk the community could end up paying for facilities that aren't needed. Alternatively, failing to provide infrastructure that is needed for growth could prevent the community from growing to its full potential.

When it comes to growth, Council's strategic approach for infrastructure is to:

- Ensure there is spare capacity available to support growth that could occur in the near term.
- Encourage efficient use of infrastructure (for example concentrating growth infrastructure into specific areas) to achieve best value.
- Requiring industry to take reasonable steps to minimise impacts on infrastructure.

4.3.1Transport

The transport programmes that will contribute to growth are primarily driven by either improving levels of service or renewals issues. This means there aren't any specific transportation projects designed solely for dealing with growth driven challenges or opportunities. There are several key projects underway that encourage further development in the district, particularly in the aquaculture and horticulture sectors.

There are several areas of development in the Hukataia and Woodlands area, and at Waiotahi Drifts, which will use State Highway 2 to access town and main areas of employment south of town. The spatial plan for the district also has growth in the Tablelands area east of the town, which uses State Highway 35 for access to the town centre for services and employment. These developments are driven by the levels of service they require.

Transport projects relating to growth have been centred around the Hukutaia area, with projects involving intersection upgrades, road safety improvements, internal subdivision roading and improvements for pedestrian, cyclists and mobility users.

<table>
<tr><td colspan="2">ISSUE: Encouraging growth in the district

Transport projects relating to growth have been centred around the Hukutaia area, with projects involving intersection upgrades, road safety improvements, internal subdivision roading and improvements for pedestrians, cyclists and mobility users.</td></tr>
<tr><td colspan="2">Key Investment decisions: There are a number of areas of development in the Hukutaia and Woodlands area, and at Waiotahi Drifts, which use SH2 to access the town and main areas of employment south of the town. These developments are driven by the levels of service these developments require.</td></tr>
<tr><td>SCENARIO 1
No growth allowed for.</td><td>SCENARIO 2 – PREFERRED
Transport Hukutaia Growth
Intersection upgrade / Hukutaia Road and SH2
$8,260,158 | 2034-36

Minor road safety improvements
$1,747,731 | 2026-35

Provision of pedestrian, cyclist and mobility improvements
$2,049,725 | 2029-32</td></tr>
<tr><td>IMPLICATIONS - Scenario
Allowing for no growth may result in not being able to unlock the growth area and undertake development, resulting in a reduction in community outcomes.</td><td>IMPLICATIONS – Scenario 2
This option allows for growth in the Hukutaia area, which unlocks the area for development and provides for future growth from the harbour project.
Safety improvements, new infrastructure like kerb and channels, cycleways and footpaths will all be funded through the LCLR programme. New bridges and seal extensions are also covered under this category up to the $2,000,000 threshold.</td></tr>
<tr><td colspan="2">UNCERTAINTY: There is uncertainty as to what level of funding will be granted. The provision of pedestrian, cyclist and mobility improvements is also uncertain, as it is 100% Developer contribution.</td></tr>
</table>

4.3.2 Solid Waste

Future demand of solid waste is greatly influenced by population growth, economic activity, changes in lifestyle and consumption, and changes in waste management approaches.

The key waste issues identified which respond to growth are as follows:

- Kerbside services – population growth means increased demand on Council services.
- Waste from businesses - developments in aquaculture and the harbour will result in a significant waste stream associated with the processing of shellfish. Construction and demolition waste is also a result of new developments.

Some of the projects that ŌDC propose to responding to growth include upgrades to the RRC's at Te Kaha and Waihau Bay. This includes additional bays and hardstand areas to cater for the growth in solid waste volumes collected at these locations.

However, these are primarily driven by levels of service due to existing infrastructure at these locations requiring upgrades regardless to maintain levels of service provided.

Another response to growth will be the expansion of the Ōpōtiki Town RRC Future Green Waste area. The current area available for Green Waste is undersized and unsuitable for the waste generated. This currently sits in Years 16 and 30, with a total value of $750,000.

ŌDC has also included additional rubbish bins at district toilets in the OPEX budget.

<table>
<tr><td colspan="2">ISSUE: Increased population generating more waste</td></tr>
<tr><td colspan="2">Key Investment decisions:
The RRC Future Green Waste project for Ōpōtiki Town
Respond to growth in green waste disposal and improve on the undersized existing green waste processing area.</td></tr>
<tr><td>SCENARIO 1
No growth</td><td>SCENARIO 2 –
Deferred growth scenario

Ōpōtiki Town RRC Future Green Waste
$1,123,660 | 2037-39</td></tr>
<tr><td>IMPLICATIONS - Scenario 1
The implication of growth not being catered for is likely to result in a loss of LOS and reduction in community outcomes over time.</td><td>IMPLICATIONS – Scenario 2
Growth in disposal of green waste is catered for albeit on a deferred basis. The existing green waste staging area can be sweated further with potential interim upgrades allowed for to maintain the minimum level of service until 2038.</td></tr>
<tr><td colspan="2">UNCERTAINTY: Due to the lower level of asset management maturity for the Solid Waste activity (including lack of data) there is a moderate uncertainty in the timing of the Future Green Waste project. A focus on operational projects including better understanding of the requirements and capacity of the Ōpōtiki Town RRC green waste service will result in greater clarity on the scope and timing of the proposed project.</td></tr>
</table>

4.3.3 Harbour

The harbour development is set to boost and support tourism activities in the district once completed. It is expected to employ 936 people.

Growth enabling projects to unlock the Harbour development have largely been completed in previous years. There is a single project for the Harbour Access Road that is primarily driven by maintaining or improving the levels of service related to accessing the new Harbour development.

Currently, the Harbour development is not owned by Ōpōtiki District Council, which is why it hasn't been included in the Infrastructure Strategy. The exception to this is the already committed access road project.

4.3.4 Water Supply

The key water supply infrastructure options for supporting growth over the next 30 years are outlined in the table below:

<table>
<tr><td colspan="2">ISSUE:Hukutaia – Water supply LOS and Resilience
The Crooked Rd reservoir provides little capacity and the rising/falling main to the reservoir lies in low lying wetland terrain and AC material, increasing the risk of failure.

The project would see additional resilience to the western side of the water supply network by either upgrading the reservoir or providing an alternative network configuration with a new river crossing directly feeding Hukutaia from the water treatment plant. The upper Hukutaia area of the network would be served by a new booster pump station.</td></tr>
<tr><td colspan="2">Key Investment decisions: The project is seen as significant improvement to LOS and Resilience while also being key to facilitate growth within Ōpōtiki while aligning with key strategic values.</td></tr>
<tr><td>OPTION 1 (Preferred)
Upgrade the reservoir or a new water main river crossing to Hukutaia with new booster pump station.

Hukutaia – Water Supply LOS and Resilience – 1 – Planning Phase
$ 25,955 | 2025-26
Hukutaia – Water Supply LOS and Resilience – 2 – Design Phase
$ 161,745 | 2026-27
Hukutaia – Water Supply LOS and Resilience – 3 – Implementation Phase
$ 2,672,250 | 2031-33</td><td>OPTION 2
Continue existing operations.</td></tr>
</table>

IMPLICATIONS - Option 1	IMPLICATIONS – Option 2
Upgrading the reservoir or providing another river crossing will increase network resilience and facilitate growth in Hukutaia by increasing capacity. The existing treatment plant bores and reservoir have capacity to provide the storage requirements. There is a significant cost implication to ratepayers that needs to be considered.	Increased risk of disruption for Hukutaia water supply leading to LOS reduction to the community. There will also be limited capacity for growth in the Hukutaia area given the capacity of the current reticulation.
UNCERTAINTY: There is medium uncertainty in the appropriateness and feasibility of the options. Further investigation and analysis will be required to determine the final network configuration. However, the requirement for an upgrade is considered low uncertainty due to the Hukutaia being the main area for future growth to occur.	

4.3.5 Wastewater

The key wastewater infrastructure options for supporting growth over the next 30 years are outlined in the tables below.

ISSUE: Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area The Hukutaia and Woodlands areas present an ideal area for future growth due to their proximity to existing treatment facilities, the capacity of the area for infill and greenfield development, its elevation above the effects of climate change and the presence of an existing water supply scheme which is due for renewal in line with growth timeframes. The Hukutaia area currently does not have any wastewater infrastructure. Intensification of residential development is hampered by the number and space required for onsite septic systems. Provision of a centralised wastewater reticulation system will allow for reduced lot size and reduce the impact of onsite wastewater disposal on health and the environment. There is currently only one river crossing for wastewater coming from the west of the Waioeka River. This rising main discharges into the Ōpōtiki township system. It is expected that if growth from Hukutaia is realised the existing rising main and network will suffer capacity issues. Providing a second crossing and pump station near the proposed marina will increase the resilience of the network west of the Waioeka River, reduce demand on the Ōpōtiki township system and allow for growth from the Hukutaia/woodlands, Marina and Waiotahe Drifts areas.
Key Investment decisions: The key decision is the extent of work and the staging of the new system. A balance must be sought between creating a network to promote new development and the affordability implications of connecting existing properties to a centralised system. Development potential includes both infill from existing properties subdividing as well as new greenfield development. The type of system and technology whether low pressure sewer system, gravity, hybrid and other also needs to be considered.

<table>
<tr><td>OPTION 1

Provide for all forecasted growth and provision of centralised wastewater services in a single phase of works. Expansion of network will require existing properties to connect within a given time frame.

This includes the area south of the Ōpōtiki golf course down to the southernmost intersection of Grant Rd and Woodland Rd.

Future development of the wastewater network south of this is not expected until the long term (20+years).</td><td>OPTION 2 (Preferred)

The minimum core enabling works (trunk mains, pump station and rising mains) are installed to enable greenfield growth. Extension to existing residents is deferred to year 8 of the LTP.

Early provision of wastewater to existing properties may be considered on a sub-catchment basis if requested.</td><td rowspan="2">OPTION 3

Continue with individual onsite wastewater systems in the Hukutaia area.

Any Infill or new development is restricted by current planning and consent restrictions.</td></tr>
<tr><td colspan="2">Common Elements to OPTION 1 and 2

A new pump station and river crossing are proposed for when Hukutaia has a significant proportion of future flows connected to the existing system. This pump station is expected to also allow flows from Waiotahe Drifts to the proposed Marina development. Two river crossings will allow for increased resilience and maintenance options.

Both these options allow for a third stage of growth to the south of the existing properties in the long term.</td></tr>
<tr><td>Option summary

Provide for greenfield and infill growth and provision of wastewater services to existing properties in one stage.

Cost and timeframes:
Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 01
$3,222,200 | 2027-2030
Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 02

$4,372,882 | 2033-2037</td><td>Preferred Option summary

Provide core enabling infrastructure for the area and enabling infrastructure for greenfield development. Defer provision of wastewater services to existing properties in a second stage.

Cost and timeframes:
Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 01
$3,222,200 | 2027-2030
Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 02

$4,372,882 | 2033-2037</td><td>Option summary

No Council activity or spending on wastewater in the area</td></tr>
</table>

IMPLICATIONS - Option 1	IMPLICATIONS - Option 2 (Preferred)	IMPLICATIONS - Option 3
Residents will be required to join the scheme within a given time and additional wastewater charges will be added to the existing residents. Existing properties will become more suitable for subdivision and intensification creating economies of scale in all service provision to the area. The scheme mechanics should not present significant difficulties in design. Providing the whole scheme should provide economies of scale and a sufficient rating base to prevent overburdening the general wastewater rating base for Ōpōtiki township. This option is the most capitally intensive option requiring more upfront capital expenditure. The new river crossing will give capacity relief and increased resilience to the existing network immediately, however, if the actual benefit is significant still needs to be investigated.	The main implication over option 1 is that the existing residents will not be required to connect to the network until much later, deferring any issues of affordability until external funding can be secured. Existing residents will be able to plan and adjust for the upcoming change to centralised service. Infill development is unlikely to be allowed until service is provided. There is the potential that later phases are not developed within the medium term requiring the district rating base to support the scheme. Staging allows use of the existing river crossing in the short term. Uncertainty in the timing of the Marina development may require the new western pump station to be brought forward.	There are few no alternative areas that provide the same affordability and resolution of strategic issues as the Hukutaia area. Residential growth in the district will continue to be ad-hoc and constrained. Additional septic systems will degrade the environment and consent for individual systems may become more difficult. There will be more pressure for infill in Ōpōtiki town which is not as climate resilient as the Hukutaia area.
UNCERTAINTY: There is low uncertainty surrounding the necessity and location of extension due to the certainty of climate change and the viability of the area. There is a medium level of uncertainty surrounding the timing and staging of these works as growth trends may vary and the timing of renewal of water supply reticulation may change as condition information improves. There is uncertainty around the existing resident's willingness to uptake the scheme.		

4.3.6 Stormwater

The key stormwater infrastructure options for supporting growth over the next 30 years are outlined in the table below:

<table>
<tr><td colspan="3">ISSUE: Hukutaia - Stormwater infrastructure development for Hukutaia Growth Area
Stormwater reticulation and increased capacity is required within Hukutaia to support the planned growth in the region.
The Hukutaia region is an optimum location for growth, and providing reticulation in this region is in line with key strategic issues that have been identified within this Infrastructure Strategy, with regards to encouraging development in areas that are minimally impacted by climate change and rising sea levels.</td></tr>
<tr><td colspan="3">Key Investment decisions: The project is seen as significant to facilitate growth within Ōpōtiki while aligning with key strategic values. The key decision across the options provided below is regarding the level of infrastructure support provisions for planned growth in Hukutaia.</td></tr>
<tr><td>OPTION 1 (Preferred)
Upgrade the existing open channel network. (to service greenfield and infill development)

Cost and timeframes:
Hukutaia - Stormwater infrastructure development for Hukutaia Growth Area - Phase 01
$ 3,132,200 | 2028-2033

Hukutaia - Stormwater infrastructure development for Hukutaia Growth Area - Phase 02
$11,956,084 | 2044-2053</td><td>OPTION 2
Staged upgrades to existing open channel network driven by planned growth. (to service greenfield development, with staged upgrades for infill development)</td><td>OPTION 3
Rely on private developer-led provisions for stormwater reticulation and treatment, with robust regulatory guidance on mitigating for intensified stormwater runoff.</td></tr>
<tr><td>IMPLICATIONS - Option 1
Renewing and upgrading the entirety of the planned works within Hukutaia is dependent on the proposed growth in the region actually occurring. Should growth not occur as projected, this would result in increased costs to the existing rate payers.</td><td>IMPLICATIONS – Option 2
While staging the reticulation upgrades would provide a saving on cost in the near future, the downstream stormwater storage basin would require construction to its full capacity. Benefits of economies of scale would be lost if the work is staged.</td><td>IMPLICATIONS – Option 3
The lack of a robust code of practice could lead to inconsistent provisions and levels of service, therefore resulting in pocket issues arising across the region.</td></tr>
<tr><td colspan="3">UNCERTAINTY: There is a medium level of uncertainty surrounding the timing and staging of these works as projected growth trends may vary with actual growth. However, the uncertainty around this region being a necessity to facilitate growth within Ōpōtiki is low.</td></tr>
</table>

4.4 Replacing old assets

Replacing (or renewing) existing assets as they come to the end of their useful lives is part of lifecycle management of infrastructure assets. Replacing an asset could be required as the condition of the asset has deteriorated; is performing poorly; or has become redundant for other reasons.

Council's strategic approach to infrastructure renewals is to:

- Initially, derive a renewals programmes driven primarily by life expectancy of the assets contained in Univerus or RAMM. From this data renewals profiles are generated which informs the renewals programming
- Adopt a long run average renewal approach as set out in the Financial Strategy
- Use the criticality of the assets to inform the renewals programmes
- Run to failure of non-critical assets
- Plan the renewal of assets in conjunction with upgrades and new assets projects where possible
- In early years invest in operational projects to collect more data on assets so that renewals profiles can shift from age-based profiles to condition-based profiles.

The Council's renewal programme is based on asset information contained in the Univerus and RAMM databases for the district. The reliability of these renewal plans is considered to be between low and medium (for Three Waters and Transport). The uncertainty is due to the completeness of the database. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.

Having good data, particularly condition data, is key to adequately planning renewals. Having incomplete and/or unreliable condition data creates a risk of unplanned work occurring (emergency or otherwise) and therefore is a risk to financial planning. To mitigate this risk, generic renewals budgets are available for most asset types across all activities which can be used for unplanned physical works when they arise (reactive). Separately, there are emergency budgets under Transport to specifically address emergency related unplanned physical works. There is still a residual risk that a large unplanned physical repair is required and funding would need to be sort from Council.

Solid Waste has no renewals profile to underpin planning for asset replacement due to not having a functioning asset register. Renewals of assets have historically been undertaken solely on a reactive basis with little visibility of future capital expenditure. Therefore, the renewals identified are compiled on the basis of renewing a large 'bow-wave' of assets on the understanding that over time the activity will mature in the management of assets and move toward a condition-based asset renewal approach.

The table below outlines the condition of Council's three waters assets. Staff experience and judgement is used to infer risk and prioritisation of renewals from what is understood of asset condition and criticality.

The condition and performance of our most critical assets is also summarised in the table below. Council has developed criticality criteria for pipes but the criticality of sites (for example, pumpstations and treatment) is considered based on staff experience, due to the relatively simple nature of the schemes.

ASSET GROUP WITH HIGH CRITICALITY	CONDITION	PERFORMANCE
Water treatment plants	Very good. Our plants are relatively new, although shorter lived assets will need replacing in the next 30 years. The key assets	Spare production capacity.

	are not complex so they are monitored using visual inspection.	
Ōpōtiki water trunk mains	Poor. Pipe is brittle and subject to periodic failure.	The trunk pipes have spare capacity for peak demand.
Ōpōtiki wastewater treatment plant	Poor to good. Pond liner in good condition, disposal field assets deteriorate due to UV exposure. Monitored by visual inspection.	Abatement notice was issued due to inability to cope with wet weather events, exceeded consent conditions. Limited capacity for growth.
Wastewater pumpstation 1 (PS1)	Very poor to good. The wet well concrete is monitored using density testing. Other components are inspected visually. The chamber roof is planned for replacement based on the condition assessment findings.	Good capacity for all but wet weather events, when wet weather flows exceed capacity.
Wastewater trunk main from PS1 to treatment plant	Condition uncertain but pipe is well through expected life. Condition assessment by laboratory analysis is planned to inform replacement decision as part of upgrade project.	Pipe is rated for low pressure flows. This limits options for increasing flowrate from the pump station. Needs to be upgraded.
Bridges	Average. Condition monitored using a rolling inspection by external experts.	Bridges meet current safety standards and levels of service requirements

Much of the replacement cost of the three waters assets over the next 30 years are either very high or high criticality. This reinforces the importance of undertaking proactive planning towards, and timely renewal, of assets.

A significant portion of the transport carriageway network has a remaining useful life (RUL) of less than four years – which will require immediate intervention without incurring more expensive rehabilitation works in the future. However, we note the RUL figure in RAMM data is a conservative estimate, recorded at the time of sealing. A condition survey will be required to confirm the accuracy of the RUL estimate.

For transport there are 9 bridges that have a RUL of less than 30 years according to the information currently in RAMM. Tirohanga Road Culvert is the only bridge asset planned to be replaced within the first 5 years of the programme. In addition to this there will still be a need to maintain structural component renewals to manage risk and maintain levels of service.

4.4.1 Water Supply

The key water supply infrastructure options for renewals over the next 30 years are outlined in the table below:

ISSUE: Hukutaia, Te Kaha and Ōhiwa Treatment and Reticulation Renewals

The Hukutaia area is reaching the end of its design life and specific larger renewals are addressed in another table below by a specific set of projects for this issue. Renewals identified through predictive modelling for the most part include point and plant assets such hydrants and pumps.

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. A new treatment plant is required in Te Kaha and therefore any renewals required at the current Te Kaha treatment will be limited to priority works. The Ōhiwa reticulation is relatively new. Renewals mainly consist of aging treatment components.	
Key Investment decisions: This project is seen as significant to maintaining levels of service in the water supply areas while aligning with key strategic values.	
OPTION 1 (Preferred) Renew ageing assets as identified by asset management. Cost and timeframes: Ōhiwa Water - Reticulation Renewals $10,644 | 2024 – 2054 Ōhiwa Water - Treatment Renewals $96,343 | 2024 – 2054 Hukutaia Reticulation Renewals $1,720,553 | 2024 – 2054 Te Kaha Water - Reticulation Renewals $1,347,952 | 2024 – 2054 Te Kaha Water - Treatment Renewals $994,003 | 2024 – 2054 Key investment decisions will be undertaken through the Annual Planning process for these budgets.	**OPTION 2** Run assets to failure.
IMPLICATIONS - Option 1 Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ŌDC, which ensures future renewal works are carried out in the most efficient and affordable manner.	**IMPLICATIONS - Option 2** 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

UNCERTAINTY: There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within Univerus. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.

ISSUE: Hukutaia Reticulation Renewals The Hukutaia area is reaching the end of its design life. The reticulation around this area was not renewed at the same time as the Ōpōtiki township and is 1950's & 60's asbestos cement (AC). AC pipe has a reduced estimated life of 60 years based on national findings. The majority of the reticulation will be replaced alongside upgrades to provide for growth and levels of service. The projects outlined below are for the renewal of the remaining sections of AC pipe on Grant Rd, Hukutaia Rd and Woodlands Rd. The need for renewals and the timing is based on the following key strategic issues. Growth – The Hukutaia area is ideal for infill and the existing AC lacks capacity for the increased pressures required. Climate Change – Hukutaia is located on high ground. Life Cycle Management – The Hukutaia reticulation is due for renewal in the next 10 years and could line up with the extension of the wastewater scheme.	
Key Investment decisions: This project is seen as significant to maintaining levels of service in Hukutaia while aligning with key strategic values.	
OPTION 1 (Preferred) Renew ageing assets as identified by asset management. Cost and timeframes: Hukutaia - Water Main Renewal - Grant Road - AC Watermain $364,291 | 2032 Hukutaia - Water Main Renewal - Hukutaia Rd - AC Watermain $466,502 | 2032 Hukutaia - Water Main Renewal - Woodlands Road - AC Watermain $655,200 | 2032 Key investment decisions will be undertaken through the Annual Planning process for this budget.	**OPTION 2** Run assets to failure.
IMPLICATIONS - Option 1	**IMPLICATIONS - Option 2**

Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ŌDC, which ensures future renewal works are carried out in the most efficient and affordable manner.	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
UNCERTAINTY: There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within Univerus. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.	

ISSUE: Ōpōtiki WTP Renewals 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. There are several key components at the Ōpōtiki WTP that require replacing over the 30 year planning horizon. These are critical components to the water treatment process.	
Key Investment decisions: These assets are part of a critical process in treatment of the water supply. Therefore, the project is seen as necessary to maintain status quo and replace ageing assets, and to provide the minimum level of service required.	
OPTION 1 (Preferred) Renew ageing assets as identified by asset management. Cost and timeframes: Ōpōtiki Town - Water Treatment Renewals $3,901,757 | 2024 – 2054 Ōpōtiki Town - Water Reservoir Lining Renewal $387,184 | 2028 – 2029 Ōpōtiki Town - Water Treatment UV Renewals $433,999 | 2024 – 2054 Key investment decisions will be undertaken through the Annual Planning process for these budgets.	**OPTION 2** Run assets to failure.
IMPLICATIONS - Option 1	**IMPLICATIONS - Option 2**

Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ŌDC, which ensures future renewal works are carried out in the most efficient and affordable manner.	Letting assets run till failure has the potential to delay expenditure however in the long term costs will remain the same. Choosing not to renew assets based on predictive modelling is a significant risk to public health as these assets are part of a critical public health process (water treatment).
UNCERTAINTY: There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within Univerus. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.	

ISSUE: Booster Station Renewals Key component renewals for Otara and Hukutaia Booster Stations. Both of these pump stations service the majority of the wider Ōpōtiki water supply area.	
Key Investment decisions: The project is seen as necessary to maintain status quo and replace ageing assets, so as to provide the minimum level of service required.	
OPTION 1 (Preferred) Renew ageing assets as identified by asset management. Cost and timeframes: Hukutaia - Booster Station Electrical Control Renewal $117,426 | 2024 – 2054 Ōpōtiki Town - Otara Booster Station Renewals and Pumps $383,002 | 2026 – 2054 Key investment decisions will be undertaken through the Annual Planning process for this budget.	**OPTION 2** Run assets to failure.
IMPLICATIONS - Option 1 Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ŌDC, which ensures future renewal works are carried out in the most efficient and affordable manner.	**IMPLICATIONS - Option 2** Letting assets run till failure has the potential to delay expenditure however in the long term costs will remain the same. Choosing not to renew assets based on predictive modelling is a significant risk to public health as these assets are part of a critical public health process (water treatment).

UNCERTAINTY: There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within Univerus. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.

ISSUE: Ōpōtiki, Te Kaha and Hukutaia Valves, Hydrants and Meters

Valves, hydrants and meters make up the majority of water supply point assets. These assets have shorter lifespans than pipeline assets and therefore have a separate renewals programme.

Key Investment decisions: The project is seen as necessary to maintain the status quo and replace ageing assets, so as to provide the minimum level of service required.

OPTION 1 (Preferred)	**OPTION 2**
Renew ageing assets as identified by asset management. Cost and timeframes: Hukutaia - Valves and Hydrants Renewals $101,371 | 2025 – 2034 Ōpōtiki Town - Valves, Hydrants and Meters Renewals $2,538,054 | 2025 – 2054 Te Kaha - Valves, Hydrants, Meters, Pumps Renewals $416,456 | 2025 – 2054 Key investment decisions will be undertaken through the Annual Planning process for this budget.	Run assets to failure.
IMPLICATIONS - Option 1 Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ŌDC, which ensures future renewal works are carried out in the most efficient and affordable manner.	**IMPLICATIONS - Option 2** Letting assets run till failure has the potential to delay expenditure but incurs increasing maintenance costs and service disruptions.

UNCERTAINTY: There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within Univerus. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.

4.4.2 Wastewater

The key wastewater infrastructure options for renewals over the next 30 years are outlined in the table below:

<table>
<tr><td colspan="3">ISSUE: Ōpōtiki Town - Reticulation Rehabilitation
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
Levels of service are difficult to maintain in wet weather events when reticulation becomes overloaded. From symptomatic assessment of I&I, pipe displacement, degradation, slumping etc appear to widespread offering poor resilience and little to no room for growth.
A 3-year investigation into the extent, severity and localisation of I&I has been completed and a preferred remediation option had been resolved by Council and informed rehabilitation works over the last 10 years. Rehabilitation was found to be the preferred option due to the balance of cost versus benefit and the extension of the life of the reticulation. However, additional investment is required to review and confirm Council’s commitment to this approach.</td></tr>
<tr><td colspan="3">Key Investment decisions: The project is seen as necessary to maintain status quo and replace ageing assets, to provide the minimum level of service required.</td></tr>
<tr><td>OPTION 1 rehabilitation (Preferred)
Wastewater Reticulation Rehabilitation includes reviewing and confirming Council’s commitment to the continued refurbishment of the network conditional on the review of the current performance of the existing rehabilitated network. This option also allows for investigation and remediation of any issues identified within the network including raising gully traps, decommissioning redundant lines and smoke testing.

Cost and timeframes:
Ōpōtiki Town - Reticulation Rehabilitation - 1 - Investigations and Planning
$ 250,000 | 2024-2025
Ōpōtiki Town - Reticulation Rehabilitation - 2 - Design and Approvals
$ 259,550 | 2025-2026</td><td>OPTION 2 full replacement
Full replacement of assets that have potential for high I&I is anticipated to result in modern materials placed through trenching rather than refurbishment which is being undertaken without the need for digging up the surfaces above the existing pipes.</td><td>OPTION 3 do nothing
Allow assets to run to the end of nominal asset life, without addressing the current condition that is allowing wet weather flows into the system and reducing network capacity.</td></tr>
</table>

Ōpōtiki Town - Reticulation Rehabilitation - 3 - Construction $ 6,445,158 | 2026-2031		
IMPLICATIONS - Option 1 Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ŌDC, which ensures future renewal works are carried out in the most efficient and affordable manner.	**IMPLICATIONS – Option 2** This option is more expensive than option 1 and due to the implications of climate change the full useful life of the assets may not be realised creating a potential inefficiency in Council spending	**IMPLICATIONS – Option 3** Allowing assets to run to failure can delay imminent expenditures but would elevate risk to public services and is likely to require increased spend in the future to address large scale replacements.
UNCERTAINTY: There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within Univerus. A 'smoothed' renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.		

<table>
<tr><td colspan="2">ISSUE: Ōpōtiki and Waihau Bay Reticulation & WWTP Renewals
Reticulation upgrades across Ōpōtiki township include pipelines, pump stations, manholes to capture and convey wastewater across Ōpōtiki township and to the WWTP.</td></tr>
<tr><td colspan="2">Key Investment decisions: The project is seen as necessary to maintain the status quo and replace ageing assets, to provide the minimum level of service required.</td></tr>
<tr><td>OPTION 1 (Preferred)
Renew ageing assets as identified by asset management.

Cost and timeframes:
Ōpōtiki Town - Wastewater Reticulation Renewals
$ 3,303,378 | 2024-2054

Waihau Bay - Wastewater Reticulation Renewals
$ 289,029 | 2021-2054

Ōpōtiki Town - Wastewater Treatment Renewals
$ 3,367,924 | 2024-2054

Waihau Bay - Wastewater Treatment Renewals
$ 48,172 | 2024-2054

Key investment decisions will be undertaken through the Annual Planning process for these budgets.</td><td>OPTION 2
Allow assets to run to end of life.</td></tr>
<tr><td>IMPLICATIONS - Option 1
Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ŌDC, which ensures future renewal works are carried out in the most efficient and affordable manner.</td><td>IMPLICATIONS – Option 2
Allowing assets to run to failure can delay imminent expenditures but would elevate risk to public services and is likely to require increased spend in the future to address large scale replacements.</td></tr>
<tr><td colspan="2">UNCERTAINTY: There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within Univerus. A ‘smoothed’ renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.</td></tr>
</table>

4.4.3 Stormwater

The key stormwater infrastructure options for renewals over the next 30 years are outlined in the table below:

<table>
<tr><td colspan="2">ISSUE: Stormwater Reticulation Renewals
Reticulation renewals across Ōpōtiki township include pipelines, pump stations, culverts to capture and convey stormwater runoff from sub-catchments across Ōpōtiki township. Multiple areas within the township are approximately half-way through their design life, whilst other parts of the network servicing the township have short design lives. The assets that are past the half-way point of its design life are also of varying criticalities, as modelled using Univerus.</td></tr>
<tr><td colspan="2">Key Investment decisions: The project is seen as necessary to maintain the status quo and replace ageing assets, to provide the minimum level of service required.</td></tr>
<tr><td>OPTION 1 (Preferred)
Renew ageing assets as identified by asset management modelling.

Cost and timeframes:
Ōpōtiki Town - Stormwater Reticulation Renewals
$12,313,829 | 2024-2054

Ōpōtiki Town - Stormwater Pump Stations - Renewals
$1,208,863 | 2024-2054

Ōpōtiki Town - Stormwater Drainage Renewals
$575,229 | 2024-2054

Key investment decisions will be undertaken through the Annual Planning process for this budget.</td><td>OPTION 2
Allow assets to run to end of life.</td></tr>
<tr><td>IMPLICATIONS - Option 1
Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ŌDC, which ensures future renewal works are carried out in the most efficient and affordable manner.</td><td>IMPLICATIONS – Option 2
Allowing assets to run to failure can delay imminent expenditures but would elevate risk to public services and is likely to require increased spend in the future to address large scale replacements.</td></tr>
<tr><td colspan="2">UNCERTAINTY: There is a low to medium level of uncertainty around the renewals profile, due to the completeness of the database. While the asset data for high criticality assets is reliable, there is minimal data available on low criticality assets within Univerus. A ‘smoothed’ renewals profile accounts for this uncertainty but it does not negate the potential for cost spikes through variations in asset lifespan.</td></tr>
</table>

4.4.4 Transport

The average age profile for high value network assets doesn't indicate an asset renewal deficit. The requirements for maintenance are increasing due to the increased demand on the network and climatic impacts.

The key transport infrastructure options for renewals over the next 30 years are outlined in the table below:

<table>
<tr><td colspan="2">ISSUE: Operations and maintenance of the district network to required level of service
The maintenance spend over the past five years has been increasing in line with the development and traffic growth on the network, in addition to costs relating to an ageing network. A signification portion of the roading and drainage network is showing a remaining design life of less than four years, requiring immediate intervention.</td></tr>
<tr><td colspan="2">Key Investment decisions: The project is seen as necessary to maintain status quo and replace ageing assets and to provide the minimum level of service required.</td></tr>
<tr><td>SCENARIO 1 - PREFERRED

Renewing ageing assets as identified by asset management and following the wider Council long run average renewals approach.

CBD Kerb & Channel
$1,378,091 | 2024-54

Renewals
$19,562,679 | 2024-54

Unsealed Road Resurfacing
$9,484,654 | 2024-54

Sealed roads
$53,413,421 | 2024-54

Council site Access Roads
$645,980 | 2024-54

Emergency Events (major & minor events reserve)
$4,306,534 | 2024-54</td><td>SCENARIO 2
Allow assets to run to end of life.</td></tr>
</table>

IMPLICATIONS – Scenario 1	IMPLICATIONS – Scenario 2
Renewing ageing assets combined with improved data collection provides a more robust renewals profile to ŌDC, which ensures future renewal works are carried out in the most efficient and affordable manner.	Allowing assets to run to failure can delay imminent expenditures but would elevate risk to public services and is likely to require increased spend in the future to address large scale replacements.
UNCERTAINTY: There is a low to medium level of uncertainty around the maintenance and renewals profile due to the completeness of the database. Accurate records of maintenance spending for many transport assets have only been kept since the last few years. Therefore it is difficult to identify long-term trends in this data.	

4.4.5 Solid Waste

Historically, there hasn't been enough investment in maintaining and renewing the infrastructure for managing Solid Waste, partly because of lack of detailed knowledge about these assets. To address this, Council is now focusing on improving how it manages its solid waste assets. This involves starting a journey towards better asset management practices. These projects will help gather essential information about what assets exists, their current condition, and when they might need to be replaced. This effort is all about making sure the Council can manage infrastructure more efficiently in the future.

ISSUE: Ongoing RRC renewals	
Key Investment decisions: The project is seen as necessary to maintain levels of service and reduce system vulnerabilities throughout the network.	
SCENARIO 1 – PREFERRED Renewing ageing assets as identified by staff experience and judgement (long term aspirational goal of renewing ageing assets as identified by asset management information, prioritising key assets). Renewals to RRCs: Ōpōtiki Town $8,855,240 | 2024-54 Te Kaha $3,442,476 | 2024-54 Waihau Bay $2,082,065 | 2024-42	**SCENARIO 2** Allow assets to run to end of life.

IMPLICATIONS – Scenario 1	IMPLICATIONS - Scenario 2
This option is a balance of investing in gathering asset management information to inform planned renewals and renewing assets that are priority. There is a risk of unplanned works due to the trade-off of not renewing everything.	Allowing assets to run to failure can delay imminent expenditures but would elevate risk to public services and is likely to require increased spend in the future to address large scale replacements.
UNCERTAINTY: There is a moderate to high level of uncertainty given the lack of asset data records and condition assessments across the activity. The condition of Solid Waste assets is based on staff knowledge and experience in lieu of accurate asset data. The uncertainty of this assumption may lead to under or over investment in asset replacement. As investments are made into asset management process and data collection, the condition assumptions and therefore replacement programme should become more accurate over time.	

4.5 Financial affordability

Financial affordability is about the hard choices that have to be made regarding spending on infrastructure. These decisions are crucial for Council to meet its obligations on debt interest payments, remain solvent, balance the cost to ratepayers and the levels of service to be provided to the community. Making these decisions require compromise between the planned or desired capital expenditure and what is realistically affordable for Council.

Council's approach to maintaining financial affordability for infrastructure is to:

- Manage overall debt levels to a targeted range of operating income
- 'Distribute' renewals capital expenditure over time by prioritising critical assets and adopting a long run average renewals approach

Affordability was a key theme in feedback received during consultation on the Hukutaia growth projects. In response to this feedback, Council deferred projects in the 2024 LTP to connect existing households to a new wastewater service until years 4-6 for Phase 1 and years 10-11 for Phase 2. This allows time to any external funding and to develop financial measures to manage affordability, without completely removing the work from the 10-year programme.

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

Council has not used a large portion of its budget for capital projects in the past few years. This has led to a backlog of projects that need to be done, and these have been included in the current strategy plan.

The planned works outlined in the early years of this strategy reflects what the Council has historically been able to accomplish (Year 1 includes $2.5 million for Snell Road upgrades and renewals which is currently underway due to be completed in 2024/2025. This project is already resourced and funded and therefore is not expected to have any effect on deliverability of remaining programmed works in year 1). Starting from year 3 onwards, there is a plan to gradually increase the amount and scale of works. To handle this increase, the Council will improve how it manages internal staff resourcing to facilitate project management and procurement of contractor and consultant inputs. This is combined with an overarching organisation refresh which is being implemented to review the structure of the organisation and how it can be organised to better support delivery outcomes.

Three key risks have been identified (as of March 2024) as:

- Availability of contractors/consultants/materials,
- Resource consent delays, and

- internal staff resourcing.

Clear mitigation actions are in place to address these risks, and new risks will be identified and prioritised as we progress through delivery.

5.0 What we plan to do

5.1 Summary of projects

The following tables summarise the preferred project options (with uninflated values) that Council will undertake over the next 30 years.

5.1.1 Transport

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
LOS					**Renewal%**	**LOS%**	**Growth%**
Harbour Access Road	$400,000	$400,000	$-	$-	25%	75%	0%
Seal extensions	$8,613,069	$618,340	$1,617,140	$6,377,589	50%	50%	0%
Emergency Events - Major Events Reserve	$2,153,267	$154,585	$404,285	$1,594,397	0%	100%	0%
ODC Local Share Minor Improvements	$677,651	$677,651	$-	$-	25%	75%	0%
Emergency Events - Minor	$2,153,267	$154,585	$404,285	$1,594,397	0%	100%	0%
Snell Road	$2,500,000	$2,500,000	$-	$-	0%	100%	0%
Renewals					**Renewal%**	**LOS%**	**Growth%**
CBD Kerb & Channel	$1,378,091	$98,934	$258,742	$1,020,414	100%	0%	0%
Council site access roads	$645,980	$46,376	$121,286	$478,319	100%	0%	0%
Footpath renewals	$3,940,429	$90,355	$697,902	$3,152,172	100%	0%	0%
Unsealed Road Metalling	$9,484,654	$581,386	$1,613,890	$7,289,379	100%	0%	0%
Sealed Road Resurfacing	$29,522,465	$2,321,509	$5,721,578	$21,479,378	100%	0%	0%
Drainage Renewals	$6,588,613	$401,886	$1,182,661	$5,004,066	100%	0%	0%
Sealed Road Pavement Rehabilitation	$23,890,956	$1,950,067	$4,377,574	$17,563,315	100%	0%	0%
Structures Components Replacement	$3,993,522	$163,622	$471,088	$3,358,812	100%	0%	0%
Traffic Services Renewal	$2,486,000	$147,067	$423,980	$1,914,952	100%	0%	0%
Structures Renewals	$2,261,850	$300,000	$815,256	$1,146,594	100%	0%	0%
Environmental Renewals	$292,265	$-	$78,694	$213,571	100%	0%	0%

Growth					Renewal%	LOS%	Growth%
Transport Hukutaia Growth - Intersection Upgrade / Hukutaia Rd and SH2	$8,260,158	$-	$-	$8,260,158	33%	33%	33%
Transport Hukutaia Growth - Minor Road Safety Improvements	$1,747,731	$159,315	$1,212,855	$375,561	33%	33%	33%
Transport Hukutaia Growth - Provision of pedestrian, cyclist and mobility improvements	$2,049,725	$-	$2,049,725	$-	33%	33%	33%

5.1.2 Solid Waste

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
LOS					Renewal%	LOS%	Growth%
New bins for organics collection	$269,613	$-	$269,613	$-	50%	50%	0%
Ōpōtiki Town - RRC improved workstation flow	$81,814	$81,814	$-	$-	50%	50%	0%
Ōpōtiki Town - RRC security system	$39,141	$-	$39,141	$-	50%	50%	0%
Ōpōtiki Town - RRC upgrades for resource consent compliance	$156,355	$103,180	$53,175	$-	50%	50%	0%
Ōpōtiki Town - RRC layout upgrade (existing greenwaste bays)	$123,504	$-	$123,504	$-	50%	50%	0%
Ōpōtiki Town - RRC layout upgrade (existing greenwaste gravel pavement)	$41,271	$30,636	$10,635	$-	50%	50%	0%
Te Kaha - RRC additional glass bins	$15,314	$15,314	$-	$-	50%	50%	0%
Te Kaha - RRC improved workstation flow	$10,318	$10,318	$-	$-	50%	50%	0%
Te Kaha - RRC Loader	$85,080	$-	$85,080	$-	50%	50%	0%
Te Kaha - RRC upgrades for resource consent compliance	$46,907	$30,954	$15,953	$-	50%	50%	0%
Te Kaha - RRC additional hardstand for bays	$93,192	$-	$93,192	$-	0%	75%	25%
Te Kaha - RRC bays (additional)	$87,368	$-	$87,368	$-	0%	75%	25%
Waihau Bay - RRC improved workstation flow	$10,635	$-	$10,635	$-	50%	50%	0%
Waihau Bay - RRC upgrades for resource consent compliance	$46,907	$30,954	$15,953	$-	50%	50%	0%
Waihau Bay - Hardstand and building expansion	$315,790	$153,180	$162,610	$-	50%	50%	0%
Waihau Bay - RRC bays (additional)	$69,894	$-	$69,894	$-	0%	75%	25%
Renewals					Renewal%	LOS%	Growth%
Ōpōtiki Town - RRC bailer - tin and can	$130,128	$-	$130,128	$-	100%	0%	0%

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
Ōpōtiki Town - RRC bailer / compactor	$297,780	$-	$297,780	$-	100%	0%	0%
Ōpōtiki Town - RRC bays (existing)	$401,587	$91,908	$236,133	$73,546	100%	0%	0%
Ōpōtiki Town - RRC fencing replacement	$251,679	$30,636	$61,039	$160,004	100%	0%	0%
Ōpōtiki Town - RRC hardstand (pavement for existing bays)	$652,670	$30,636	$622,034	$-	100%	0%	0%
Ōpōtiki Town - RRC hoist (glass)	$116,229	$30,621	$-	$85,608	100%	0%	0%
Ōpōtiki Town - RRC renewals	$1,447,260	$107,237	$278,124	$1,061,900	100%	0%	0%
Ōpōtiki Town - RRC bailer / compactor building	$60,737	$-	$60,737	$-	100%	0%	0%
Ōpōtiki Town - RRC building facilities	$110,430	$-	$110,430	$-	100%	0%	0%
Ōpōtiki Town - RRC building replacement	$3,769,149	$-	$-	$3,769,149	100%	0%	0%
Ōpōtiki Town - RRC conveyor/sorter	$53,316	$-	$53,316	$-	100%	0%	0%
Ōpōtiki Town - RRC drainage renewals	$114,473	$-	$114,473	$-	100%	0%	0%
Ōpōtiki Town - RRC hardstand (gravel)	$85,080	$-	$85,080	$-	100%	0%	0%
Ōpōtiki Town - RRC hardstand (pavement for entrance and turning areas)	$647,086	$-	$251,565	$395,521	100%	0%	0%
Ōpōtiki Town - RRC hoist (plastics)	$121,496	$-	$31,905	$89,591	100%	0%	0%
Ōpōtiki Town - RRC replace roller doors x 4	$158,844	$-	$158,844	$-	100%	0%	0%
Ōpōtiki Town - RRC weighbridge renewal	$271,982	$-	$-	$271,982	100%	0%	0%
Te Kaha - RRC hardstand (pavement for existing bays)	$133,862	$30,636	$78,711	$24,515	100%	0%	0%
Te Kaha - RRC renewals	$1,077,821	$122,544	$196,778	$758,500	100%	0%	0%
Te Kaha - RRC bays (existing)	$97,850	$60,627	$37,223	$-	100%	0%	0%
Te Kaha - RRC building facilities	$78,694	$-	$78,694	$-	100%	0%	0%
Te Kaha - RRC building replacement	$1,480,347	$-	$-	$1,480,347	100%	0%	0%
Te Kaha - RRC fencing replacement	$57,250	$-	$57,250	$-	100%	0%	0%
Te Kaha - RRC hardstand (pavement for entrance and turning areas)	$366,293	$-	$366,293	$-	100%	0%	0%
Te Kaha - RRC replace roller doors x 2	$80,150	$-	$80,150	$-	100%	0%	0%
Waihau Bay - RRC fencing replacement	$46,748	$46,748	$-	$-	100%	0%	0%
Waihau Bay - RRC renewals	$619,120	$45,954	$118,067	$455,100	100%	0%	0%
Waihau Bay - RRC bays (existing)	$94,737	$45,954	$48,783	$-	100%	0%	0%

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
Waihau Bay - RRC building facilities	$56,210	$-	$56,210	$-	100%	0%	0%
Waihau Bay - RRC building replacement	$707,265	$-	$-	$707,265	100%	0%	0%
Waihau Bay - RRC hardstand (pavement for entrance and turning areas)	$255,944	$-	$255,944	$-	100%	0%	0%
Waihau Bay - RRC hardstand (pavement for existing bays)	$153,584	$76,607	$76,977	$-	100%	0%	0%
Waihau Bay - RRC replace roller doors x 2	$78,694	$-	$78,694	$-	100%	0%	0%
Ōpōtiki Town - Resource Consent	$165,311	$165,311	$-	$-	100%	0%	0%
Te Kaha - Resource Consent	$70,207	$70,207	$-	$-	100%	0%	0%
Waihau Bay - Resource Consent	$70,207	$70,207	$-	$-	100%	0%	0%
Growth					Renewal%	LOS%	Growth%
Ōpōtiki Town - RRC Future Green Waste	$1,123,660	$-	$-	$1,123,660	33%	33%	33%

5.1.3 Water Supply

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
LOS					**Renewal%**	**LOS%**	**Growth%**
Hukutaia - Water Supply LOS and Resilience - 1 - Planning Phase	$25,955	$25,955	$-	$-	0%	100%	0%
Hukutaia - Water Supply LOS and Resilience - 2 - Design Phase	$161,745	$161,745	$-	$-	0%	100%	0%
Hukutaia - Water Supply LOS and Resilience - 3 - Implementation Phase	$2,672,250	$-	$2,672,250	$-	0%	100%	0%
Ōhiwa - Water Telemetry Upgrade	$50,000	$50,000	$-	$-	50%	50%	0%
Te Kaha - Water Treatment Plant Relocation - 1 - New Water Source	$160,000	$160,000	$-	$-	50%	50%	0%
Te Kaha - Water Treatment Plant Relocation - 2 - Design	$130,813	$130,813	$-	$-	50%	50%	0%
Te Kaha - Water Treatment Plant Relocation - 3 - Construction	$1,358,658	$1,358,658	$-	$-	50%	50%	0%
Te Kaha Water - Booster to OBrien's 1.4km	$1,140,125	$-	$1,140,125	$-	50%	50%	0%
Te Kaha Water - Reticulation upgrades - Copenhagan Loop	$612,454	$-	$612,454	$-	50%	50%	0%
Growth					**Renewal%**	**LOS%**	**Growth%**
Ōpōtiki Town - Water Reticulation Upgrades for Harbour	$174,455	$-	$174,455	$-	33%	33%	33%

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
Ōpōtiki Town - Water Ring Main - Duke St - 1 - Planning and Design Phase	$79,439	$-	$-	$79,439	33%	33%	33%
Ōpōtiki Town - Water Ring Main - Duke St - 2 - Easement Arrangement	$246,421	$-	$-	$246,421	33%	33%	33%
Ōpōtiki Town - Water Ring Main - Duke St - 3 - Construction Phase	$509,598	$-	$-	$509,598	33%	33%	33%
Renewals					**Renewal%**	**LOS%**	**Growth%**
Hukutaia - Valves and Hydrants Renewals	$101,371	$17,649	$83,722	$-	100%	0%	0%
Hukutaia - Booster Station Electrical Control Renewal	$117,426	$15,000	$44,560	$57,866	100%	0%	0%
Hukutaia - Reticulation Renewals	$1,720,553	$233,738	$284,711	$1,202,104	100%	0%	0%
Hukutaia - Water Main Renewal - Grant Road - AC Watermain	$364,291	$-	$364,291	$-	100%	0%	0%
Hukutaia - Water Main Renewal - Hukutaia Rd - AC Watermain	$466,502	$-	$466,502	$-	100%	0%	0%
Hukutaia - Water Main Renewal - Woodlands Road - AC Watermain	$655,200	$-	$655,200	$-	100%	0%	0%
Ōhiwa - Water Reticulation Renewals	$10,644	$6,470	$-	$4,174	100%	0%	0%
Ōhiwa - Water Treatment Renewals	$96,343	$6,233	$17,255	$72,855	100%	0%	0%
Ōpōtiki Town - Otara Booster Station Renewals and Pumps	$383,002	$11,861	$134,768	$236,373	100%	0%	0%
Ōpōtiki Town - Valves, Hydrants and Meters Renewals	$2,538,054	$22,840	$235,034	$2,280,179	100%	0%	0%
Ōpōtiki Town - Water Reservoir Lining Renewal	$387,184	$-	$387,184	$-	100%	0%	0%
Ōpōtiki Town - Water Reticulation Renewals	$3,326,794	$276,066	$578,049	$2,472,679	100%	0%	0%
Ōpōtiki Town - Water Reticulation Renewals - 5.8km DN300 uPVC WTP to Ford Street - 1 - Planning and Design	$25,000	$25,000	$-	$-	100%	0%	0%
Ōpōtiki Town - Water Reticulation Renewals - 5.8km DN300 uPVC WTP to Ford Street - 2 - Construction	$8,925,858	$-	$2,156,900	$6,768,958	100%	0%	0%
Ōpōtiki Town - Water Reticulation Renewals - Ōpōtiki WTP Treated Water Main	$166,712	$-	$166,712	$-	100%	0%	0%
Ōpōtiki Town - Water Treatment Renewals	$3,901,757	$195,620	$785,798	$2,920,338	100%	0%	0%
Ōpōtiki Town - Water Treatment UV Renewals	$433,999	$22,840	$108,346	$302,813	100%	0%	0%
Te Kaha - Valves, Hydrants, Meters, Pumps Renewals	$416,456	$17,649	$92,098	$306,708	100%	0%	0%

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
Te Kaha - Water Reticulation Renewals	$1,347,952	$95,060	$451,489	$801,403	100%	0%	0%
Te Kaha - Water Treatment Renewals	$994,003	$92,903	$172,552	$728,548	100%	0%	0%

5.1.4 Wastewater

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
LOS					**Renewal%**	**LOS%**	**Growth%**
Ōpōtiki Town - Factory Rd Wastewater Extension - 1 - Design Phase	$106,865	$-	$106,865	$-	50%	50%	0%
Ōpōtiki Town - Factory Rd Wastewater Extension - 2 - Implementation Phase	$308,654	$-	$308,654	$-	50%	50%	0%
Ōpōtiki Town - Wastewater Pump Station 01 Potts Avenue - Upgrade	$1,699,346	$1,699,346	$-	$-	33%	33%	33%
Ōpōtiki Town - WWPS01 Rising main to WWTP - Diversion and Upgrade	$2,728,364	$227,259	$2,501,104	$-	33%	33%	33%
Ōpōtiki Town - WWTP - Stage 2a - Early Works Design	$75,000	$75,000	$-	$-	50%	50%	0%
Ōpōtiki Town - WWTP - Stage 2b - Preliminary Design	$560,000	$560,000	$-	$-	33%	33%	33%
Ōpōtiki Town - WWTP - Stage 3 - Detailed Design	$747,504	$747,504	$-	$-	33%	33%	33%
Ōpōtiki Town - WWTP - Stage 4a - Construction - Early Works	$1,068,275	$1,068,275	$-	$-	33%	33%	33%
Ōpōtiki Town - WWTP - Stage 4b - Construction	$18,102,155	$-	$14,005,866	$4,096,289	33%	33%	33%
Ōpōtiki Town Wastewater - Caravan Wastewater Dumpstation	$317,333	$-	$317,333	$-	50%	50%	0%
Growth					**Renewal%**	**LOS%**	**Growth%**
Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 01	$3,222,200	$-	$3,222,200	$-	0%	0%	100%
Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 02	$4,372,882	$-	$334,425	$4,038,457	0%	0%	100%
Hukutaia - WWPS 04 Rising Main Separation / WWPS05 Upgrade	$300,205	$-	$300,205	$-	33%	33%	33%
Ōpōtiki Town - Wastewater Extension Stage 2 - Otara Rd	$893,084	$-	$893,084	$-	0%	0%	100%
Renewals					**Renewal%**	**LOS%**	**Growth%**
Ōpōtiki Town - Reticulation Rehabilitation - 1 - Investigations and Planning	$250,000	$250,000	$-	$-	100%	0%	0%

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
Ōpōtiki Town - Reticulation Rehabilitation - 2 - Design and Approvals	$259,550	$259,550	$-	$-	100%	0%	0%
Ōpōtiki Town - Reticulation Rehabilitation - 3 - Construction	$6,445,158	$1,201,226	$5,243,932	$-	100%	0%	0%
Ōpōtiki Town - Wastewater Reticulation Renewals	$3,303,378	$284,693	$578,049	$2,440,636	100%	0%	0%
Ōpōtiki Town - Wastewater reticulation renewals - Waiotahe Drifts - replace PN6 rising main with PN12	$793,993	$-	$793,993	$-	100%	0%	0%
Ōpōtiki Town - Wastewater Treatment Renewals	$3,388,022	$201,389	$388,242	$2,798,391	100%	0%	0%
Ōpōtiki Town - WWTP - Stage 1 - New Resource Consent	$203,820	$203,820	$-	$-	100%	0%	0%
Waihau Bay - Wastewater Disposal Field Renewals	$199,832	$-	$199,832	$-	100%	0%	0%
Waihau Bay - Wastewater Reticulation Renewals	$289,029	$18,699	$51,766	$218,564	100%	0%	0%
Waihau Bay - Wastewater Treatment Renewals	$48,172	$3,117	$8,628	$36,427	100%	0%	0%

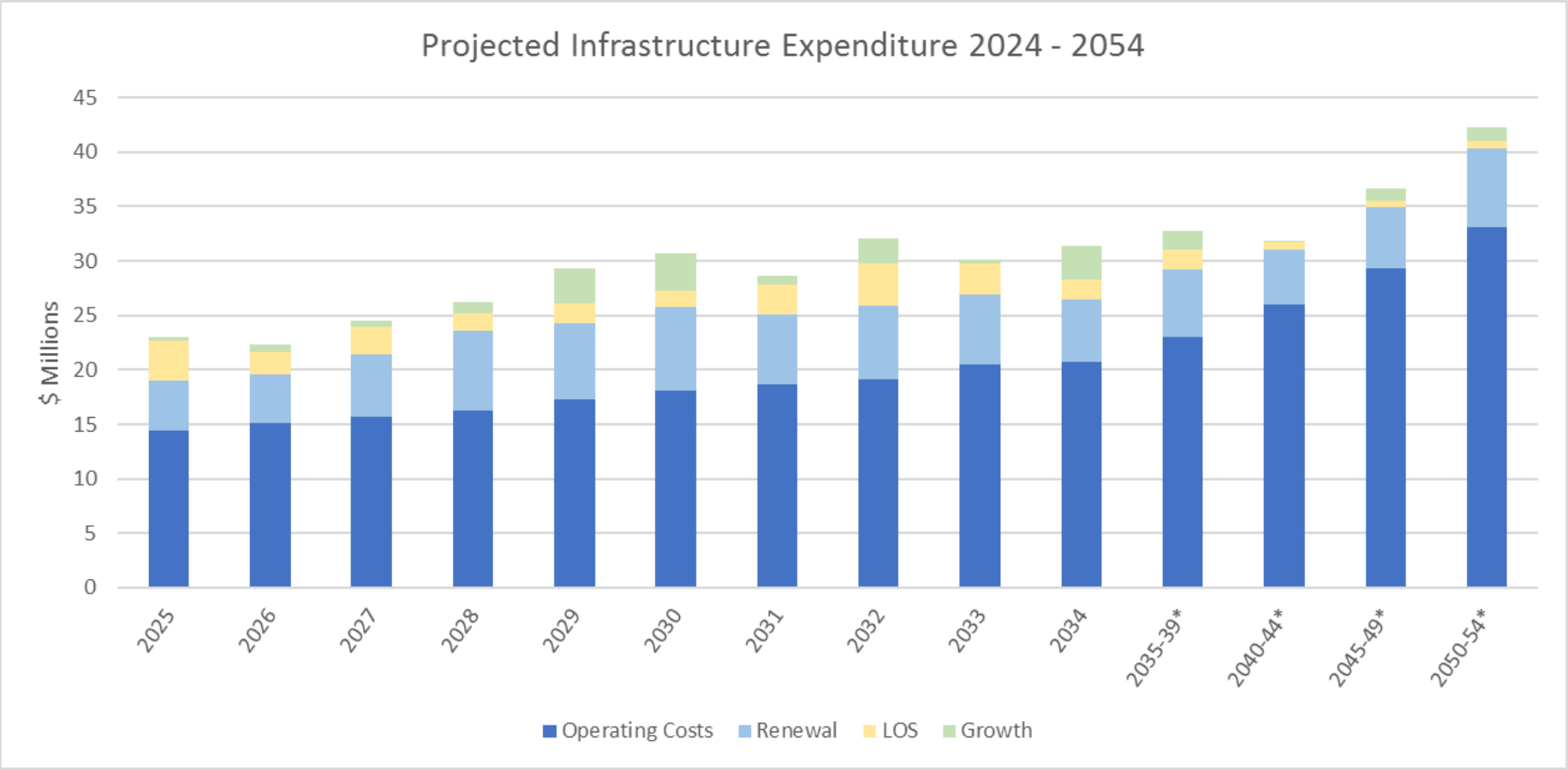
5.1.5 Stormwater

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
LOS					**Renewal%**	**LOS%**	**Growth%**
Ōpōtiki Town - Flood Water Storage Area - Tarawa Creek	$3,141,220	$-	$-	$3,141,220	50%	50%	0%
Ōpōtiki Town - Rural to Urban Flood Protection - SH 2 Culvert Upgrade - 1 - Investigation and Design	$93,438	$93,438	$-	$-	50%	50%	0%
Ōpōtiki Town - Rural to Urban Flood Protection - SH 2 Culvert Upgrade - 2 - Consent and Approvals	$54,915	$26,958	$27,958	$-	50%	50%	0%
Ōpōtiki Town - Rural to Urban Flood Protection - SH 2 Culvert Upgrade - 3 - Construction	$1,358,390	$-	$1,358,390	$-	50%	50%	0%
Ōpōtiki Town - Rural to Urban Flood Protection - Duke St West Stopbank - 1 - Investigations and Design	$75,000	$75,000	$-	$-	25%	75%	0%
Ōpōtiki Town - Rural to Urban Flood Protection - Duke St West Stopbank - 2 - Consent	$25,000	$25,000	$-	$-	25%	75%	0%
Ōpōtiki Town - Rural to Urban Flood Protection - Duke St West Stopbank - 3 - Construction	$778,650	$778,650	$-	$-	25%	75%	0%
Comprehensive Stormwater Discharge Consent	$25,000	$25,000	$-	$-	0%	100%	0%
Ōpōtiki Town - Stormwater Main Upgrade - St John Street	$895,796	$-	$-	$895,796	50%	50%	0%

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30	Sub-type driver		
Ōpōtiki Town - Stormwater Portable Pumps and Permanent Sumps - 1 - Planning and Design	$50,000	$50,000	$-	$-	25%	75%	0%
Ōpōtiki Town - Stormwater Portable Pumps and Permanent Sumps - 2 - Sump Construction	$264,563	$264,563	$-	$-	25%	75%	0%
Ōpōtiki Town - Stormwater Portable Pumps and Permanent Sumps - 3 - Existing Pump Upgrade	$103,820	$103,820	$-	$-	25%	75%	0%
Ōpōtiki Town - Stormwater Portable Pumps and Permanent Sumps - 4 - New Pump/s Purchase	$539,150	$539,150	$-	$-	25%	75%	0%
Ōpōtiki Town - Stormwater Pump Station - Tarawa Creek Upgrade	$3,873,900	$-	$3,873,900	$-	50%	50%	0%
Ōpōtiki Town - Stormwater Basin - Wellington/Union Street	$250,000	$250,000	$-	$-	50%	50%	0%
Ōpōtiki Town - Stormwater Reticulation extensions/upgrades	$9,272,920	$-	$1,149,610	$8,123,311	25%	75%	0%
Growth					**Renewal%**	**LOS%**	**Growth%**
Hukutaia - Stormwater infrastructure development for Hukutaia Growth Area - Phase 01	$3,132,200	$-	$3,132,200	$-	0%	0%	100%
Hukutaia - Stormwater infrastructure development for Hukutaia Growth Area - Phase 02	$11,956,084	$-	$-	$11,956,084	0%	0%	100%
Renewals					**Renewal%**	**LOS%**	**Growth%**
Ōpōtiki Town - Stormwater culvert cost share	$50,000	$50,000	$-	$-	75%	25%	0%
Ōpōtiki Town - Stormwater Drainage Renewals	$575,229	$45,723	$81,462	$448,045	100%	0%	0%
Ōpōtiki Town - Stormwater Pump Stations - Renewals	$1,208,863	$61,566	$272,870	$874,427	100%	0%	0%
Ōpōtiki Town - Stormwater Reticulation Renewals	$12,313,829	233,738	$633,146	$11,446,946	100%	0%	0%

5.2 Forecast expenditure

The combined capital expenditure forecast for the three waters, solid waste and transport activities are shown in the figure below. Values are inflated.



*Multi-year bars are the 5-year average expenditure.

5.3 Unfunded projects

The following project is not funded in the 2024 – 2034 Long Term Plan Financial Impact Statement but has remained in the Infrastructure Strategy for which funding avenues will be sort over the Long Term Plan period. For this reason, the project is separated out from the summary of projects of what we plan to do and is not included in the forecast expenditure in Section 5.2. The Low Cost Low Risk programme is a discretionary fund from NZTA. Without their 75% share additional discretionary level of service improvements will accordingly be reduced.

Key projects and programmes	**Total estimated cost**	**Year 1-3**	**Year 4-10**	**Year 11-30**	**Sub-type driver**		
Transport – LOS					**Renewal%**	**LOS%**	**Growth%**
Minor Improvements - Low Cost Low Risk	$39,672,372	$-	$6,106,599	$33,565,773	25%	75%	0%

6.0 Our assumptions

The assumptions that have been made in preparing this Infrastructure Strategy are outlined below.

- The condition of the assets is based on the information contained within the ŌDC Univerus database. It is assumed that deterioration and replacement of assets follows the predicted renewals profiles. Errors in this assumption would mean that Council under or over invested in asset replacement. This assumption should become more accurate over time.
- The condition of Solid Waste assets is based on staff knowledge and experience in lieu of accurate asset data. The uncertainty of this assumption may lead to under or over investment in asset replacement. As investments are made into asset management process and data collection, the condition assumptions and therefore replacement programme should become more accurate over time.
- Note the following assumptions have been made as part of the build-up of estimated capital costs for projects . Errors in these assumptions will impact the total cost to deliver one off projects and will alter the amount of work that Council can deliver in rolling annual programmes. To mitigate this risk, contingency multipliers have been allowed for on some of the projects:
    - Rates are based on national rates and not Bay of Plenty regional rates except where supplied by Council
    - Costs do not take into account site specific conditions for general network assets. Specific asset upgrades do have estimates that account for the location itself.
    - We have assumed straight forward design and consenting allowances for general network assets, and site specific design and consenting for larger significant assets such as treatment plants.
    - The costs outlined in the Infrastructure Strategy do not include staff costs (these are accounted for in the Long Term Plan 2024 – 2054 financial model as a separate line item).
    - The costs have been prepared on a programme portfolio basis and are not based on detailed project schedules.
- It has been assumed that actual growth will roughly follow growth projections. Potential errors in the growth assumptions might mean that Council spends money unnecessarily, either making upgrades the wrong size or building them too soon, or that projects have to be brought forward sooner to meet demand.
- This strategy is produced under the assumption that the current Government fully repeals reform of local government's role in the water industry.
- Any further legislative changes (e.g. RMA reforms) would not have a significant impact on infrastructure development and delivery.
- That Council will find cost effective ways to adapt the forecast projects and operations to meet future emissions requirements without significant financial implications. Errors in this assumption could lead to cost escalations beyond the short to mid-term.
- There is sufficient contractor and consultant capacity to deliver the capital programmes in the planned timeframes, with mitigation measures in place to provide early heads up to the sector of planned projects. Errors in this assumption could lead to works being delayed or cost escalations.
- Any new resource consents for the activities are renewed on the basis of requiring new and/or additional conditions to those

currently held. Errors in this assumption could lead to significant additional costs, either in getting the consent or upgrades to infrastructure so Council can comply with the consent.

- NPS for Freshwater management 2020 requires regional councils to put in place water quality / quantity limits across the region by 2024. ŌDC will engage in this limit setting process for the Ōpōtiki District to understand if there needs to be any changes to our infrastructure approach to support these limits.
- For 2024 – 2026 NZTA have not approved any funding of the Low Cost Low Risk programme for years 1, 2 and 3. However, NZTA have indicated there is a high likelihood that funding could be confirmed in years 1, 2 and 3. Council's approach is to set aside a 25% local share budget that will be available to contribute to and match NZTA funding if this becomes available. The Low Cost Low Risk programme is a discretionary fund from NZTA. Without their 75% share additional discretionary level of service improvements will accordingly be reduced.

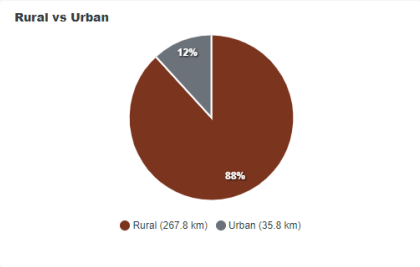
Transportation Asset Management Plan 2024-27

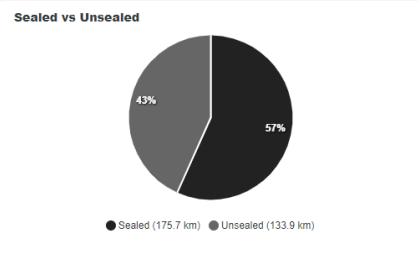
Executive Summary

The Ōpōtiki District Council Transportation Asset Management Plan (AMP) for 2024 to 2027 describes the current state of the transportation assets, the levels of service, the demand and risk factors, the lifecycle management strategies, and the financial projections for the next 10 years. The purpose of the AMP is to provide a framework for managing the transportation assets in a sustainable and efficient way, while meeting the needs and expectations of the stakeholders and the community. The AMP also identifies the key issues and challenges facing the transportation network, and the opportunities and actions to address them.

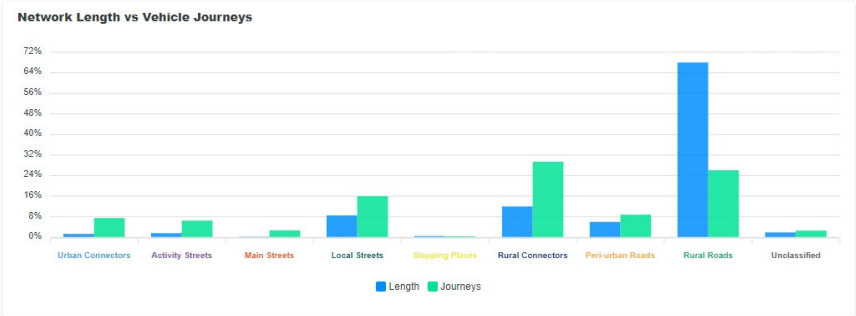
The Transport Activity

The Ōpōtiki road network has over 300km of formed roads, of which 57% is sealed.





12% of the network is classified as urban where "local" streets carry 16% of all journeys in the district. The most heavily trafficked roads are the rural connectors, such as Otara Road and Motu Road, which carry around 30% of all traffic on the network.



In addition, the transport network includes:

- 68km of footpaths and cycleways
- 17.5km of drainage culverts
- 55km of water channels
- 69 bridges and large culverts
- 742 street lights
- 6km of safety Railings

The Total replacement value for the transport assets is **$257 Million.**

Network Performance

The network, and transportation activity, is performing in line with the performance of other provincial centres. The summary of performance is:

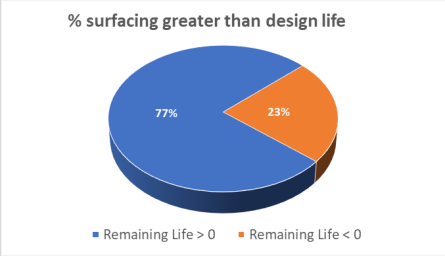
- Overall Road Safety has a decreasing trend of serious injuries and fatalities, although the personal risk for lower trafficked roads is still high and the district still ranks poorly on the Communities at risk register.
- Roads are getting rougher due to deferred renewals, the average is still above that for other provincial centres though.

⇨ Maintenance costs are trending up due to deferred renewal of surfacing and pavements, but costs/km are at the lower end of the provincial peer group.

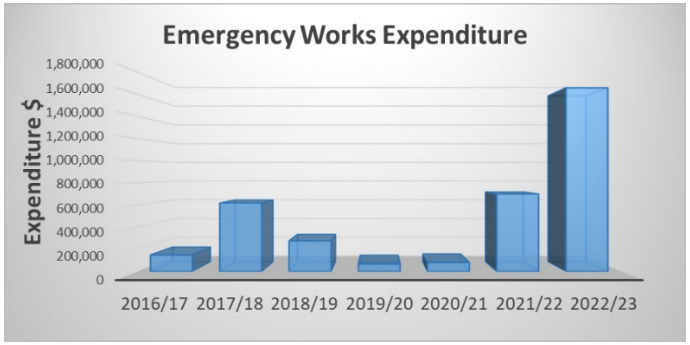
The Issues

The key issues facing the transportation activity in the context of investment that aligns with the Government Policy Statement on transport (GPS) and the Ministry of Transports outcomes framework (TOF), the Regional land transport plan (RLTP), and the Ōpōtiki District Long Term Plan (LTP) community priorities, have been identified as:

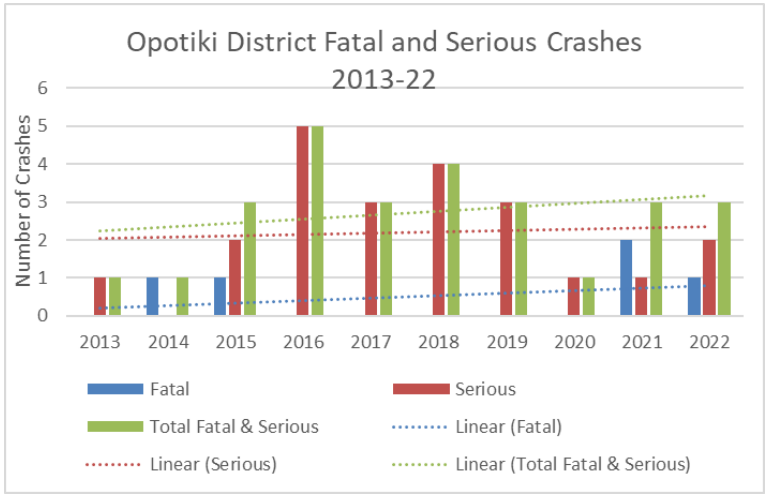
1. Maintaining the network – Increasing maintenance costs as a result of increased loading, climate change, and deferred surfacing and pavement renewals.



2. Supporting Economic Growth – providing a safe and efficient transport network that supports the growth and economic development in the district.



3. Network Resilience – The increasing costs and impacts from more frequent and higher intensity rain events and the need to build in resilience for the network.
4. Connecting the community – providing safe travel options for all travel modes with walking and cycling and speed management within urban centres.
5. Road Safety – develop and deliver speed management initiatives to address the specific safety issues of speed, intersection crashes, and impacts on pedestrians and vulnerable road users.



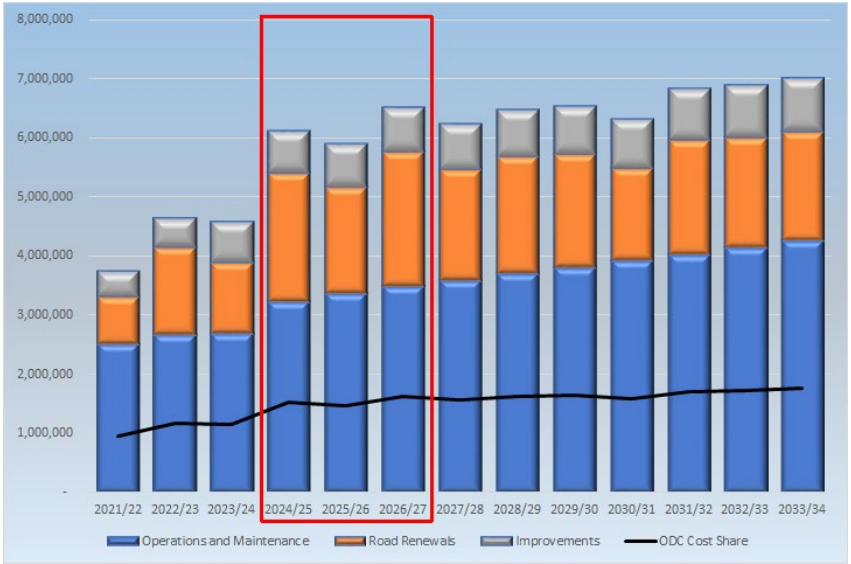
The Response

Three Scenarios for investment were considered.

⇨ Base case - Maintain current levels of service (MOR).
⇨ Balanced case – MOR and community mandated improvements
⇨ Growth case – MOR, Improvements and investment for growth

The preferred programme is based on Scenario 2 for balanced investment.

The programme of investment for the 2024 to 2027 period is $16.34M, which is a 44% increase on the approved 2021-24 programme of $11.38M. The increase is the result of higher than expected inflation that resulted in cuts to renewals. The proposed programme has a large increase in the renewals programme to address this.



The programme qualifies for subsidy from the National Land Transport Programme (NLTP) at 75% of the programme cost under current Financial Assistance Rates (FAR).

The Benefits

The focus of the planned investment in the district is to address the key issues and deliver on three key benefits for the community.

- ⇨ Benefit 1: Healthy and Safe people: a reduction in personal risk on our network roads; and improvement in the perception of safety and ease of walking and cycling in the district
- ⇨ Benefit 2: Resilience and Security: network risks are managed to maintain access for the community.
- ⇨ Benefit 3: Economic Prosperity: improved High Productivity Motor Vehicle (HPMV) access; and improved walking and cycling access to social and economic opportunities.

Investment Risks

The current overall network condition is considered fair to good, as measured against other provincial centres. We have been able to achieve this by delivering more, for less cost, due to favourable local pricing of contract works. The supply of local aggregates and increased costs for contractors are a risk to the affordability of the programme going forward. Possible changes to investment priorities by the new Government or changes to the FAR may result in deferred maintenance and reduced renewals programme. This increases risks of asset deterioration and a reduced ability to deliver the desired community priorities.

Part 1: Strategic Case for Investment

1.0 Introduction

The transport network is a significant and essential physical resource in the District contributing to the social and economic well-being of residents, visitors and businesses. The transport network is essential to the continued growth and economic success of the Ōpōtiki District and must be managed, safely, efficiently and effectively, now and in the future.

Transport planning, policy and networks are all provided through the transportation activity. This includes transport infrastructure including roads, footpaths, cycleways, parking facilities and bridges; and traffic control mechanisms (such as signage, lighting and road markings). This activity ensures a safe, efficient and affordable transport network that helps with the movement of people, goods and services.

1.1 Purpose

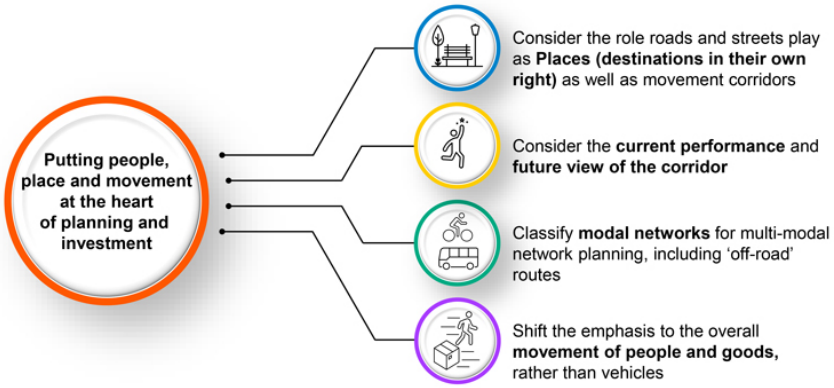
The purpose of this plan is to assess the community transport requirements and propose an evidenced based case for investment. The Transport Activity Management Plan (AMP) provides a ten year focus that prioritises and addresses key transportation issues. It illustrates how assets are intended to be managed to provide agreed service levels for the community. This plan seeks to build on the investment case from the 2021 to 2024 AMP, reviewing the problems, the key challenges and progress to date.

2.0 Background

2.1.1 The Ōpōtiki District Road Network

The Ōpōtiki transport network is classified in accordance with the One Network Framework (ONF). The ONF is an advancement on the One Network Road Classification (ONRC) used with the 2021-24 AMP, which considered roads and streets as movement corridors only to get us from A to B.

The One Network Framework (ONF) recognises that streets not only keep people and goods moving, but they're also places for people to live, work and enjoy. The ONF is designed to contribute to improving road safety and build more vibrant and liveable communities.



The current classification of the Ōpōtiki District road network is provided in the following tables and Figures below:

	ONF Category	Total Length (km)	Total Length (%)	Sealed (km)	Unsealed (km)	Lane (km)	Vehicle Journeys (M vkt)
URBAN	Urban Connectors	3.9	1.3%	3.9	0	7.9	2.2
	Activity Streets	5.1	1.6%	5.1	0	10.2	1.9
	Main Streets	0.5	0.2%	0.5	0	1.1	0.8
	Local Streets	26.2	8.5%	25.9	0.3	52.2	4.6
	Total Urban Network	35.8	11.6%	35.4	0.3	71.4	9.4
RURAL	Stopping Places	1.7	0.5%	1.7	0	3.3	0.1
	Rural Connectors	37.2	12%	37.2	0	74.2	8.4
	Peri-urban Roads	18.5	6%	16.7	1.8	37	2.5
	Rural Roads	210.5	68%	81.6	128.9	420.5	7.5
	Total Rural Network	267.8	86.5%	137.1	130.7	535	18.5
	Unclassified	6	1.9%	3.2	2.8	11.6	0.7
Total Network		309.6	100%	175.7	133.9	618	28.6

Table 2-1: One Network Framework (ONF) Network Characteristics

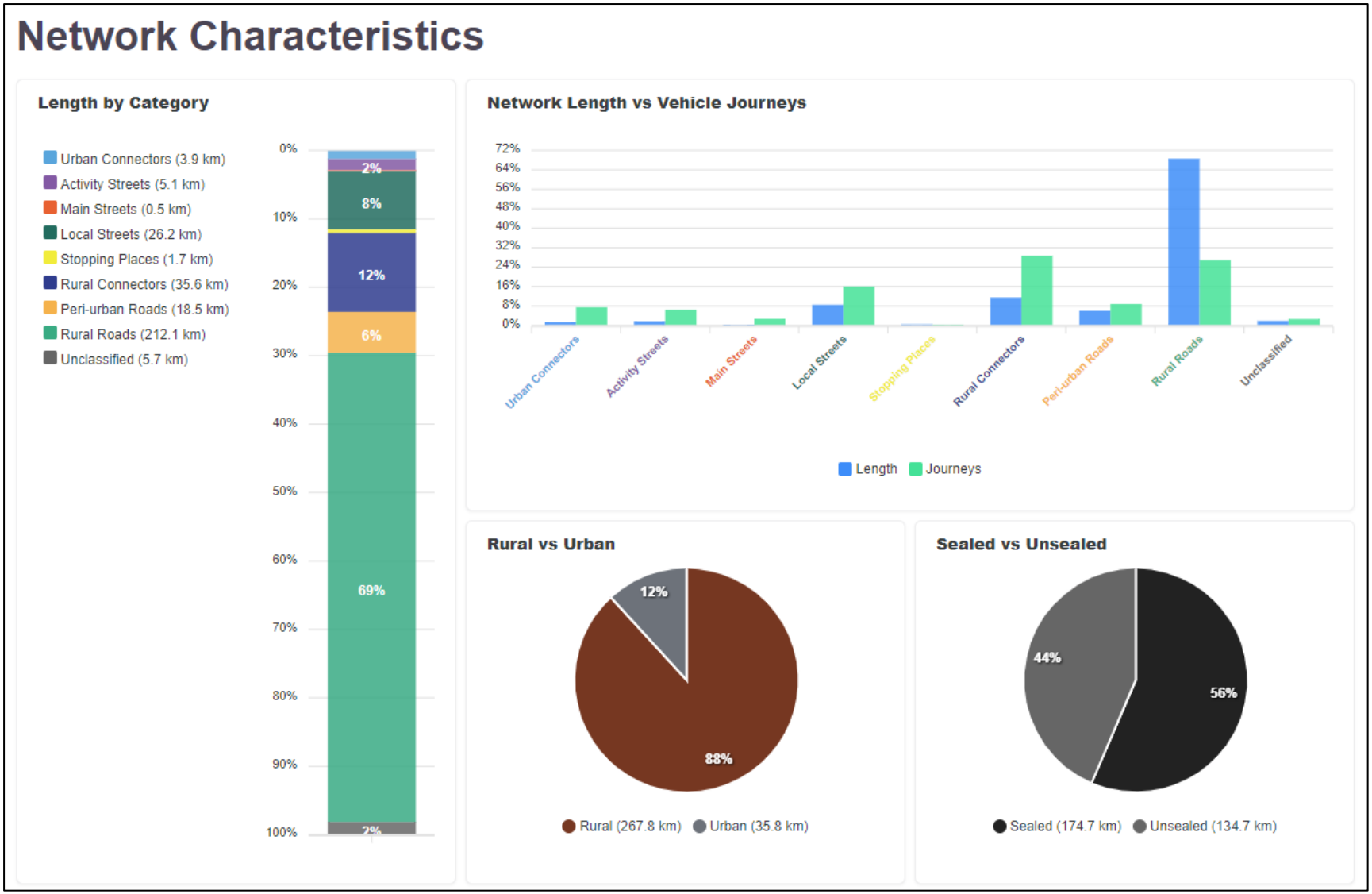
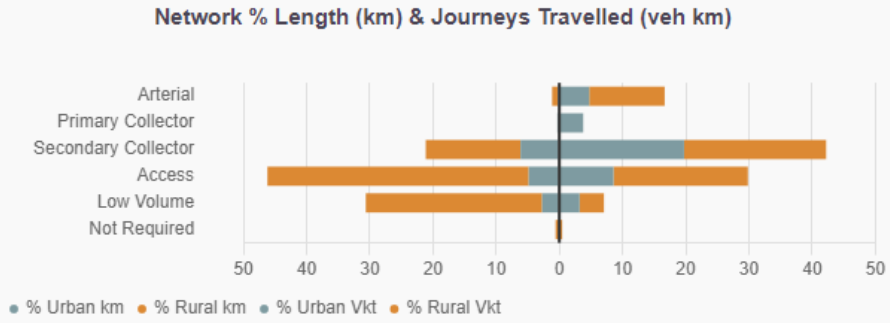
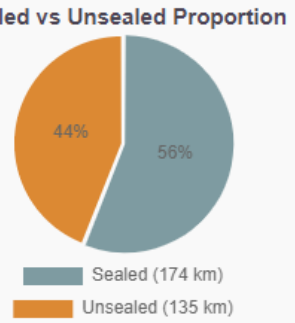


Figure 2-1: One Network Framework (ONF) Classification Details

Network Characteristics





ONRC	Total Length(Km)	Urban (Km)	Rural (Km)	Sealed (Km)	Unsealed (Km)	Lane (Km)	Urban Journeys (M VKT)	Rural Journeys (M VKT)	Annual Total Journeys Travelled (M VKT)	Percentage of length
Arterial	3.5	0.9	2.6	3.5		7.1	1.4	3.4	4.8	1%
Primary Collector	1.0	1.0		1.0		1.9	1.1		1.1	0%
Secondary Collector	65.3	19.0	46.4	65.3		130.6	5.6	6.4	12.1	21%
Access	142.8	15.0	127.8	92.2	50.6	285.2	2.5	6.1	8.5	46%
Low Volume	94.7	8.4	86.2	12.3	82.4	188.8	0.9	1.1	2.0	31%
Not Required	1.8	0.0	1.8	0.1	1.7	3.6	0.0	0.1	0.1	1%
Unclassified	0.2									0%
TOTAL NETWORK	**309.3**	**44.2**	**264.9**	**174.5**	**134.7**	**617.1**	**11.4**	**17.2**	**28.6**	

Figure 2-2: Network Characteristics in terms of the One Network Road Classification (ONRC)

As a small provincial district rural roads make up the greatest proportion of the Ōpōtiki network at 69% of the length. However, Just over a third of total network journeys are on Rural Connectors such as Gow road and Paerata Ridge Road.

2.2 Looking back at 2021 to 2024 AMP

Council is required to produce an AMP 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. The 2021 to 2024 AMP outlined a number of key issues and problems that faced the district. Many of these issues remain and will do for the foreseeable future.

- Ageing assets from a maturing network resulting in higher maintenance requirements and programmed renewals.
- Economic development requiring investment and planning for support of horticulture growth and industry associated with harbour development.
- Global warming (Resilience issues, storm damage from intensity and frequency of storms, coastal erosion, sea level rise, and storm water management)
- Changing demographic - ageing population requiring different infrastructure needs for modal travel choices.
- Population and rateable dwelling growth resulting from economic development in the district will start to put pressure on transport links.
- Road safety, Ōpōtiki District ranks highly against other provincial centres and in the communities at risk register.

The following table outlines the key activities proposed by the 2021-24 AMP that were aligned to the issues identified and provides an understanding of progress made.

2021 to 24 Activities	Description	Achievement/Progress
Road Surface Renewals	The length of reseals (% of network resurfaced) was proposed to be 13.5km average per year.	Achieved 10.5 km average over last two years due to cut in funding and escalation. Building backlog of expired surface lives on network
Pavement Renewals	Continue urban street renewals and rural rehabs programme.	2 of the 3 years programme achieved. Increase in costs resulted in reduced achievement in 2021 with deferral and scaling of programme
Bridge Component Replacement	Replacement of degraded bridge components to maintain Access	Major renewals undertaken and backlog addressed
Road Network Asset Management	Improve data capture and accuracy of Asset inventory	Work completed in improving data quality for future implementation of Modelling
Motu Trails cycleway Extension	Extension of Motu trails west to Ōhiwa harbour	Path constructed from Opotiki township to Waiotahi River

2021 to 24 Activities	Description	Achievement/Progress
Harbour Access Roads	Design for permanent public access to Harbour including public facilities	Designs progressed and implementation underway
Walking and Cycling improvements	Improvements to walking infrastructure through urban street renewals programme	Minor works completed. Additional assets developed through government stimulus packages
Town Lighting upgrade	Upgrading the street lighting in the Ōpōtiki township to appropriate standards	Works completed with new assets installed to improve safety.

Table 2-2: 2021 to 2024 Programme Achievements

The major achievement from the 2021 to 24 period was progress on the building of the Ōpōtiki Harbour. This will unlock a huge potential for the district, providing employment opportunities and further growth.

Other transport programmes were affected by storm events and affordability issues from inflation. This resulted in the reduction of output quantities for renewals, which in turn increase the risk profile for the network.

3.0 Partners and Key Stakeholders

Delivering transportation outcomes have far reaching results in terms of social, economic and environmental factors. To effectively deliver this the transportation activity overlaps with other Council activities, for example, district planning, economic development and community services.

Engagement with external partners is achieved through joint planning and programmes at the national, regional, sub-regional and local level. Key groups include the Bay of Plenty Regional Council (BoPRC), Waka Kotahi New Zealand Transport Agency (Waka Kotahi), the Road Efficiency Group (REG), Bay of Plenty Regional Road Advisory Group (RAG), Road Controlling Authority Forum (RCAF), and Eastern Bay Road Safety Committee. Engagement with these groups will be important during the process of engaging on the Transportation AMP.

In terms of setting the strategic context and direction for the AMP our key partners and stakeholders are those that we work with on a regional and sub-regional level and are outlined in the following table.

Stakeholders	Knowledge/involvement
Ōpōtiki District Council STRONG COMMUNITY STRONG FUTURE	Controlling Authority for Ōpōtiki District Transport network and activities. Manages and provides the services that develop and maintain the network for the community.
WAKA KOTAHI NZ TRANSPORT AGENCY	Sets out the activities that can receive funding from the National Land Transport Fund. Also provides national and regional guidance for the land transport system
BAY OF PLENTY REGIONAL COUNCIL TOI MOANA	Sets the direction for the region's land transport system for the next 30 years through the Regional Land Transport Strategy.

WHAKATĀNE District Council Kia Whakatāne au i ahau	Neighbouring RCA with whom we have a strong strategic alignment.

Table 3-1: Key stakeholders involved in the development of the strategic case.

4.0 Strategic Context

This section provides the strategic context for transportation. It outlines the relevant legislative and strategic objectives for the transportation activity and how it contributes towards the Treasury's Living Standards Framework.

The strategic context starts with the relevant legislative framework for transport, how the Local Government Act 2002 and Land Transport Act 2003 align with the relevant strategic documents at the following levels:

1. National – The Government Policy Statement on transport (GPS)
2. Regional – Regional Land transport Plan (RLTP)
3. Local – Council Community Long term Plan (LTP).

Each of these documents influence the development of the AMP, levels of service (LOS) and the delivery of the transport activity. These key driving documents are described in the following subsections.

4.1 National Context

Within the national policy context, the strategic direction in the Government Policy Statement on Land Transport (GPS), and Arataki (Waka Kotahi 30 year transport plan) play a key role in the development of AMPs.

4.1.1 Government Policy Statement on Land Transport (GPS)

The Land Transport Management Act 2003 requires the Minister of Transport to issue a Government Policy Statement. The GPS sets out how central and local government will invest in the land transport system to provide resilience, give effect to reducing transport emissions, and to help our towns and cities to function safely and smoothly. It does this by contributing to five key outcomes, identified in the Ministry of Transport's Transport Outcomes Framework (TOF).

Transport Outcomes Framework

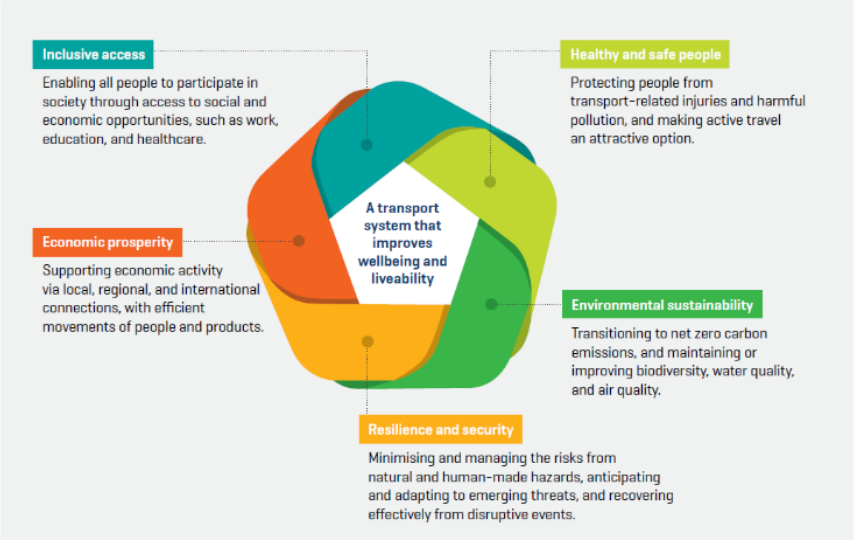


Figure 4-1: Ministry of Transport – Transport Outcomes Framework.

The six strategic priorities for GPS 2024 are outlined below. These strategic priorities reflect the need to rebuild after recent weather events and strengthen the resilience of the entire transport system. These priorities must be supported by firm foundations, which is why GPS 2024 includes as a priority maintaining and operating our existing transport system, including our roads and public transport services.

The strategic priorities are national land transport objectives under section 68(3) of the Land Transport Management Act 2003 (the LTMA). Together, these priorities support environmental sustainability, resilience and security, economic prosperity, access, and healthy and safe people. These strategic priorities underpin the work of all government transport agencies. The priorities guide investment decisions by Waka Kotahi NZ Transport Agency (Waka Kotahi) and the Council as co-investment partners.

Maintaining and operating the system

The condition of the existing transport system is efficiently maintained at a level that meets the current and future needs of users.

Increasing resilience

The transport system is better able to cope with natural and anthropogenic hazards.

Reducing emissions

Transitioning to a lower carbon transport system.

Safety

The primary focus of this priority is to make transport substantially safer for all.

Integrated freight system

Well-designed and operated transport corridors and hubs that provide efficient, reliable, resilient, multi-modal, and low-carbon connections to support productive economic activity.

Sustainable urban and regional development

People can readily and reliably access social, cultural, and economic opportunities through a variety of transport options. Sustainable urban and regional development is focused on developing resilient and productive towns and cities that have a range of low-emission transport options and low congestion.

Investment in the transport system is through the National Land Transport programme.

4.1.2 National Land Transport Programme

The National Land Transport Programme, developed by Waka Kotahi, sets out the activities that can receive funding from the National Land Transport Fund under the Land Transport Management Act. The National Land Transport Programme must give effect to the GPS and regional land transport programmes must be aligned with the GPS.

4.2 Regional Context

The Bay of Plenty road network forms part of the wider Upper North Island and national land transport network. Important inter-regional connections are to the Waikato and Auckland (SH29 and SH2), Gisborne (SH2) and Taupo (SH5). State Highways also provide intra-regional connections between the main urban centres and to the Port of Tauranga.

4.2.1 Bay of Plenty Regional Land Transport Plan 2024

The **Bay of Plenty Regional Land Transport Plan 2024** (Regional Strategy) sets out the priorities and activities the region will work towards in the next six years with a long term view of what might happen in the next 30 years. The region's vision for transport is the "best transport systems for a growing economy and a safe, healthy and vibrant Bay lifestyle for all".

The RLTP sets out 6 main objectives for the region. Each of these influences and shapes the strategic transport issues for the region:

- Deaths and serious injuries are minimised on the region's transport system

- The environmental effects, including emissions, arising from the use of the transport system are minimised
- Communities have access to an inclusive, equitable and reliable transport system that provides them with a range of travel choices to meet their social, economic, health and cultural needs
- The transport system enables people and goods to move efficiently and reliably to, from and throughout the region
- Resilience issues in the transport system have been proactively identified and actioned so that the region can respond to, adapt, and rapidly recover from unplanned events and hazards
- The transport system enables connectivity between places where people live, work, learn and play

From the assessment of these strategic drivers the region has identified the following priority land transport problems and benefits:

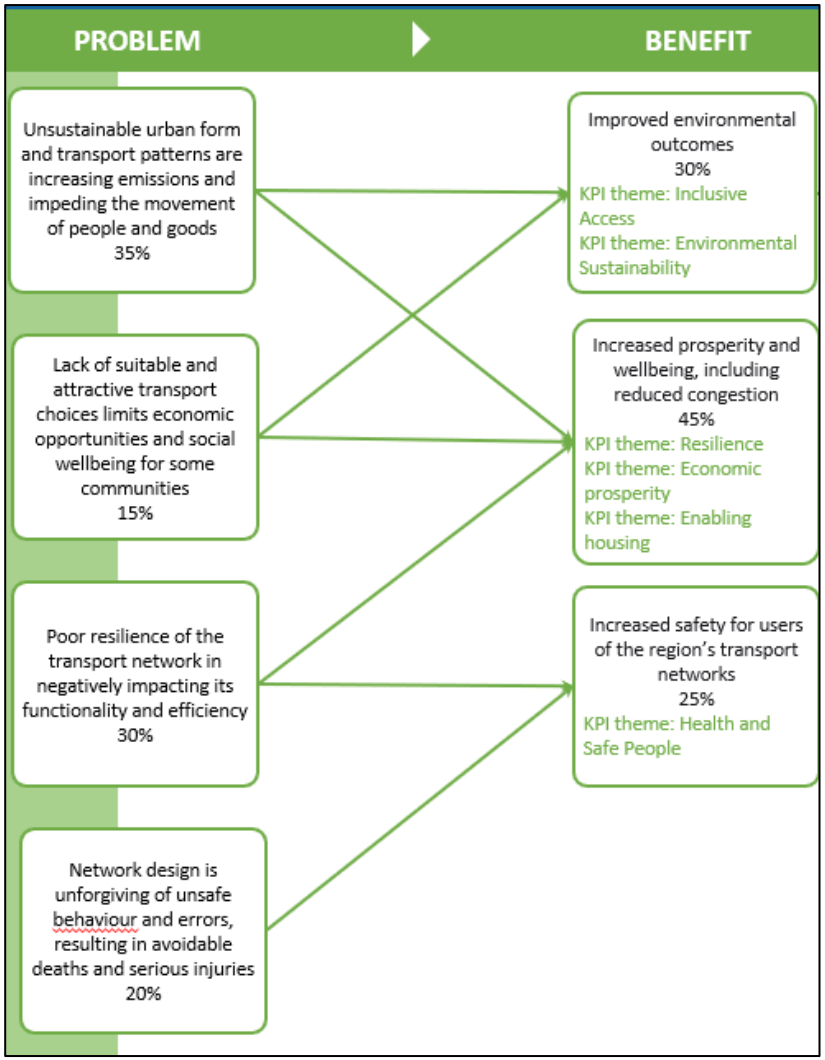


Figure 4-2: RLTP Problems and Benefits ILM

4.2.2 Other Regional Strategies

Other sub-regional and regional strategies and plans that also have an influence on this AMP include:

- Eastern Bay Beyond Today (2016)
- Eastern Bay Road Safety action plan (2018)
- Eastern Bay of Plenty Regional development Project (2018)
- Bay of Plenty Regional Economic Development Strategy.
- Eastern Bay of Plenty Spatial Plan

4.2.3 State Highway Investment

The State Highway Investment Proposal (SHIP) 2024-34 outlines the proposed programme of works for the Bay of Plenty Region. The specific projects outlined in the SHIP that impact on the Ōpōtiki district are:

- SH2 Awakeri to Ōpōtiki Resilience – development of a business case in the 2024-27 NLTP with potential implementation phases in 2027-30 and 2030-34.
- Low Cost Low Risk (LCLR) resilience, walking and cycling, and safety improvements.
- Development of a Commercial Vehicle Regional Safety Centre in Ōpōtiki
- Continuation of the SH2 Wainui to Ōpōtiki safety works for the Speed and Infrastructure Programme.

The draft GPS also points to greater investment in the State highway Maintenance, Operations, and renewals programme.

4.3 Local Context – Community Priorities

The Land Transport Network in the Ōpōtiki District enables the safe and efficient movement of people and goods and services. It provides access to economic development and jobs, the "first mile" of freight connections, and contributes to the social and environmental outcomes of the District.

An efficient, safe and reliable Land Transport Network is essential for the economic wellbeing of our District. Roads provide access to properties, unlock opportunities for development, provide social connections, the passage of traffic, and the transportation of goods and services.

4.3.1 Long term plan (LTP)

The LTP 2024-2034 sets out the Council's vision and strategy for the district and is a high-level key driver for all its activities. Council has developed 5 strategic priorities for the community. They help guide and inform planning and the setting of priorities. Land transport is directly linked with the following community priorities and associated goals as outlined in the Council's LTP:

> ***Strong relationships and Partners:*** the council recognise the importance of relationships and the value in working with Partners toward shared outcomes. this involves having meaningful relationship with mana whenua through engagement and the delivery of services to support shared outcomes.
>
> ***Investment in our district:*** creating relationships and connections to drive investment opportunities through council plans that are fit for purpose and support increased commercial and business activity.
>
> ***Well-being is valued:*** to ensure the services, facilities and projects that council delivers support and enhance the well-being of the community.

Our communities are resilient: communities are aware of the reality of climate change and want to better understand the risks in order to be prepared, respond, and recover. Council takes a proactive approach to understanding the implications and financial responsibilities, and ensure our communities are not burdened with the impact. This involves ensuring strategic infrastructure is identified, planned for and prioritised.

Growth is sustained over time: Council wants to enable development to occur within the district, this includes careful planning and development of supporting infrastructure. This involves polices and strategies for planning and infrastructure that prioritise growth and development in identified areas.

The district strategy defined by the Ōpōtiki District Council aligns very closely with the social, cultural, economic and environmental well-being of the community. It identifies the most important projects and those projects that will take the district forward and give the best return for the ratepayer.

In addition, there are a number of District Council strategies, policies and plans that also have an influence on this AMP.

ODC strategy, policy, plan	Linkages to transportation
Infrastructure Strategy **2024-2054**	Upgrading Council's infrastructure to cater for growth and demographic changes in particular areas. Ensuring the health and safety of the community by developing and maintaining safe walking and cycling infrastructure to support safe alternative transport solutions. Addressing the effects of Climate change and the impact on coastal infrastructure.
	To address the Council's issue of ageing infrastructure. With expenditure required for renewals to the roading network.
Walking and Cycling Strategy	Aims to develop a District where walking and cycling are convenient, attractive and popular forms of everyday transportation and recreation. A District that promotes sustainable transportation and provides for the growing cycle tourism market.
Opotiki District Plan	The relationship between land-use and the transport network is a significant one that relates to the importance of access to individual properties and businesses at the local level and to the safe and efficient movement of goods and people along main roads. The key areas within the transport section are safety, efficiency, connectivity and a well-designed transport network that is resilient and responds to its environment.
Eastern Bay of Plenty Road Safety Strategy	Working together to ensure a safe Eastern Bay of Plenty road system that is increasingly free of death and serious injury. Risk areas include speed, rural roads, alcohol & drug impairment, young drivers, restraints, older road users and distraction.
Seal Extension Policy	Resurrecting the Seal extension policy of the Council for support of Coast communities that are prepared to meet local share commitments for seal extensions on the network.

Table 4-1: Transportation Link to Council's Strategies, policies, and plans

5.0 Assessment of current performance

The assessment of current performance of the transportation activity is shown using the One Network Road Classification outcome measures. This is because the One Network Framework does not provide enough detail to assess performance trends. The following comparative measures provide a snapshot of the district as compared with the provincial centres peer group.

Customer Outcome		Arterial	Primary Collector	Secondary Collector	Access	Low Volume	Comment
Safety – Customer outcome measures	1: Number of serious injuries and fatalities (DSI)	🟢	🟢	🔴	🔴	🟢	• The DSI crash trend on the network is increasing for secondary collector and access roads. • Overall DSI trend is improving for the network though.
	2: Collective risk	🟡	🟢	🟢	🟡	🟡	• Collective risk (reported crashes per km) ratings for access and Low Volume roads is in line with the peer group average. • Arterials have collective risk ratings that are higher than the provincial centres average but below the Bay of Plenty.
	3: Personal risk	🔴	🟢	🟢	🔴	🔴	• The highest risk roads are Access Low Volume and Arterial Roads which have high personal risks when compared across the provincial, Bay of Plenty, and National averages.
Safety – Technical output measures	4: Loss of Control on Wet Roads	🟢	🟢	🟢	🟢	🟢	• Wet road performance of the network over the last 5 years is good
	5: Loss of Driver Control at Night	🟢	🟢	🟢	🟢	🟢	• Night performance of the network over the last 5 years is good following targeted delineation and lighting upgrades
	6: Intersection crashes	🟢	🟢	🟡	🟡	🟢	• Intersection crashes are still an issue for Ōpōtiki, but the trend has been down.
	9: Vulnerable Users	🟢	🟢	🔴	🔴	🟢	• The district performs poorly against provincial centres and the Bay of Plenty for Secondary Collector and Access Roads with motorcycle crashes a feature.

Customer Outcome		Arterial	Primary Collector	Secondary Collector	Access	Low Volume	Comment
Amenity	1 - Smooth Travel Exposure (STE)	●	●	●	●	●	• The Ōpōtiki network is smoother than other provincial centres but is trending rougher with the effects of deferred renewals starting to show
	2 - Peak Roughness (85th percentile)	●	●	●	●	●	• Peak roughness deterioration is being driven mostly by the deterioration on low volume roads with reprioritisation of renewals to higher classifications
Cost Efficiency	Percentage of network renewed annually	**Surface** ●		**Pavement** ●			• Rates of surface renewal over the last 3 years Have been below an optimum long-term level for a mature network. The rate of renewal is proposed to grow to around 8%, or 14km per year over the next three years. • Historic rates of pavement renewal are low and further deferrals over the last three years has resulted in higher risks for pavement condition. The proposal is that this will need to increase to an average 1km (0.5%) per year as the network matures.
	Sealed road maintenance: 4-year annual costs	**Maintenance** ●	**Resurfacing** ●	**Rehabilitation** ●			• Routine Pavement and Drainage maintenance costs have increased in line with traffic growth and climatic effects. Shoulder maintenance costs are increasing with higher traffic volumes related to horticultural development across the district. • Resurfacing costs are low compared to peer networks but the impacts of bitumen costs have resulted in reduced renewal quantities. • Pavement renewal costs per km are at the low end for the peer group.
	Unsealed road maintenance: 3-year average annual costs per kilometre	**Maintenance** ●		**Metalling** ●			• The unsealed roads pavement maintenance costs per km are at the higher end for the peer group. • The Total metalling costs for unsealed pavements remains steady.
	Overall Network Cost (Excluding Emergency Works)	●					• Overall network costs are increasing proportionally with the growth in traffic on the network. • Expenditure per km is greater for higher Classification roads but the cost per vkt show proportionally more maintenance requirements for lower standard Access and Low Volume roads.

6.0 Key Challenges

6.1 Economic Development and Network Impact

There are a number of developments within the Eastern bay of Plenty district that are in development. These developments will have a positive effect on growing wealth and jobs for the district. The Eastern Bay of Plenty Regional development report summary from 2018 provides a summary of the new developments, shown in the following figure, many of which have received funding and are either in development or have been completed.

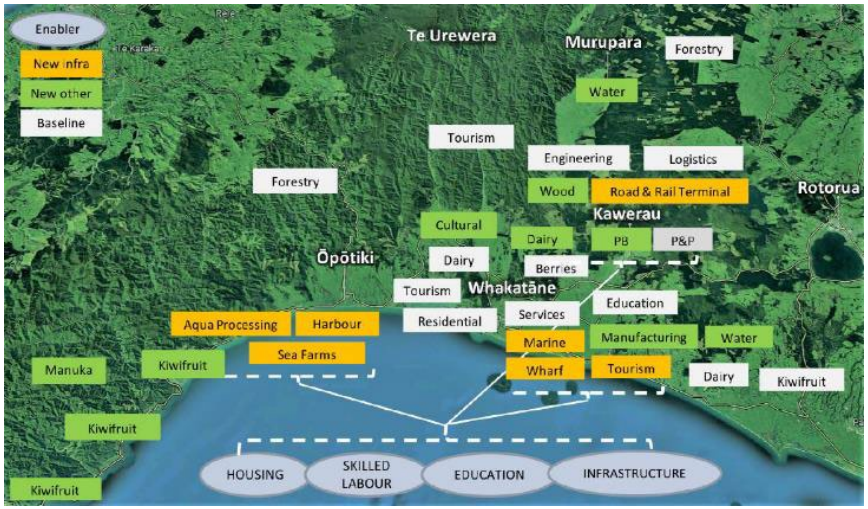


Figure 6-1: Economic developments in the Eastern Bay of Plenty Region

With the Ōpōtiki Harbour Development Project underway and the Entrance works near completion there will continue to be additional pressure on the ODC transport network from the growth that is resulting from this transformation project.

PGF funding has also been obtained for development of the Harbour industrial zone on the western approach to town which is currently working through Resource Consent. Further funding has enabled the construction of the mussel processing factory on the southern side of town, now in operation. Crown funding has also been obtained for an upgrade of the town centre and the town wharf refurbishment.

Te Whanau Apanui are currently developing a mussel hatchery and research hub in the Te Kaha area. They have also applied for a 10,000 hectare seawater consent off the coast of Te Kaha for aquaculture activities. These developments are all part of the development of an aquaculture industry associated with the Ōpōtiki Harbour development. This development is expected to deliver:

- Employment of 936 people
- Provision of $27.3 milliion in household income
- Contribution of $34.6M to Ōpōtiki's GDP
- An increase in $44.9 million in output

The exotic forests South of Ōpōtiki and on the coast continue to be harvested with harvesting having a slight decline over the coming years but expected to pick up again. HPMV access to these parts of the network is still restricted either due to Bridge restrictions or the geometry of the road. The main areas restricted to HPMVs are shown on Figure 6.2.

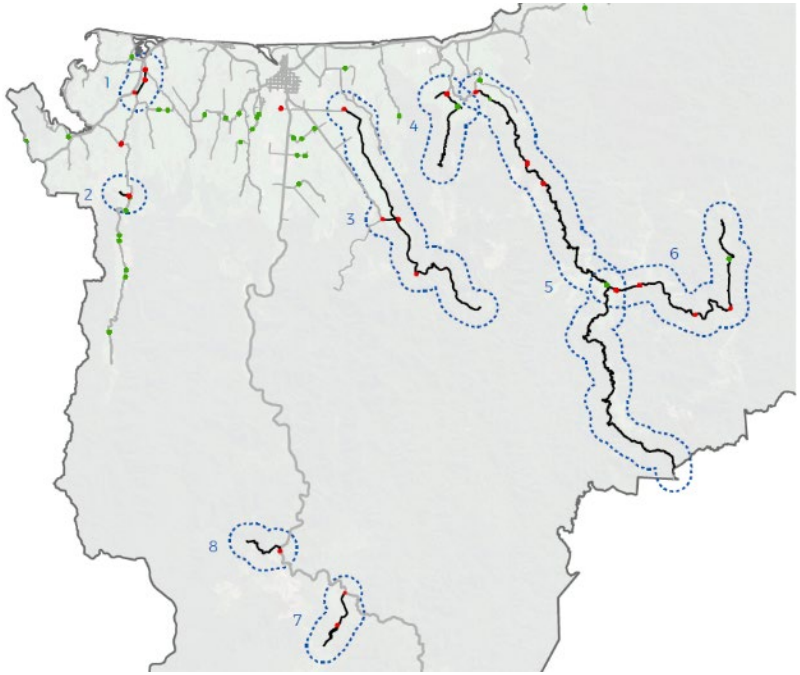


Figure 6-2: HPMV access restrictions

Continued growth in the Horticulture sector, mainly kiwi fruit development, is still occuring throughout the district. Kiwi fruit developments are underway in Waihou bay, Raukokorere, Te Kaha, Omaio, and the surrounding area of the Ōpōtiki Township. This is expected to add an additional 8000 tonne per annum being processed through the Ōpōtiki Cool stores. In addition to Ōpōtiki Developments is a forecast increase of 12,000 additional tonnes from Gisborne also to be processed in Ōpōtiki. Recent investment and expansion has occurred at both Kiwi fruit packing houses in Ōpōtiki, and further development is in the planning to cope with the forecast increases from orchard development.

The planning and development of new transportation assets to fill the current infrastructure gaps will be required to meet the requirements of the community. Investment to bring existing infrastructure up to standard to provide safe access will also be required. This includes improved drainage and installation of footpaths to provide safe access for pedestrians and mobility vehicles within the Ōpōtiki township. Anticipated growth from town developments is also expected to result in new internal subdivision provided by private fund sources and Kāinga Ora. This will include the new transportation assets that will have to be created within these developments including facilities for public transport.

Tourism in the Ōpōtiki district is steadily increasing again following the Covid Pandemic, where the Motu Trails cycle ride has been a major contributor. The extension of the cycle trail through to the Waiotahe River was completed in 2022. Funding for the extension through to Ohiwa Harbour is still being sought. The full development of the cycle trail and harbour development projects are forecast to further increase tourism opportunities within the Ōpōtiki district.

These developments happening in the district are forecast to unlock an additional 1,100 jobs over the next ten years. This increase in activity flows through to the growth of industry support and the service sectors within Ōpōtiki. Such developments and growth in industry and support services will result in greater vehicle movements within the town, and place pressure on existing transport infrastructure.

On top of these growing pressures and increased demand the Council is faced with the issue of ageing infrastructure. Although the average age profile for high value network assets does not indicate an asset renewal deficit, the maintenance requirements from increased demand on the network is increasing.

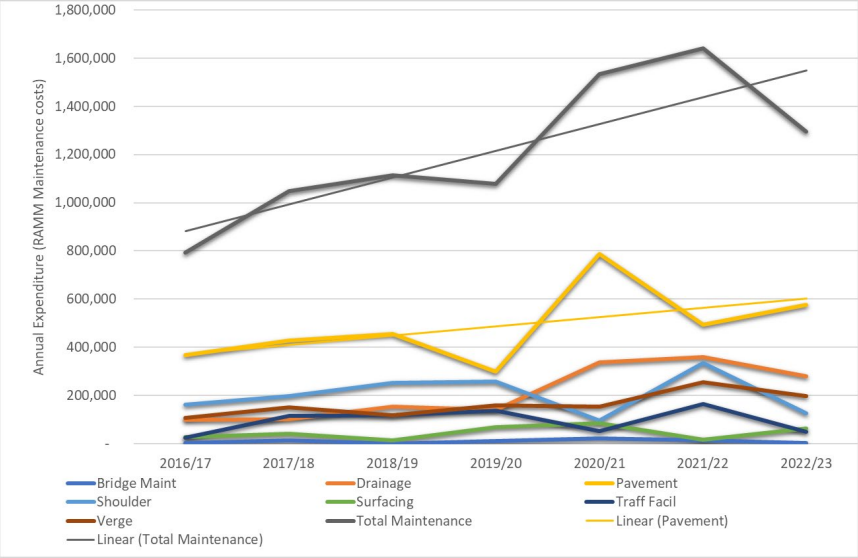


Figure 6-3: Annual Maintenance Costs as recorded in RAMM

Note: reduction in pavement maintenance for 2019/20 due to COVID 19 shut down in April with a corresponding peak the year after.

This increase in maintenance is due to a number of factors but predominantly related to increasing loading on the network and climatic effects. The growth in traffic for the network can be demonstrated by the increase in traffic on SH35 on the entrance to Ōpōtiki. Total traffic volumes at this location over the longer-term have steadily increased, reflecting the growth in coast ward.

The growth in HCV traffic between 2015 and 2018 was nearly twice the growth rate of total traffic but growth in loading, measured by equivalent standard axles (ESA), follows the rate of total volume. This is a result of the drop off in Forestry volumes and increase in Horticultural traffic associated with Kiwifruit developments.

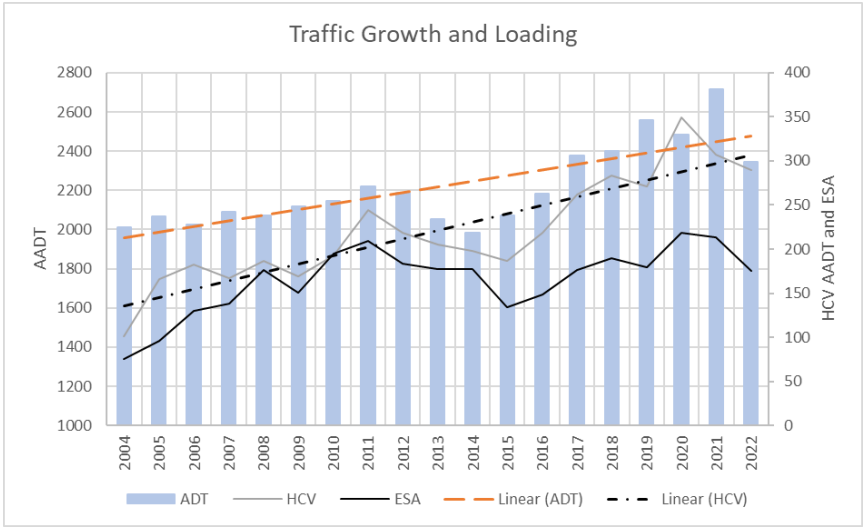


Figure 6-4: Traffic counts and loading on SH35 at Ōpōtiki threshold.

As the network ages this increased loading will continue to have an incremental effect on the pavement maintenance and renewal requirements for the network.

Resurfacing quantities for the network over the last ten years have been averaging around 10km per year. This represents 5.8% of the network annually resurfaced. 57% of the network is sealed with a single coat grade 3 or grade 4 seal with an average age of 10.4 years. A further 20% of the network is surfaced with a grade 5 void fill seal with an average age of 9.6 years. 23% of the network has expired seal lives. This represents a large proportion of the network with an increasing surface age and increased risk of rising maintenance requirements.

Some high value assets (bridges) are approaching the end of their economic life. The Tirohanga Rd Culvert has ben found to have a corroded base and will require replacement. Other structures that were a concern have undergone component replacements to extend their useful lives. Although replacement of these assets will no longer be required

within the next ten-year period, based on current condition assessments, there will still be a need to maintain structural component renewals within the next three years to manage risk and maintain access levels of service.

Problem Statement 1: *The form and condition of the network will not meet the required levels of service from increased demand, resulting in restricted access, loss of productivity, and increased reactive maintenance*

6.2 Network Resilience and Climate Change

The Ōpōtiki District is located in an area where the threat of natural hazard events is reasonably high, particularly from severe weather events that frequently and severely compromises access and cause unplanned disruptions to the transport system. A resilient transport network is an important economic, social, and safety component, particularly as there are areas within the District where roading network routes are few or there are no alternative access.

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 Hawai are also affected.

Ongoing assessment will be necessary to plan interventions with climate change effects exacerbating circumstances. This will require working with Waka Kotahi to prioritise maintenance and Emergency response operations for SH35 as a lifeline route. Specific works will require undertaking specific drainage assessments and maintenance, with resulting renewals and upgrades of infrastructure to ensure the drainage system performs as required. Ongoing assessment of infrastructure resilience will be necessary to plan interventions in line with predicted climate change effects.

Waka Kotahi has undertaken route security assessments on the state highway and have developed options which include raising sections and detour routes onto local roads. This includes the detour for Waiotahi beach onto Old Creamery Road, which remains unsuitable for Heavy traffic.

Currently the local road flooding issues are of relatively short duration and of low economic impact. However, over the past decade the Ōpōtiki District has been subjected to heavy rain events resulting in widespread surface and river flooding, together with major slips and river scour adjacent to roads, that disrupt transportation connectivity within the district and regionally. These events have resulted in the additional costs to the Council in the form of emergency works, as shown in the figure below.

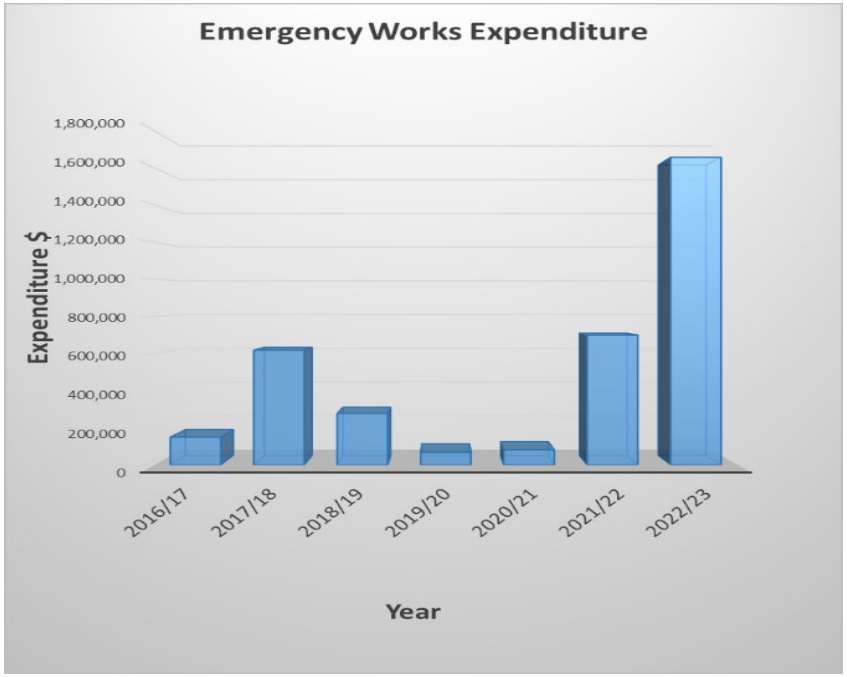


Figure 6-5: Emergency works expenditure 2016 to 2023

In the period from 2016 to 2020 the district experienced some minor events. The wet weather events of 2022/23 resulted in $1.6M in storm damage works on the network. There remains a number of sites in the network that are likely to deteriorate and trigger further reinstatement expenditure requirements.

6.2.1 Climate Change

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 and continued growth in horticultural development.

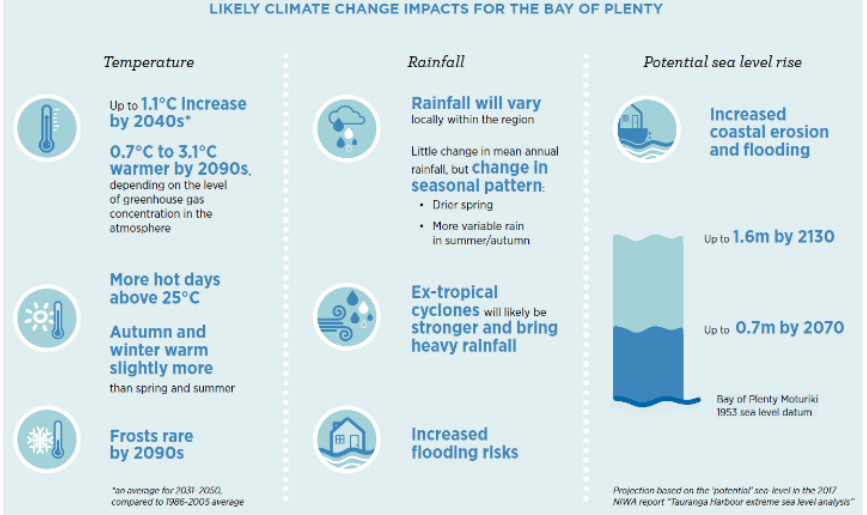


Figure 6-6: Climate Change Impacts for the Bay of Plenty

Rainfall readings from January 2012 from the regional council site at Browns Bridge on the Otara river are shown in the figure below. This shows an increase in the number of high intensity events and also the increasing trend in cumulative annual rainfall per year through to the end of 2022, which has been the wettest in recent time.

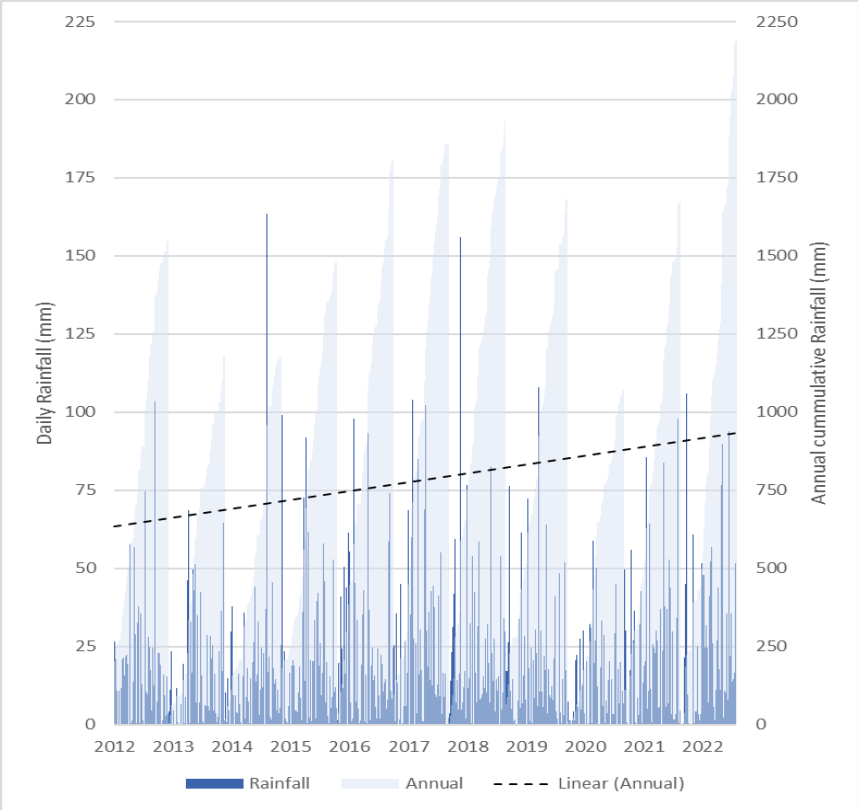


Figure 6-7: Ōpōtiki Rainfall from 2012 to 2022

This shows the predicted effects of climate change on rainfall intensities and total rainfall over time. Climate Change can affect Councils transportation activity functions in a number of ways. As global sea temperatures rise with resulting increase in storm intensity the resilience of Ōpōtiki's transport infrastructure will continue to be tested. The steep terrain over much of the district results in short run off concentration times that can overwhelm existing storm water assets.

In designing its assets, Council will continue to use the latest guidance for the various design parameters. Climate RCP scenario are built into the design of new assets and on replacement of existing assets. Some assets will need additional capacity as climate change effects become apparent.

Higher ground water from sea water levels not only poses a threat to coastal infrastructure in Ōhiwa harbour and Orete point, it effects the ability to manage storm water through soakage. This may have an effect on the load capacity of road pavements with saturated base layers. Ōpōtiki District is already investing heavily in storm water upgrades within the Ōpōtiki township to alleviate flooding issues. Many of the storm water management projects will require reshaping of existing roads to alleviate surface ponding and flooding issues.

Climate change predictions are for an increase in the size of extreme events over time. It is assumed that there will be a gradual increase in size of events causing increased erosion and damage. Apart from Council potentially finding itself facing increased emergency works costs from heavy rain events the related impacts to resilience must be factored in when determining route security.

***Problem Statement 2**: The challenging topography, climate change effects and network demand will result in reduced network resilience and higher costs to maintain and restore services*

6.3 Providing for Community and Growth

6.3.1 Population Increase

Population change is a key driver of demand for transport. Either as demographic changes demand different use of the transport system or as growth puts pressure on existing capacity or safety in the system.

As a smaller community, Statistics NZ predicted in 2013 that Ōpōtiki District would be likely to experience a static or declining population. However, the report "ŌPŌTIKI TOWN CENTRE: The role of the town

centre in supporting sustainable growth" (Martin Jenkins, September 2016) looked at what effect the current growth industries in Ōpōtiki will have on Population. The report stated:

"*Many small and rural populations in New Zealand are not declining. Several are, in fact, growing, and are likely to continue to do so for some time. Those districts that have grown share some characteristics with Ōpōtiki, including role, geography, location, climate and purpose, which suggests that Ōpōtiki has the ingredients for sustainable growth.*"

The main points in the report supporting growth in the district have been shown to be correct to date with growth primarily from internal migration. In June 2022, Ōpōtiki district had an estimated population of 10,500.

The Eastern Bay of Plenty Housing and Business Needs Research Report (2023) by MRCagney states that the forecast for the Ōpōtiki district population is an increase to 13,000 residents by 2055 under the medium growth scenario. Figure 6-8 shows the projected population growth for the high, medium and low projections for the district.

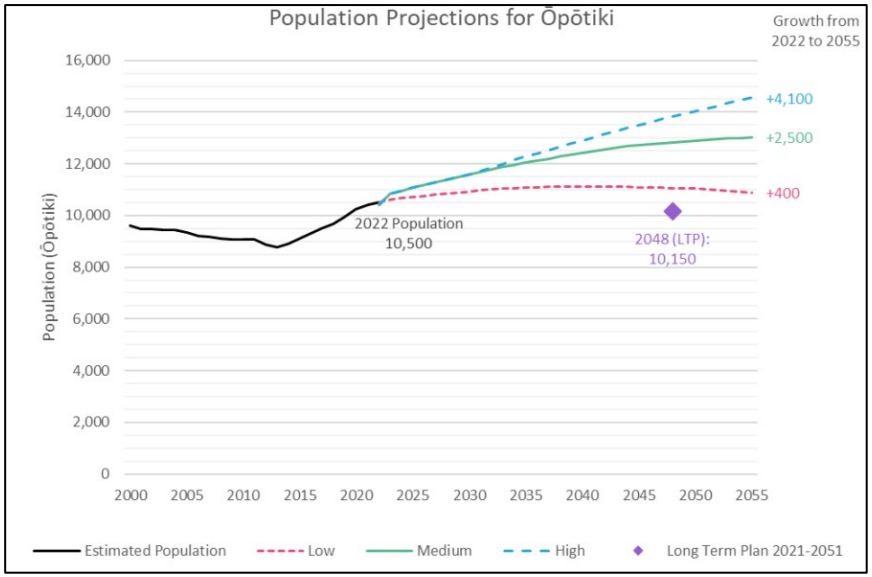


Figure 6-8: Ōpōtiki District Population Projection to 2055

Current growth in population is following the high profile trend, with the greatest increase in the 15 to 39yrs age group as more employment opportunities are provided in the district.

There are also a number of key projects underway or completed to encourage further employment growth in the Ōpōtiki district. These are in the aquaculture and horticulture sectors. The harbour development will also support and enable tourism activity once completed in 2024.

This growth in population is forecast to result in an additional 500 households over the ten years to 2034. A small proportion of this development will be with infill development within the Ōpōtiki township. The majority of the remaining areas of development are West of the Waioeka river in the Hukataia and woodlands area, and development at Waiotahi Drifts, which use SH2 to access the town and main areas of employment south of the town.

The spatial plan for the district also has growth in the Tablelands area East of the town, which uses SH35 for access to the town centre services and employment.

6.3.2 An Ageing Population

In 1996, when the total population was similar to what it was in 2018, 11% of the community where over 65. Between 1996 and 2013 as people under 40 left the district for work the proportion of the district aged 64 years or greater grew to 17%. This compares to 14.3 percent of the total New Zealand population over 65. The graph below tracks past changes to the Ōpōtiki Districts population age and shows that the even with younger families moving back into the district the percentage of the population over 65 has continued to grow.

The overall trends point toward a growing population across all demographic, particularly as those in the 15 to 40 year age group are finding they do not have to leave the district for employment.

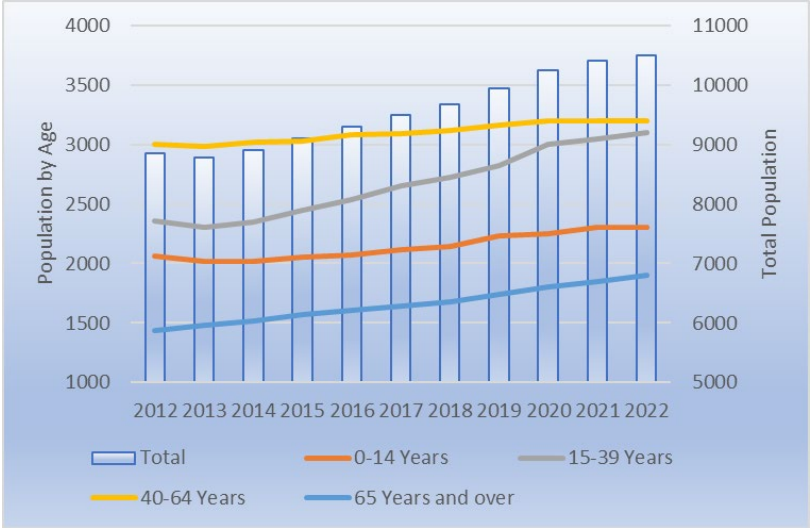


Figure 6-9: Ōpōtiki Population by Age (Statistics NZ subnational estimates)

This growth means there is a need to encourage active transport services, not just for older residents, but also to provide safe active transport infrastructure for the growing population of under 15 year olds to access education and town amenities.

***Problem Statement 3**: Infrastructure is not meeting the changing needs of the community for active modes of transport which is disconnecting people from services and amenities.*

6.4 Road Safety

The Ministry of Transport's Road to Zero: A New Road Safety Strategy for NZ 2020-2030 vision for road safety in New Zealand is "a New Zealand where no one is killed or seriously injured in road crashes", with the ONRC Safety customer outcome aim being "the road and roadside are becoming safer for road users'.

Road crash deaths and serious injuries in the Opotiki District are a significant issue making up 13 % of crashes for the district, minor injury crashes account for 31% of crashes. This resulted in a combined death and injury social cost of $51.54 million to the district for 2013 to 2022.

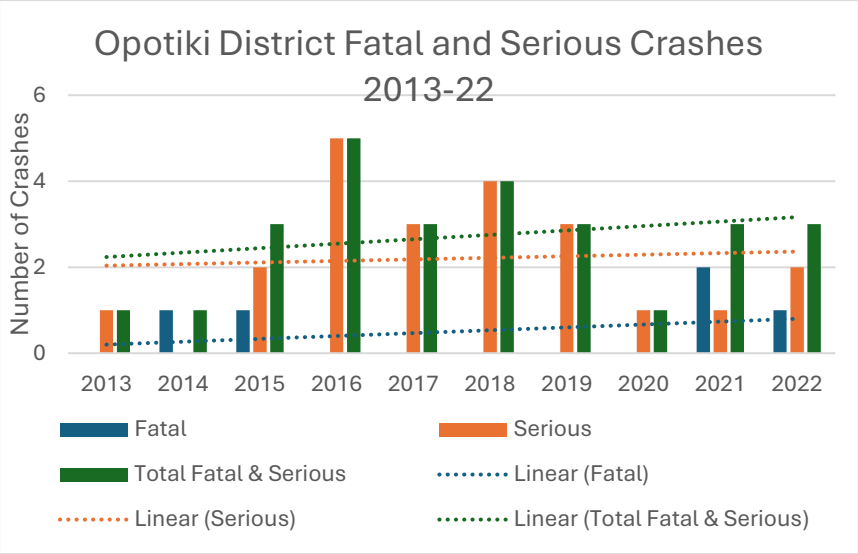


Figure 6-10: Fatal and serious crashes on Ōpōtiki District Council Roads

Ōpōtiki District roads have a high personal risk rating with 10 Deaths and Serious Injuries (DSI) per 100 million Vehicle Kilometres Travelled (KMT). This puts Ōpōtiki District within the 11 highest road controlling authorities in regards personal risk rating.

The Communities at Risk Register, developed by Waka Kotahi to identify communities over-represented in road safety risk, shows that Opotiki District ranks highly against the majority of the 14 Strategic Areas of Concern. Areas of Concern where Ōpōtiki District is over-represented are:

- Alcohol and/or drugs
- Speed (Too fast for conditions)
- Urban intersections
- All intersections
- Motorcyclists
- Pedestrians
- Cyclists
- Distraction
- Restraints
- Older road users (over 75yrs)

Underpinning the vision of the Road to Zero strategy are the seven guiding principles and five focus areas. These are shown in the diagram below.

Figure 6-11: Road to Zero Principles

To improve safety outcomes for the district an integrated approach is needed which targets three of the five Focus Areas of the Road to Zero strategy:

- Infrastructure improvements and speed management
- System management
- Road user choices

By adopting the safe system philosophy in which we expect there to always be some crashes, but we have the infrastructure and systems in place to reduce the severity of these crashes to prevent death and serious injuries Ōpōtiki District Council can reduce the personal risk on their roads. Improving our road infrastructure, and setting and enforcing safe speed limits, are some of the most powerful ways we can create a road system that is forgiving of human mistakes. As the Ōpōtiki road network primarily hangs off the State Highways the Council will need to work with Waka Kotahi for an integrated approach to speed management and safety infrastructure.

Road safety was one of the worst performing areas for delivery of council services from the 2023 resident survey.

Problem Statement 4: *The form and function of roads is resulting in medium-high personal road safety risk for the community.*

6.5 Status of the Evidence Base

The status of evidence used to assess the strategic issues facing Ōpōtiki district is varied. A summary of the key data sources and status (High, medium, or low accuracy, quality, or relevance) is provided as follows:

Evidence	Data Source	Status
Asset data	RAMM	H
Community outcomes	SIL Research 2022-23 Resident Survey, DSI measures	H
Asset Condition	RAMM, Bridge and structures Annual assessment.	M
Asset Value	Beca 2022 Valuation	H
Historic Costs	Transport Investment Online	H
Safety	ONRC, RAMM, CAS	H
Population statistics	Statistics NZ, 2018 Census	M/L
Economic Statistics and forecasts	Statistics NZ, Eastpack, OPAC, BoP Aquaculture strategy.	H

Table 6-1: Status of the Evidence Base

7.0 Strategic Case assessment

The strategic assessment of the key challenges needs to be undertaken in the context of the Government Policy Statement on Transport and the Ministry of Transports Transport Outcomes Framework (TOF). The TOF identifies five core outcomes that the government is seeking to achieve through the transport system: inclusive access, healthy and safe people, economic prosperity, environmental sustainability, and resilience and security. The assessment of the key challenges has identified four problem areas for Opotiki in relation to these outcomes:

- Economic growth and access
- Climate impacts and Resilience
- Healthy and safe communities, and
- Road Safety

8.0 Strategic Response

8.1 Hierarchy of Intervention

An intervention hierarchy is applicable to all steps in the planning and investment process. Alternatives and option selection should start with lowest cost alternatives and options, including making best use of existing transport capacity, before considering higher cost alternatives and options.

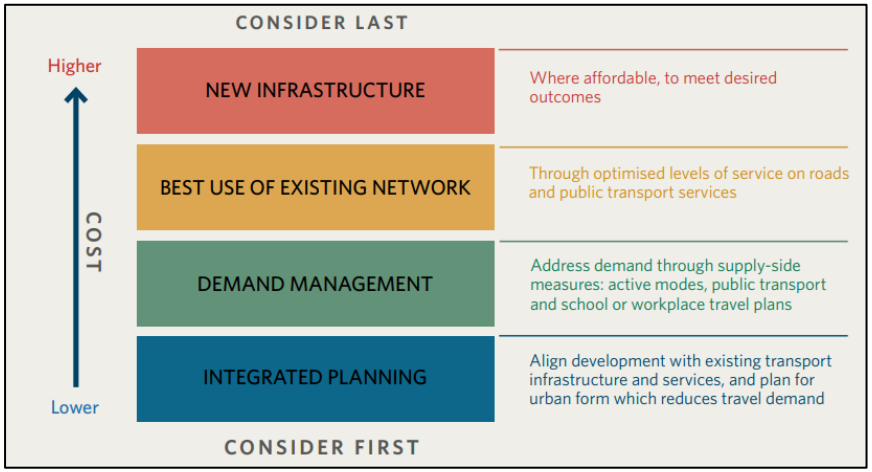


Figure 8-1: Intervention hierarchy for National Land Transport Fund (NLTF) investments

To ensure best use of available resource and financial impacts Council will assess proposed programmes against the intervention hierarchy.

8.2 Benefits analysis

Waka Kotahi uses an Investment Decision making Framework (IDMF) for the assessment of Transportation investments. The IDMF uses a benefits framework to categorise and describe the various contributions of land transport to the wellbeing of New Zealanders. The benefits are identified from the problems, and the opportunities and benefits of addressing them. The following figure outlines the various components of benefits management and investment decision making, identifying four phases of benefits management (identification, analysis, planning and realisation/reporting).

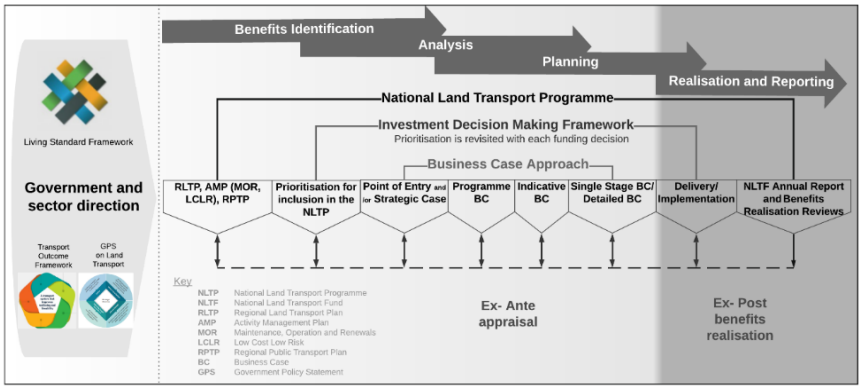


Figure 8-2: Waka Kotahi Benefits management for the business case report

The following benefits have been identified relating to the identified problems for the district and aligned to the Transport outcomes framework and proposed benefits measures.

Benefit 1: Healthy and Safe people:

1. Reduction in personal risk
2. Improvement in the perception of safety and ease of walking and cycling in the district

Benefit 2: Resilience and Security:

1. Risks are managed to maintain access.

Benefit 3: Economic Prosperity:

1. Improved spatial coverage for HPMV Access
2. Improved walking and cycling access to social and economic opportunities

8.3 Investment scenarios and strategy for delivery

The key outcomes sought from transportation investment are:

- Safety: A network that provides the community with healthy and safe transport choices
- Resilience: A network that provides a reliable level of service
- Economic growth: Investment supports economic development and productivity

There are three scenarios for investment that Council wishes to consider in delivery of the transport strategy. These scenario are based on a desire from the community for more spending on council roads and better maintenance to address potholes and other road hazards.

The scenario are defined as:

- **Scenario 01:** Maintain current levels of service – This scenario is the base case (do minimum) which includes the maintenance, operations, and renewals to maintain the current levels of service for the network.
- **Scenario 02:** Maintain current levels of service plus improvements to meet mandated improvements to levels of service. This includes Scenario 01 plus the LCLR road improvements for resilience and safety improvements.
- **Scenario 03:** Maintain current levels of service, improvements to meet mandated improvements to levels of service, plus other improvements to accommodate and provide for growth in the district. This investment scenario includes specific growth projects such as the town centre upgrade, transport investments in new connections as indicated in the Hukutia development proposal, and SH intersection improvements. Includes a % increase for growth as per forecasted population increase and demographic shifts. However, growth in town will mean better utilisation of existing transport assets, not necessarily LoS requirements for more assets outside of the LCLR improvements. Growth in areas east and west of town as indicated in the draft spatial plan will mostly utilise the SH and existing connections but specific development of connections may be required.

The detailed investment strategy to address issues and deliver transportation benefits to the community is provided in detail within the Programme Business case. The key focus areas and actions in terms of the intervention hierarchy are mapped against the benefits in the following table.

Response	Action	Benefits			Notes
		Healthy and safe people	Resilience and security	Economic Prosperity	
Integrated Planning	Development strategy for future development needs reflected in the Eastern Bay of Plenty Spatial Plan.	😊	😐	😐	Identifies areas of residential and industrial development and the impact on services
	Climate Change Action Plan.	😊	😊	😐	Council commitment to taking action to mitigate and adapt to climate change.
	Road to zero	😊	😐	😐	The road to zero (R2Z) outlines a strategy for 2020 to 2030 to guide improvements in road safety.
	One Network Framework (ONF)	😊	😐	😐	Design that meets form and function for movement and place.
Demand Management	Walking and cycling strategy	😊	😐	😊	Developments to encourage and support active modes
Best use of Existing Network	Speed management Plan	😊	😐	😐	Setting of speed limits based on form and function of road
	ONRC	😊	😊	😐	Risk based maintenance and renewal strategy aligned to road hierarchy
New Infrastructure	Urban street upgrades	😊	😊	😐	Walking and cycling, drainage, and safety improvements.
	Resilience improvements	😐	😊	😊	Preventive Maintenance and detour route improvements
	Motu trails extension	😊	😐	😊	Providing active transport choice connecting Waiotahi and Ōhiwa to town and development of local tourism
	Speed management	😊	😐	😊	Infrastructure improvements to manage speeds in high risk areas.
	Hukutia Development transport connections	😊	😊	😊	New Walking and cycling connections to support and provide transport choices for growth in Hukutia

Table 8-1: Hierarchy of intervention

8.4 Delivery of the Strategy

Delivery of the strategy will be through a mixture of the following:

- continued in house management of annual renewals programmes and maintenance outputs through the traditional delivery model.
- Assistance with Asset Management and reporting will be delivered through a combination of Collaboration with neighbouring councils and Professional service commissions as required.
- New infrastructure works to be developed through Council and applications to central Government funding packages for resilience, growth, and transport choices funding.
- Other major investments in district development projects to be delivered by a Partnership of Ōpōtiki District Council, Regional Council, private development and Iwi partnerships.

Programme Risks

The programme risks in terms of community service, outcomes, and future costs. Are outlined in the following table:

Community Service Risk	**Impact**	**Probability**
Level of service gaps are not able to be closed resulting in continued community risks for safety and access.	M	M
Continued population spread to the fringes of Ōpōtiki township and insufficient funding for mode choice access. This would result in more vehicle journeys to key town services and increased community transport costs and safety risks.	M	H
Reducing levels of service result in community satisfaction with Council delivery declining.	M	M
Outcome Risk	**Impact**	**Probability**
Development opportunities that rely on resilient transport links are delayed or taken out of the district resulting in loss of employment opportunities and additional costs on ratepayers.	H	H
Reduced maintenance contributes to a reduction in the resilience of the network resulting in impacts on customer journeys	M	H
Future Costs/Funding Risks	**Impact**	**Probability**
Reduced investment in transportation results in loss of Contractor capability in the community and increased costs from loss of competition.	H	M
Hi inflation costs makes achieving desired outputs unachievable, resulting in higher network risks and affordability to deliver Council services.	M	H

Table 8-2: Assessment of Investment risks

Part 2: Programme Business Case

9.0 Framework and Alignment to Strategic Case

The structure of this Programme Business Case has been based around the core activities of:

- Pavements and surfacing management, including drainage maintenance and renewals.
- Structures Management.
- Traffic services and management of walking and cycling facilities.

Each of the core activities are broken into sub activity groupings for the provision of asset knowledge and lifecycle planning. The sub- activities for each core activity have been selected regarding their function in providing the Strategic goals for the district.

The Plan subsections and link to the Strategic case is provided in the following Table 9.1.

Core Activity	Sub Activity Groups	Link to strategic case				
		Relevant Problem Statements	Key Benefit delivery			Transport Outcome
			# 1	# 2	# 3	
Pavements	Sealed Pavements and surfacing	**Problems 1 and 4**	😊	😊	😊	Provide a safe, reliable network that meets the needs of the community
	Unsealed Pavements	**Problems 1 and 4**	😐	😊	😊	Provide a reliable network that provides access to support economic development
	Drainage	**Problem 2**	😐	😊	😐	Provide for a resilient network
Structures	Bridges and Structures	**Problems 1 and 2**	😐	😊	😊	Provide a reliable network that provides access to support economic development
Traffic Services	Walking and Cycling	**Problem 3**	😊	😐	😊	Provide a safe network that offers transport choices
	Street lighting	**Problems 3 and 4**	😊	😐	😊	Provides perception of safety and connection to services
	Traffic facilities	**Problem 4**	😊	😐	😐	Provide a safe network that reduces personal risk

Table 9-1: Link to Strategic case for transportation activities

10.0 Asset Management

10.1 Network and Asset Management

Network Maintenance Management activities are undertaken in-house by Ōpōtiki District Council staff. This includes MSQA for the maintenance contract and delivery of renewals. Programming of maintenance activities is provided by the Maintenance Contractor and approved by the Council Transport Engineer under a traditional delivery model.

Renewals are delivered either through the maintenance contract or procured in accordance with the endorsed procurement strategy.

Asset Management is undertaken with a mixture of in-house services and external consultants for specialist assistance with management of RAMM Data, Condition data, bridge and structures assessments, and assistance with developing improved asset management outcomes.

The Procurement strategy for transportation demonstrates how council is obtaining value in delivery of maintenance and renewals activities. This is measured against both value for money for ratepayers and alignment with community outcomes that support local businesses and employment.

Ōpōtiki district Council has embraced the principles of smart buying. However, a review of organisational capacity shows there is some areas where improvements to the operational and asset management resources within the team may provide value. The smart buyer assessment for ODC is provided in Figure 10.1.

Assessment statement for Ōpōtiki District Council		Score				
		1	2	3	4	5
1	Fully understands the different contracting models available					✓
2	Holds meetings that update the contracting industry on the FWP and any changes in approach, and proactively engages with the industry to ensure it gains optimal value from any changes being implemented			✓		
3	Has sufficient robust data on our networks to enable optimal decision-making			✓		
4	Has access to expertise that fully enables best use of the data available				✓	
5	Is open to alternative solutions to those proposed in the contract documents				✓	
6	Understands risk and how to allocate and manage it				✓	
7	Has a Council that is prepared to pay more now to achieve a lower whole of life cost				✓	
8	Actively pursues value for money & does not always award contracts to the lowest price			✓		
9	Is able to manage supplier relationships to ensure optimal expenditure, which sustains appropriate levels of service				✓	
10	Supports ongoing skill and competency training and development for staff			✓		
11	Actively shares and gains knowledge within the sector				✓	
12	Is effective in keeping up with best practice in procurement, including best practice RFP/contract documentation				✓	
13	Regularly seeks and receives candid feedback from suppliers on its own performance as a client and consistently looks to improve its performance			✓		

Assessment statement for Ōpōtiki District Council		Score				
		1	2	3	4	5
14	Explores opportunities for collaboration by either sharing in-house resources with neighbours, or by procuring together or tendering together.				✓	
Number of ticks in each column		0	0	5	8	1
Multiplying factor		x1	x2	x3	x4	x5
Total Score in Column		0	0	15	32	5
Total Score		52				

Figure 10-1: Smart Buyer Self Assessment

The approved procurement strategy for council states that support for advanced asset management and management of bridges and structures will be put to market. The scope of this will be dependent on the outcome of current objectives to grow and maintain resources within council.

Assistance for renewal and capital project delivery design inputs, and specialist services will be provided by external consultants as required in line with Council procurement policy.

The Council completed an Asset Management Maturity Assessment for 3-waters and roading in 2022. This identified gaps between current and desired levels of Asset Management delivery for council. The results of this are presented in the following figure.

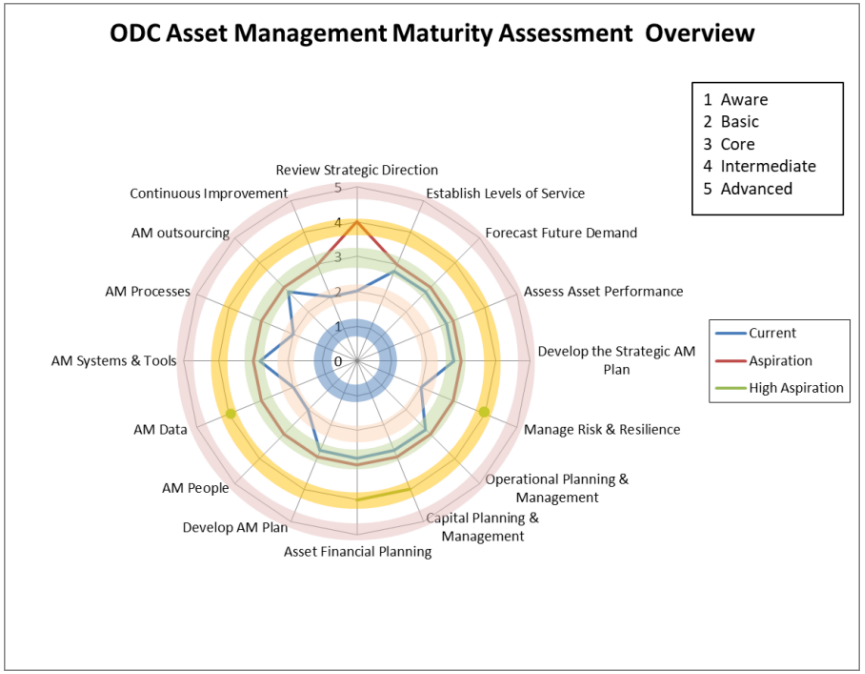


Figure 10-2: AM Maturity Assessment

With a need to manage institutional knowledge risks and a move to improve asset management practices within council an increase in work category 151 has been included within the programme. Employing and retaining staff in this area has been an issue for council. The increase in asset management funding is to cover:

- Continued improvements in asset management and opportunities to develop staff in partnership with external suppliers.
- To cover the costs of data management and systems maintenance

- For analysis of condition and asset data to better manage risks to the network and deliver optimal outcomes.
- Complete and implement speed management for the district in line with the speed management guide.

Options to deliver projects in collaboration with Waka Kotahi state highway operations and Whakatane District council will continue to be reviewed on a case by case basis.

10.2 Asset Data

The transportation asset inventory described in the following sections is held and maintained within the Council RAMM system. The Council is developing staff to maintain the data in-house with support from external professional service suppliers.

Asset information is captured from annual renewals projects from as-built information and entered into the required tables for annual achievement reporting requirements. A programme of monthly updates of Maintenance activities is provided with monthly claims, this also identifies where maintenance activities have resulted in minor alterations to existing assets for recording within the database.

A data validation project was completed in 2020 where the existing RAMM data was taken into the field and validated.

10.2.1 Data Quality

Current asset data confidence grades vary for each asset category. For example, carriageway surface data is highly reliable (confidence rating A) but there is currently very little information on Pavement layers (confidence rating C).

The Roading Efficiency Group (REG) provide annual Data Quality Reports for each RCA. The results of the 2022/23 data quality assessment for Ōpōtiki, compared with the Provincial Peer group results, are shown below in Figure 10.3.

Overall data quality has been steady over the last three years for Ōpōtiki with data quality scores sitting in the mid 70 range. Low scores for some items have generally related to timeliness of delivery (resource availability) or are related to missing data, such as high speed condition data, which will improve with the roll out of the CCDC. The issue with Maintenance activity is currently being addressed. This relates to delays in processing of the monthly maintenance costs data, which is now up to date.

Allowance has been included within WC 151 network and asset management for continuous improvements to data, data management processes (e.g. condition assessments), resourcing and reporting requirements.

Figure 10-3: Data Quality Summary

10.3 Asset description

All of the transport assets included in this AM Plan are solely owned and operated by ODC. However, some of these assets are formed on land not vested in Council ownership as road. This is due to one of the following reasons:

- The carriageway was and has been historically maintained on private land. There are many examples of this throughout the district, and in such cases it is where the legal road corridor was otherwise less convenient.
- The carriageway passes over land that is recognised legally as Maori land. These are termed "Maori Roadways". These can be either:
    - "Restricted" Maori Roadways, where they are deemed by Maori Land Court ruling to be restricted in use to descendants of original owners and descendants of authorised agents, or
    - "Unrestricted", whereby the road is deemed to be continuously available for public use. Some of these roads are maintained by the council under Memorandum of Understanding (MOU) agreements.

The Ōpōtiki transport Assets are recorded and managed using the RAMM platform, provided by "ThinkProject". The current state of assets listed in the database is summarised in the following table. A more detailed description of the assets is provided in the following subsections.

Asset	Quantity (No.)	Length / Area	Units
Carriageway Sections	471	326.3	km
Drainage	2,526	17,512	m
Footpath and cycleways	452	68.3	km
Railings	260	5,977	m
Surface Water Channel	448	55.2	km
Signage	1,503		No.
Bridges	69	1,330	m
Carparks and reserves	19	9,552	m^2
Street Lighting	742		No.

Table 10-1: Asset Inventory as at 1 July 2023

10.3.1 Sealed Pavements and Surfacing

The road pavement is the structural component of a road, the pavement is either sealed or unsealed. The purpose of the pavement is to provide the structure to support effective, efficient and the safe passage for the movement of people and freight.

Layers of construction beneath the pavement surface are:

- The subgrade formation - the preparation of the natural ground including cut and fill batters.
- The sub-base - the structure of gravel with media to support the overlying layers.
- The basecourse - the structure of high grade roading gravels laid and prepared to distribute loads and support the pavement.

The pavement surface of a road should be:

- A safe, suitable, all weather surface that is appropriate to its location and function in terms of skid resistance, noise reduction, and smoothness. In other words: "fit for purpose".
- The surface can be either a bituminous seal coat, Asphaltic concrete, or a weathered rock wearing course for unsealed roads.

The road dimensions for a carriageway are generally relative to the traffic volumes, use, and purpose of a road. This defines the road in terms of road classification and the expected level of service the road provides. The One Network Road Classification (ONRC) has been implemented across the country to provide consistency with road classification. A summary of road classification for ODC is presented in the strategic case.

10.3.2 Bridges and Structures

Within the Ōpōtiki District, Council maintains 69 bridges including culverts with a nominal area greater than $3.4m^2$, stock underpasses, and cycle bridges. Of these assets 54 are bridge structures (2 are closed but remain in place), 7 are major culverts with 5 of these being stock underpasses, and 8 cycleway bridges have been added to the network over the last 5 years. The bridges range in length from 3m to 91m.

Bridges in the district are mainly constructed from concrete, with the remaining constructed from timber and/or steel.

10.3.3 Drainage

Good drainage is one of the key aspects to ensuring the integrity and serviceability of the District's pavement assets. This includes a number of assets contained within drainage inventory. These include:

- Culverts with a cross section area of less than 3.4m^2.
- Stormwater channels including kerb and channel, and dish channels.
- Catchpits and leads to the first manhole, and
- Flumes and other minor structures to control stormwater from the road surface.

The primary purpose of these assets is to take water off the roads during a rain event. The Drainage assets are not provided for the purpose of draining land adjacent to the road corridor. Culverts also provide for transfer of water from one side of the road to the other to prevent flooding of the carriageway.

10.3.4 Walking and Cycling Facilities

Walking and Cycling assets include, footpaths, verges, cycleways, and shared paths. This includes vegetation control for cycleways and shared use paths. The only other landscaping transportation is involved in is the mowing of the grass verges in rural areas. Other landscaping and management of street trees and gardens is done by Parks and Reserves.

Details of the ODC footpath network as at July 2023 are contained in the RAMM database and shown below.

Figure 10-4: Ōpōtiki Urban footpath and cycle facilities

There is no data in RAMM regarding the verge asset. The following table shows the extent of the footpath assets owned and managed by ODC and recoded within the RAMM database.

Asset Group	Material	Length (m)	Area (m2)
Footpaths	Asphaltic concrete	904	2,937
	Concrete	41,346	64,020
	Interlocking blocks	1,156	3,976
	Metal (unsealed)	24,243	51,606
	Chip Seal	581	1,844
	Total	**68,230**	**124,383**

Table 10-2: ODC Walking and Cycling Assets

10.3.5 Street Lighting

Street lighting assets include Light fittings, brackets and poles. It does not include any of the under veranda lighting in the CBD of Ōpōtiki Township.

The RAMM database details all streetlights owned by Ōpōtiki District Council and the pole ownership, as some of the poles used for street lights are power poles that are owned and managed by the lines company, Horizon Energy Distribution Limited.

The following table shows the extent of the streetlight assets owned and managed by ODC and recorded within the RAMM database.

Asset Group	Asset Type	Quantity	Unit
Street Lights	Poles owned by Ōpōtiki District Council	317	Number
	Poles owned by Horizon	425	Number
	Total	**742**	**Number**

Table 10-3: ODC Street Light Assets

The Ōpōtiki District Council has completed a process of bringing the Street Lighting network into compliance with the current requirements of AS/NZS1158 – Lighting for Roads and Public Spaces – with infill lighting within the Township of Ōpōtiki.

All new Sub-Divisions are required to be compliant with AS/NZS1158 prior to acceptance by Council.

10.3.6 Traffic Services

Traffic services assets include the following:

- Guard Rails, sight rails, and handrails on transport infrastructure.
- Delineation (Road Signs and Markings)
- Speed management infrastructure

Full detail of the railing assets, signs, and road marking are contained in the RAMM database.

The following table shows the extent of the rail, sign, and road marking assets owned and managed by ODC and recorded within the RAMM database.

Asset Group	Asset Type	Quantity	Unit
Railing[1]	W-section Armco	2,106m	Length
	Timber sight rails	1049m	Length
	Bollard and Wire rope	1,246m	Length
	Total (includes other)	**5,977m**	**Length**
Signs[2]	Hazard Markings	310	Number
	Information	344	Number
	Permanent Warning	324	Number
	Regulatory	383	Number
	Other	122	Number
	Total	**1,483**	**Number**
Roading Marking[3]	Stop intersections	77	Number
	Give way intersections	88	Number
	Bus Stop markings	6	Number
	Fire Hydrant markings	243	Number

	Pedestrian Crossings	6	Number
	No stopping lines	2,591m	Length
	Centre line (100mm wide intervals)	116,366m	Length
	Centre line (100mm wide solid)	5,800m	Length
	Edge lines (100mm wide solid)	104,825m	Length

Table 10-4: ODC Traffic Services Assets

Note:

1. W-section Armco guard railing is generally located on bridges or hazards that require vehicle protection. Timber sight rails are generally located at intersections or corners to advise drivers of the hazard or bend.
2. The street name finger boards are included in the information sign class.
3. The table is a summary of the main road marking asset classes.

10.4 Asset Valuation

The valuation information for this AMP is based on the 2020 Road Asset Valuation, carried out by Beca Ltd. The total value of the infrastructure assets by category as at 30 June 2022 are shown in the Table below.

Asset Type	Component	Unit	Base life (average)	Age	RUL	% Base consumed	Replacement Cost	Depreciated Replacement Cost	Annual Depreciation
Formation	Formation	m2					69,285,166	69,285,166	
Sealed Pavement	Sealed Subbase	m2					28,615,026	28,615,026	
	Sealed Basecourse	m3	108	51	57	47%	49,296,874	25,725,400	454,655
	Sealed Surfaces	m2	16	10	6	63%	8,049,680	3,103,499	505,407
Unsealed Pavement	Unsealed Subbase	m2	0	0	0		6,715,198	6,715,198	
	Wearing Course	m3	5	3	2	60%	1,170,703	583,242	233,310
Footpaths and Crossings	Footpath	m2	67	16	51	24%	15,671,449	11,826,681	233,149
	Vehicle Crossings	m2	80	12	68	15%	43,114	36,647	539
	Pedestrian Give Way	each	80	11	69	14%	22,437	19,468	280
Drainage	Drainage	each/m	74	41	33	55%	14,344,395	6,309,656	193,238
Surface Water Channels	Surface Water Channels	m	80	24	56	30%	8,862,509	6,253,866	110,781
Streetlights	Light	each	26	5	21	19%	559,680	453,424	21,464
	Brackets	each	50	16	34	32%	350,350	240,194	7,007
	Poles	each	50	23	27	46%	1,047,375	570,536	20,948
Structures	Bridges	m2	99	46	53	46%	49,927,263	26,827,762	506,001
	Retaining Walls	m2	60	5	55	8%	716,386	646,326	11,846
Traffic Facilities	Traffic Signs	each	26	20	6	77%	882,775	190,511	33,943
	Edge Marker Posts	each	15	5	10	33%	31,805	20,143	2,120
	Railings	m	35	18	17	51%	1,366,956	666,154	39,554
	Bollards	each	50	1	49	2%	5,064	4,968	101
	Gates	each	25	2	23	8%	41,038	37,717	1,642
Total							257,005,243	188,131,584	2,375,986

Table 10-5: Land Transport Asset Valuation as at 30 June 2022

An assessment of Age and remaining useful life shows that on average the traffic services and sealed surfacing are showing consumption of the useful life of these assets. This points to an increase in expenditure required for these assets to maintain a balanced risk of maintenance versus renewal to deliver lowest whole of life costs. The other Asset groups show that in general the network is reaching a mature state where rates of renewal are maintaining a balanced age profile.

The base life (average) for sealed surfaces is from the RAMM expected surface life table and is a conservative estimate of the expected life at time of sealing. This is backed up with **22.4% of the network (39.7km) showing expired surfacing** yet the condition index for the network remains low. This is still a risk that requires monitoring to ensure levels of service do not deteriorate to unsafe conditions.

The valuation Report describes the basis for valuation and the expected ranges of economic lives of the asset components. The basis for valuation uses an adjusted Remaining Useful Life for assets that have been condition assessed.

11.0 Lifecycle Management

11.1 Overview of Lifecycle process

The lifecycle process for assets is defined in the International Infrastructure Management Manual (IIMM 2015) as:

"the time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter"

The objective is to determine the lowest long term cost over the lifecycle of the asset rather than looking for short term savings. It is expected that local authorities will start to record the Carbon impact of maintenance and renewals operations and take this into consideration when determining renewal options for network assets.

Figure 11-1 (*Asset lifestyle activities)* below presents the lifecycle asset management processes, with each process outlined briefly following.

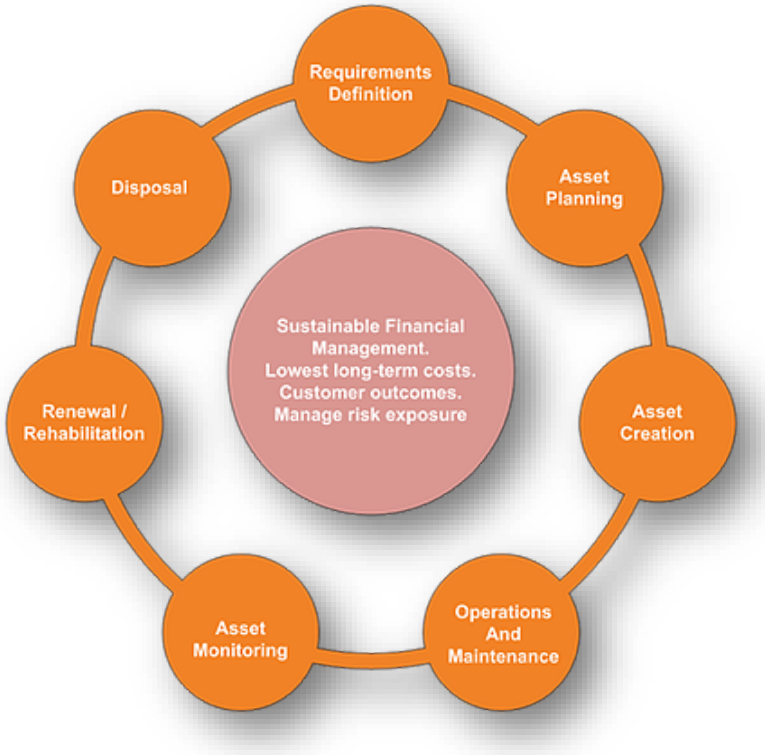


Figure 11-1: Asset lifecycle activities

a. **Requirements definition:** The need for the service as identified and defined by the strategic goals of council and the Government Policy Statement on Transport. This defines the Levels of service (LoS) to be provided.

b. **Asset Planning:** Confirming the service required within the context of the investment scenarios, and assessing the solution from the

'Hierarchy of intervention' for meeting the service requirement as identified in the Strategic case of this AMP.

c. **Asset Creation:** The provision or improvement of an asset where the outlay can reasonably be expected to provide benefits beyond the cost of the outlay.

d. **Operations and Maintenance:** The day to day running and upkeep of assets to meet required service levels.

e. **Asset Monitoring:** measurement of asset performance in meeting target levels of service and the assessment of physical condition. Monitoring provides the information to drive future programmes.

f. **Asset Renewal:** The upgrade or replacement of an asset or component to restore the asset to the required level of performance or functional condition.

g. **Asset Disposal:** An option for when a service is no longer required, or an asset becomes less economical than other methods of delivering a service.

The lifecycle process for steps (c) to (g) for each sub group activity is provided in the following sections.

11.2 Sealed Pavements and Surfacing

This section provides the details of the lifecycle activities for the management of the districts sealed roads network.

Delivery of services for sealed roads is managed in house by engineering staff who monitor the performance of contractors and make "best for asset - fit for purpose" decisions on the network.

Asset management and planning support is currently provided by internal and external consultants working collaboratively with the ODC roading manager. This delivery method allows the council to better manage and balance risk to provide best value outcomes for the district.

11.2 Asset Creation

New road assets, including improvements to existing assets, for the Ōpōtiki district will generally be procured through the Low Cost Low Risk (LCLR) programme. Any works for the Ōpōtiki LCLR for this activity will be under the Local road improvements activity class for Safety and Resilience works.

The current network generally meets the required service levels of the community. There are no new council investments in new roads planned for the 2024-27 NLTP in regard to meeting levels of service gaps on the existing network.

Growth in the district resulting in subdivision development is planned to occur during the term of this AMP. The development of related transport assets is funded by developers and are required to meet ODC engineering standards.

11.2.2 Operations and Maintenance Plan

The Operations and Maintenance of sealed roads entails working closely with the Maintenance contractors to ensure the Community goals and requirements are achievable.

The existing contract is a 5 + 2 traditional term contract due to be reviewed in year 4 (2025) to assess value and performance of the contract, and if the +2 extension through to the 30th June 2028 should be awarded. The contract is broken down into scheduled and unscheduled works items where the Contractor submits a programme of scheduled work items for approval prior to work commencing.

Maintenance intervention strategies (MIS), such as pavement repairs, are agreed in general terms at the beginning of the physical works contract. These take into account response times and standards relative to the various community areas spread throughout the network. The required maintenance standards and response times have been aligned to ONRC classifications within the contract.

Sub activity budgets are continually reviewed against expenditure and then forward works programmes adjusted to suit available funding and in response to network condition, climate events and targets.

The Maintenance Contract also has provision for storm patrols. The Contractor is required to carry out storm patrols whenever adverse weather is likely to affect the integrity of the road network. During these patrols the Contractor is required to carry out initial works to ensure the safety of all road users and carry out repairs and clear slips where possible from roading assets. These emergency works are recorded within RAMM Maintenance costs under environmental maintenance.

Where a storm event causes large amounts of damage to the roading network and the road can't be opened, the site is to be made safe and the scale and cost of the remedial works are documented. If the work exceeds the criteria for the minor events funding category (WC140) Council staff will prepare and submit an application to Waka Kotahi for emergency works funding. The last two years have resulted in significant expenditure related to Emergency works for initial response and permanent reinstatement.

Operations and maintenance is carried out on Maori roadways, both restricted and unrestricted, and is approved for funding by Waka Kotahi.

An increasing need for maintenance on the network related to the wet weather is to be addressed by an increase in the planned renewals programme. This should maintain the maintenance output at current levels with an allowance made for increased unit cost rates.

11.2.3 Asset Monitoring

The following figures provide a snapshot of the service performance of the sealed network assets for the Ōpōtiki District.

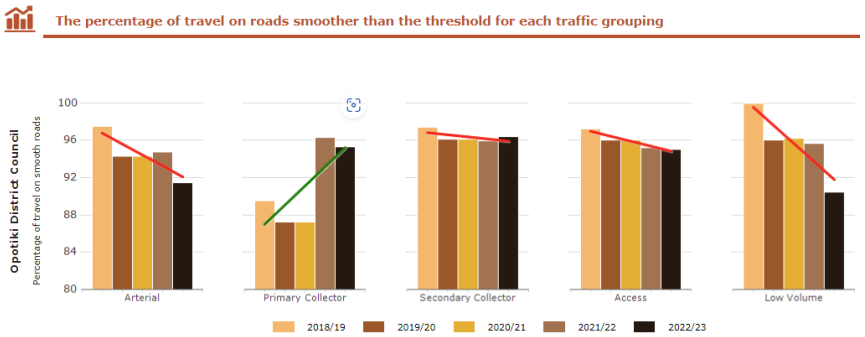


Figure 11-2: Smooth Travel Exposure

Smooth Travel Exposure (STE) is defined as the proportion of vehicles traveling each year on roads smoother than the targeted conditions for those roads. An increase in STE means that fewer vehicles are travelling on roads rougher than the target roughness. For the purpose of the reviews, the target roughness is generally taken as 150 NAASRA. A roughness greater than 150 NAASRA usually indicates poor road condition. Figure 11-2 shows that although the Ōpōtiki district roads are smoother than those for other areas of the country there is a worsening trend as the network ages.

The average network roughness shown in Figure 11-3 shows a comparison of the roughness across the ONRC categories for the network. This shows that the median network roughness remains low although 15% of low volume roads have roughness above 150 NAASRA.

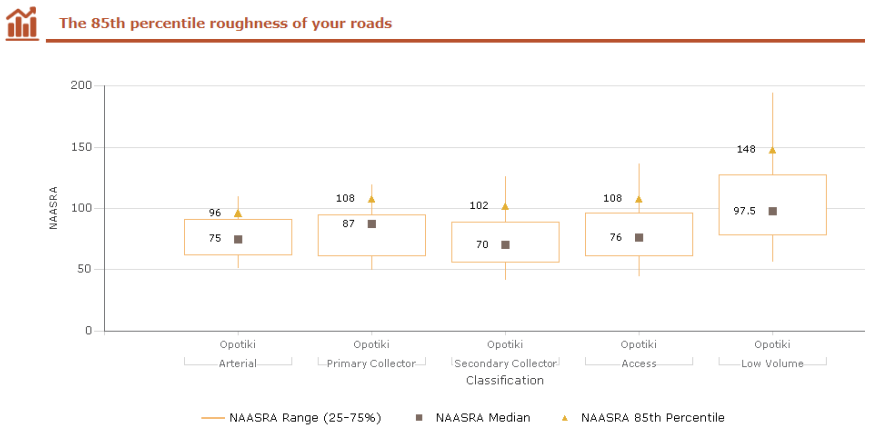


Figure 11-1 : Average Roughness by ONRC

The maintenance expenditure shown in Figure 11-4 shows higher pavement maintenance requirements for Secondary Collector roads. This involves pot hole repairs and stab repairs for localised pavement failures

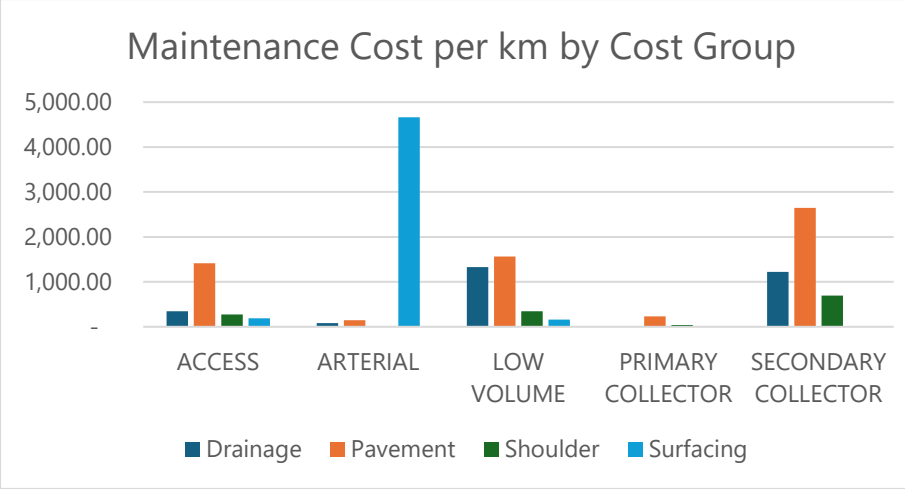


Figure 11-2 : Maintenance Expenditure per km

The low pavement costs but high surfacing costs for Arterials relates to AC work on Church street and is distorted by the low proportion of the network that is Arterial.

A high proportion of the costs on the low volume and access roads is for maintaining the high proportion of the network that is unsealed with corrugations, stormwater structures and side channels.

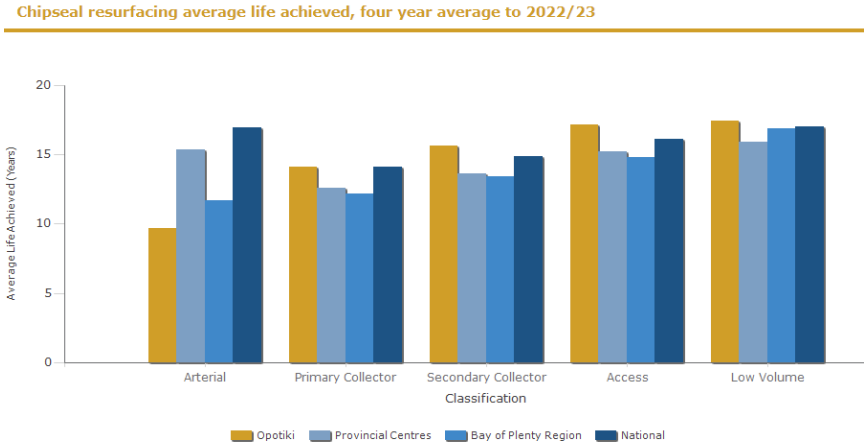


Figure 11-5: Average sealed surface life achieved

The average life achieved for chip sealed surfacing on the network is around 15 years. Life achieved for secondary Collectors, Access, and low volume roads is greater than the national and peer group averages showing Ōpōtiki has had to extend seal lives for the majority of the network due to funding restrictions and cost increases. The lower result for Arterial Roads is due to the completion of Safety related widenings on Wainui Road with full width 2nd Coat seals.

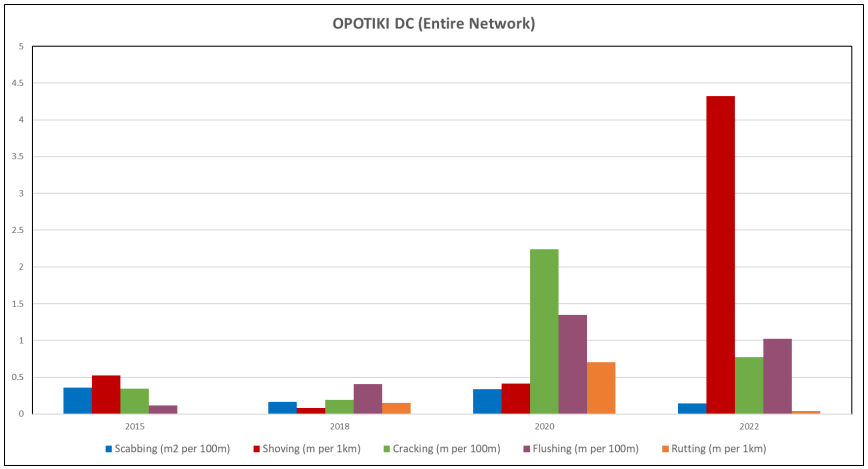


Figure 11-6: Network Condition Rating

Figure 11-6 shows the rating results from the last four condition surveys for the full network. This shows that there has been an increase in network defects, surface faults of cracking and flushing and pavement related shoving. A rating survey of the higher volume roads for 2023 showed significant increases in cracking. This increasing trend of pavement and surfacing faults correlates with the increase in maintenance costs for the network. This increase in costs and deterioration in condition is likely related to the low surfacing renewal rates between 2013 and 2018. This analysis supports planning for an increased renewals program to address surface integrity issues and the rise in network maintenance costs.

11.2.4 Renewals Plan

The resurfacing of pavements has historically been carried out with an annual P4 reseal contract. The council has moved to a 3-year P17 contract in 2023 due to the loss of surfacing expertise within council to design and run a P4 contract.

Historic resurfacing quantities for the network since 2014 have been averaging 10.2km per year. This represents around 6% of the sealed network annually resurfaced. The forward work programme for the network proposes to increase the surface renewal rate to 7.8% of the network (13.5km) per year over the next three years to address maintenance risks from an ageing asset. This is then forecast to drop back down to the long term average of around 12km per year.

The proposed increase in resurfacing is based on three main factors:

1. Decreasing seal lives from a maturing network.
2. To manage the maintenance risk at existing levels from increased traffic loadings due to growth in industry across the network, and
3. To address the high levels of cracked seals across the network that are contributing to the increase pavement faults.

This programme was developed based on RAMM inputs which have been verified and finalised with Council staff through a network drive-over. This identified resurfacing requirements of 13.29km in 2024/25, and 19.86km and 19.22km in the following two years. This “bow wave” of surfacing requirements has been re-assessed based on council accepting higher risks for lower volume roads to develop the proposed “balanced” programme provided below.

Figure 11-7: Historic and Planned rates of surface renewals

Pavement renewals have been at between 300m and 700m per year, 0.2 to 0.4% of sealed network length. This historic level of pavement renewal points to an expected average pavement life for sealed pavements in excess of 200 years. The annual length of pavement renewal is forecast to increase over the life of this AMP as the programme shifts from targeted shape corrections, in conjunction with the urban storm water improvements, to strength improvements on rural roads. The costs for pavement renewals are forecast to increase in line with network requirements to address deteriorating rural roads.

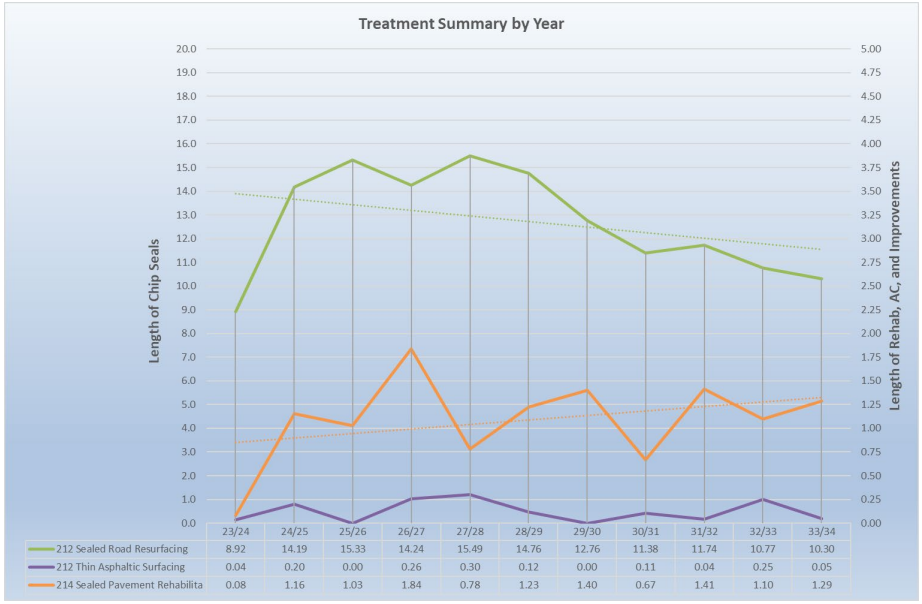


Figure 11-8: Proposed Pavement and Surfacing FWP

The ongoing recording of maintenance costs will assist in monitoring network performance and help to fine tune the pavement renewals programme going forward. Presently the programme for renewals is balanced between a predicted increasing requirement for rural roads and a decrease in reshaping works associated with urban street drainage improvements and upgrades. The proposed cost increases for work category 214 reflects the rural rehabs requirement for strengthening versus urban renewal reshaping to address drainage issues within town.

11.2.5 Disposal Plan

In terms of the lifecycle planning and providing value for money solutions for service delivery some sections of the Waiotahi drifts subdivision will be reverted from asphalt surfacing to chipseal at time of renewal. There is no other disposal of assets planned for within the timeframe of this AMP.

11.3 Unsealed Pavements

Unsealed pavements make up 43% of the network with 51km of Access roads and the remaining 82km being low volume.

11.3.1 New Assets

There are currently no plans for development of new unsealed roads on the Ōpōtiki Network.

Council policy on seal extensions is for 60% of the cost being met by land owner or developer contribution. This has resulted in a number of seal extensions being undertaken in recent years. However the council is facing community pressure to review the policy and re-introduce a seal extension programme. Table 11-1 is an indicative programme of a proposed seal extension programme.

Road	Year	Approximate Length	Notes
Old Creamery Road	2024 - 2027	2.55 km	SH Detour Route
Brown Road	2026 +	1.0 km	SH Detour Route
Amokura Road	2026 +	0.3km	Maintenance cost
Parkinsons Road	2026 +	1.67 km	Developer requests
Te Waiti Road	2026 +	1.5 km	Community Requests
Motu Road	2027 +	2.2 km	Community Requests
Otara East Road	2027 +	2.0 km	Community Requests
Maungaroa Pā Road	2028 +	0.3 km	Community Requests
Dickenson Road	2028 +	1.2 km	Community Requests
Parautu Road	2028 +	0.5 km	Community Requests
Waiotahi Valley Road	2030 +	2.0 km	Maintenance cost

Table 11-1: Indicative Seal Extension Programme

Continued growth in the district may result in the economic justification for seal extension under Waka Kotahi funding criteria to seal portions of the network.

The future of seal extension works therefore depends on a willingness for developers to meet the local share portion for works that meet Waka Kotahi funding criteria, or subject to council approval, the local communities contribute 60% of the cost for upgrade and sealing to ODC subdivision standard with Council meeting the remaining 40% cost.

The increasing use of Old Creamery Road as a SH detour during closures is resulting in increased maintenance requirements, particularly for the steep sections at each end. Council is investigating the application of a traction seal for the western end of the road to address maintenance and safety concerns.

11.3.2 Operations and Maintenance Plan

As per the sealed roads maintenance, the Operations and Maintenance of unsealed roads entails working closely with the Maintenance contractors to ensure the Community's goals and requirements are achievable.

Present practice is for maintenance of the network through a balance of spot metalling to maintain a level of service suitable for public access, and re-metalling to restore structure to the pavement. The growth in apiculture, manuka, and maturing of forests is resulting in greater demands on the unsealed network for the district, resulting in a greater maintenance need.

11.3.3 Asset Monitoring

No rating condition measures are currently recorded for the unsealed network. Therefore, performance monitoring involves the review of maintenance costs recorded in the RAMM Database, which includes spot metalling and re-metalling. The last four years costs are shown in the following figure.

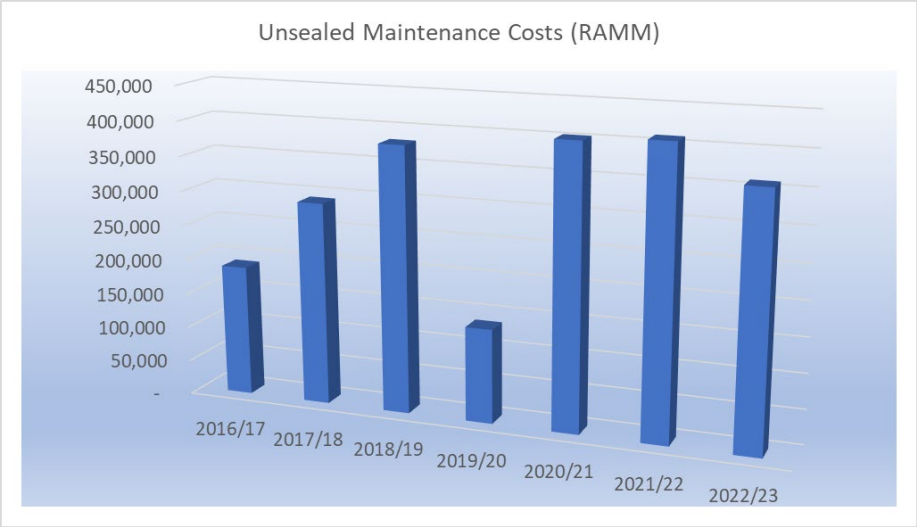


Figure 11-9 : Unsealed Roads maintenance Costs

This shows that costs steadily rose to 2019 before dropping back in 2020 due to COVID shutdown. The costs in 2021 to 2023 returned to an annual maintenance cost of $350,000 to $400,000.

To be able to deliver better outcomes from unsealed maintenance and improve maintenance practices a performance monitoring framework is required. The NZTA research report 652 – "Assessment process for the condition of unsealed roads" will provide the basis for this framework, resource constraints within council restricted the development of this during the 2021-24 NLTP.

11.3.4 Renewals Plan

For unsealed roads an annual re-metaling programme is developed for unsealed roads where routine maintenance and spot metalling is no longer economically viable. The programme is developed on a condition basis with input from the Maintenance Contractor and verified by

Council staff through network inspections. The works are carried out by the Maintenance Contractor.

Historically, unsealed roads will generally require re-metalling every 8 years on average. However, the re-metalling cycle can vary considerably depending on use, wear and condition. There is currently no specific treatment lengths and forward work programme for unsealed roads within RAMM and the final programme is often constrained by available funding. It is envisaged that the performance monitoring framework will provide the evidence to base a FWP for unsealed roads on.

11.3.5 Disposal Plan

There are no current plans to dispose of any of the unsealed road assets within the district in the period of this AMP.

11.4 Drainage Assets

11.4.1 New Assets

New drainage assets are planned to be created through the urban streets upgrade programme in association with the ODC Storm water management project to alleviate flooding and surface ponding issues within the township. These works are to be undertaken through a combination of drainage renewals and LCLR low cost improvements through the local roads improvements activity class.

Figure 11-10: Areas of surface flooding in Ōpōtiki Township for 10% AEP

11.4.2 Operations and Maintenance Plan

Drainage channels are inspected under a routine maintenance regime by the maintenance contractor. This requires all side drains to be inspected and cleared on a monthly basis, and all kerb and channel in urban areas to be swept monthly. If the contractor identifies any unscheduled maintenance works during these inspections, or they are identified by members of the public or Council staff, the contractor is required to quantify the required works and seek approval from Council staff prior to works commencing.

The Maintenance contract also has provision for storm patrols. The contractor is required to carry out storm patrols whenever adverse weather is likely to affect the integrity of the road network. During these patrols the Contractor is required to carry out initial works to ensure the

safety of all road users and any repairs or clearing required to open the road.

Where a storm event causes large amounts of damage to the drainage assets and the road can't be opened, the site is to be made safe and the scale and cost of the remedial works are documented. Council staff will then prepare and submit an application to Waka Kotahi for emergency works funding.

11.4.3 Asset Monitoring

The current Maintenance and operations system, where inspections focus on ensuring that the drainage system is clear and functioning to maintain the current service levels, provides a balance between short term asset management and reactive maintenance practice that balances risk against cost. However, as there is currently no formal condition assessment procedure for drainage assets the condition of critical assets is unknown. A condition assessment of the drainage assets will provide the required data to accurately assess the remaining useful life of assets and form the basis of a long-term renewal programme.

The valuation of transportation assets show that on average, drainage assets are around 55% through their useful life based on assumed asset ages and base lives. With impacts of climate change being felt across the district the low level of condition data for critical drainage assets is a risk to council.

11.4.4 Renewals Plan

Some renewal of drainage assets occurs in conjunction with the street upgrades programmes. Otherwise, renewals are undertaken to address service gaps as they are identified through routine maintenance inspections.

The current level of asset renewals is considered adequate. However, the completion of a detailed assessment of critical drainage assets may identify issues that will need addressing to ensure resiliency in network connections and access to community services.

11.4.5 Disposal Plan

No disposal of assets is planned for the period of this AMP. Some existing assets may be disposed of during the planned street upgrade programme for optimisation of the drainage system to address identified undercapacity issues.

11.5 Bridges and Structures

11.5.1 New Assets

With the increase of use of the Motu Road a need for a crossing of the Papamoa Stream has been identified as a high risk by a NZ Cycle Trails safety Audit. The installation of a concrete Ford for the crossing at RP26.8 on Motu Road is planned to be completed through the LCLR Programme.

11.5.2 Operations and Maintenance Plan

All bridges are currently inspected on an annual basis and after storm events under the current Pavement maintenance contract. As a result of these inspections, minor maintenance works are carried out, such as painting, guardrail replacement, approach road reinstatement or erosion control to protect the road and abutments.

Specific maintenance requiring specialist contractor services such as beam painting or joint replacement is tendered out under a specific structures maintenance contract.

The existing Contract also has provision for storm patrols. The Contractor is required to carry out storm patrols whenever adverse weather is likely to affect the integrity of the bridge assets. The key requirement is to inspect for any damage or debris build up on bridge abutments and piers. During these patrols the Contractor is required to carry out initial works in a safe manner to protect and clear the structures. Where

conditions don't allow the work to be carried out safely, the Contractor is required to monitor the bridge and return to finish the works when conditions allow.

11.5.3 Asset Monitoring

The Bridge inspection programme has been used to update the remaining useful life (RUL) assessment of bridge assets on for the district. The RUL is adjusted using expected life and an assessment of the condition. Over the last three years the Takaputahi bridges have had structural component replacements that have extended the lives of these bridges.

The profile of RUL for Ōpōtiki Bridges is presented in Figure 11-11. This shows that, based on the last full network assessment of structures, there are 7 structures (10% of structures inventory) will require major component renewal or replacement in the next 25 years.

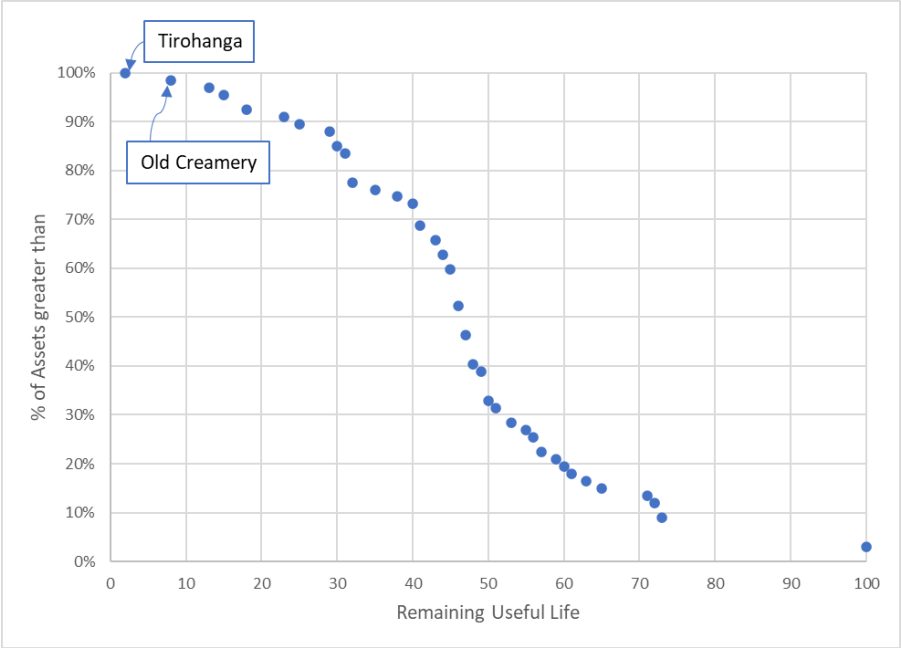


Figure 11-11: Age profile of Ōpōtiki Bridges

Recent inspections have identified rapid deterioration of the Tirohanga Road Culvert, which will require replacement within the term of this AMP. The next replacement, based on current condition assessments, is the Old Creamery Road Bridge in 2030.

A programme of investigations to accurately assess structural capacity and determine a more accurate remaining life assessment for structures with less than 30 years is to be undertaken to inform the long term risk profile for council.

11.5.4 Renewals Plan

As mentioned above, the replacement of the Tirohanga Road Culvert is planned for in the first year of the programme. This is due to bed load abrasion of the Armco culvert resulting in corrosion that has

compromised the structure. A Present Value End Of Life (PVEOL) assessment for the replacement of the culvert is appended.

There is currently no other major bridge structural component or deck renewals required within the next three years. There is however a number of structures on the network that will require works to side rail protections, guard rails and handrails, and Kerbs due to vehicle damage.

Old Creamery Road bridge is currently planned for replacement in 2030 but may have to be brought forward due compromised structural beams from impacts to side rails. This is also a state highway detour route, which has had more frequent use over the last couple of years due to SH2 closures, which is increasing the risks on this weight restricted structure.

Figure 11-12: Damaged side protection on Old Creamery Road bridge

The intensity and frequency of heavy rain events over the last couple of years has resulted in some issues requiring structural component works to bridge foundations such as extension of the pile head casing on the Tutaetoko Bridge.

11.5.5 Disposal Plan

There are no structures identified that are planned to be disposed of in the term of this AMP. The Waiotahi Valley Back Road Bridge and the Stoney Creek Bridge have both been closed. The Waiotahi Valley Back Road Bridge is being assessed for works to make the structure safe for use as a cycle bridge. The Stoney Creek Bridge has had the deck removed and there is on going discussions with land owners about future access provisions to land between Stoney Creek and the Waioeka River.

11.6 Walking and Cycling

11.6.1 New Assets

Footpaths are one of the transport assets that the council receives the poorest ratings for. This has historically been due to the lack of footpaths on the roading network. Recent town upgrades and central government funding has resulted in an increase in footpath and shared use path assets over the last 5 years. There remain some new footpaths planned to be created through urban street upgrades to complete the urban pedestrian facilities improvement programme. The addition of Footpaths is usually coordinated with the council storm water upgrade and drainage renewal works.

The Councils has received requests from the Coast ward for extensions to the footpaths in the main coastal townships at Te Kaha and Waihou Bay. Footpaths for these communities are limited which creates safety risks and are a barrier to mode choice as they continue to grow. Waka Kotahi has plans to provide some widened shoulders for cyclists on SH35 and further discussions are to be held in regard to extending this for

other sections. Any new facilities are to be prioritised based on connections to community facilities, schools and Maraes.

Funding under the LCLR walking and cycling activity class has also been requested to assist with further development of the extension of the Motu Trails through to Ohiwa Beach and to the Harbour Entrance. Several sections of this trail have been completed through the Government stimulus packages and funding is being requested to complete the connections to the west of Ōpōtiki township. Although primarily being developed for tourism development the cycleway will provide off road modal choice for connections between Ohiwa, Waiotahi Drifts subdivision, the harbour industrial zone, and Ōpōtiki Township.

11.6.2 Operations and Maintenance Plan

The maintenance of the footpaths has been undertaken on an annual basis based on service requests and asset condition inspections. This has addressed many of the footpath faults on the network but community satisfaction survey results for walking facilities in the district still have 40% of residents dissatisfied with the footpaths. A review of comments from the customer survey results showed the top reasons for dissatisfaction with footpaths were:

- Cleaning / maintenance needed - 40%
- Lack of footpaths - 27%
- Slippery / unsafe - 26%
- Repairs / upgrades needed - 20%

The faults identified through the condition inspections enables a programme of work to address the isolated faults. Faults are graded 1 to 3, where:

- 3 is an urgent repair, such as a trip hazard exceeding 20mm.
- 2 are faults that require repair within the next 12 months, and
- 1 are low priority repairs that are to be monitored or repaired if budgets allow, i.e. are adjacent to a level 2 or 3 fault.

Maintenance works are funded through work categories 124 and 125 and an increase in funding is being requested to catch up on deferred maintenance for the 2024 to 27 programme.

11.6.3 Asset Monitoring

Footpath condition surveys were undertaken in 2019, 2021, and 2022. The results of these surveys are recorded in the condition fields of the RAMM footpaths table. 98% of the network has an overall condition rating of 3, average, or better and no sections have a grade of very poor (5). The overall grade for a length of footpath is governed by the number and extent of graded faults within a rating length.

The percentage of footpath lengths in each condition category are shown in the following figure.

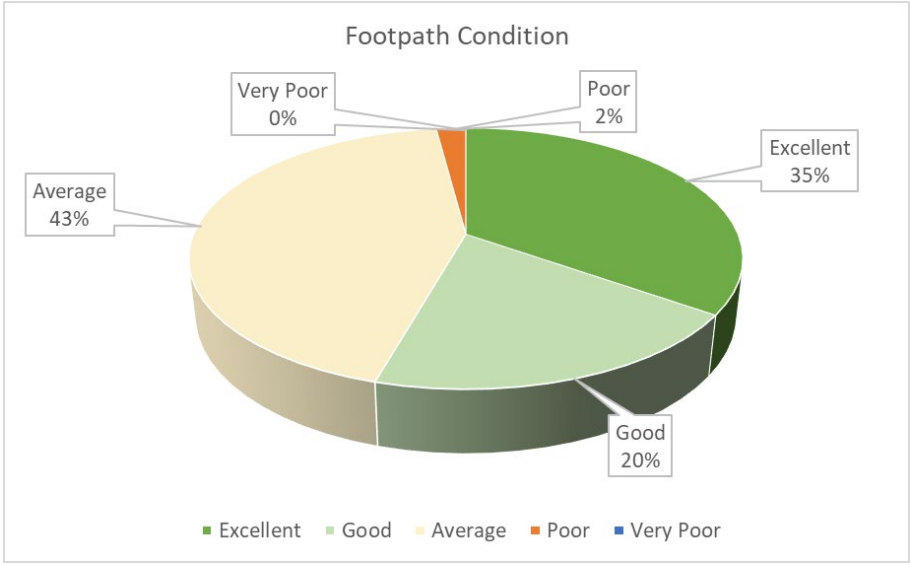


Figure11-13: Footpath Condition Assessment

The Level of Service for footpaths in the district is for 95% of footpaths to have a condition rating of "average" or better.

11.6.4 Renewals Plan

There are currently no complete sections of footpaths that require a full renewal due to current condition, where greater than 30% of a rating section has grade 2 or 3 faults. There are a number of sections of footpath that are below recommended standard for mobility impaired pedestrian access or users. These sections are prioritised based on a risk matrix that takes into consideration pedestrian demographics and volumes and are addressed as funding allows.

Technical audits of the network have highlighted that historic kerb let downs are not in line with current Mobility standards. Renewals funding is planned for within the renewals budget to address a programme prioritising and bringing these up to standard.

11.6.5 Disposal Plan

There are no walking and cycling assets that are planned to be disposed of during the term of this AMP.

11.7 Traffic Services

This Activity group includes:

- Signs, markings and other delineation for the road network.
- Speed management infrastructure.
- Street lighting
- The maintenance of vegetation for roadsides in Rural areas, on shared use paths, and road side verges adjacent to shared public spaces.

11.7.1 New Assets

The implementation of speed management around Kura and Marae throughout the district will require the installation of new signs and markings. An allowance for costs of this upgrade has been included within the traffic services renewals allocation for where this work has not been funded through the approved LCLR programme.

Intersection safety and speed in the Ōpōtiki township area is one of the main road safety issues for council. A programme of implementing intersection controls and speed platforms to manage speeds in line with Councils speed management plan is to be progressed through the LCLR programme for local road improvements.

Council has completed a town upgrade of street lighting assets to bring the residential lighting network up to compliance with AS/NZS 1158 – Lighting for Roads and Public Spaces. This involved the infill of gaps in the current network using existing poles and the installation of new light poles where required. No further plans for lighting upgrades are proposed.

11.7.2 Operations and Maintenance Plan

Rural road verge cutting is done under the maintenance contract as per the schedules. Approximately 143km is done annually with an additional 170km done three times per year. This current practice provides a minimum level of service that meets community requirements and provides delivery efficiency.

Urban road verge maintenance is the responsibility of the house owner to maintain their verge. Additional funding has been requested to control vegetation that has impacted on footpath widths throughout the urban area and address community concerns regarding maintenance of footpaths.

Funding has also been requested for the maintenance of vegetation for the newly created cycleways. This involves controlling noxious weeds and

overgrowing vegetation that narrows the path and impacts on user safety.

The maintenance of rails and signs is done on a reactive basis through the maintenance contract with activity recorded in the RAMM maintenance costs tables. Rails and signs that are replaced on a one off basis i.e. damaged or vandalised, are replaced as a maintenance expense. The maintenance needs are identified by ODC staff, the contractor or via rate payer notification.

Road marking is carried out annually across all local roads in the district under the maintenance contract. For the small quantity required this approach provides the balance of safety and value to ratepayers. The required standards for delineation and marking are defined within the maintenance contract.

The operational expense associated with lighting assets is the electricity for the street lighting and amenity lighting. The street lighting electricity is part of the Council's electricity contract for all Council electricity. The Council's electricity contract is negotiated along with Whakatane District Council (WDC), Kawerau District Council (KDC), Bay of Plenty Regional Council (BOPRC) and Waka Kotahi on an annual basis. The electricity is charged based on the number of lights, Luminaire wattage, and hours of operation. Horizon Energy currently turns the lights on and off each day. Council is installing Central Management System (CMS) with the street lighting upgrade, which will allow optimised management of lighting levels and operation times.

All maintenance on the street lighting asset is done by Horizon Energy. There is no formal contract and work is carried out as and when requested by ODC under works order. Maintenance works done by Horizon Energy is as a result of either notification of a fault through the CMS, a rate payer notification, or from night inspection.

The operations and maintenance of the streetlights is subsidised by Waka Kotahi, however the under veranda and amenity lighting in the Ōpōtiki CBD are not covered.

11.7.3 Asset Monitoring

As mentioned above condition assessments of the traffic services are managed on collaborative basis between community, council staff, and the maintenance contractor. The cost of a detailed asset monitoring condition survey is not considered to be cost effective for council. The Council does not own any large traffic signs that require specialist inspections to maintain safety.

Valuation of the traffic services asset shows that much of the current signs and rails on the network are reaching end of useful life. The average remaining useful life being 23% of the base life for signs and 49% for railings.

Asset monitoring of the street lights is undertaken through the CMS and updating of data is completed within the council RAMM database.

11.7.4 Renewals Plan

Generally, renewals are completed on an as required basis. However, there remains a need to upgrade some obsolescent signage across the network.

There is likely to be a need for a greater renewals requirement as assets reach the end of useful life and fail to meet required standards to provide safe customer journeys. An additional allowance has been made to cover this risk within the renewals funding request.

A programme of checking existing steel light poles for corrosion is undertaken by Horizon Energy. There is a small number of poles identified for renewal through these inspections. Funding for pole replacement is through work category 222 traffic services renewals.

11.7.5 Disposal Plan

There is no plan to dispose of any existing assets in the term of this AMP.

12.0 Assessment of Investment Options

The three investment options for delivery of Council services are:

- **Scenario 01: Base** - Maintain current levels of service.

This scenario is the do minimum which includes the Maintenance, Operations, and Renewals (MOR) to maintain the current levels of service for the network with risk based intervention aligned to ONRC classification.

- **Scenario 02: Balanced** – MOR and community mandated improvements

Maintain current levels of service plus improvements to meet mandated improvements to levels of service. This includes Base MOR plus the LCLR road improvements to close service gaps for resilience, transport choices, and safety improvements.

- **Scenario 03: Growth** – MOR, LCLR and investment for growth

Network or service improvements to accommodate and provide for growth in the district. This investment scenario includes specific growth projects such as the town centre upgrade, transport investments in new connections as indicated in the Hukutia development proposal, and SH intersection improvements. Includes a % increase for growth on MOR budgets as per forecasted population increase and demographic shifts put different needs on the transportation activity.

The three investment Scenarios have been reviewed using the Te Ringa Maimoa Differential Level of Service model. Three options have been tested for each of the main transport activity service areas. Each option has been entered with an overall view aligned to the investment options.

Level of Service	Service Outcome	Risk	Work Category	Performance Metric
Sealed Pavements and Surfacing	Safety	Vehicle damage/safety and increased maintenance costs	WC 111, 121, 212, 214	% Faults responded to in time
Unsealed Pavements	Accessibility	Access restricted and Vehicle damage/safety	WC 112, 121, 211	% Faults responded to in time
Drainage	Resilience	Road condition is adversely affected	WC 113, 213	# of trips impacted by results of flooding
Bridges and Structures	Efficiency	Access restricted	WC 114, 215, 216	# of vehicle trips impacted
Walking and Cycling	Accessibility	Safety and Access restricted	WC 124, 125, 224, 225	% of trips by alternate mode to private motor vehicle
Traffic Facilities	Safety	Community safety impacted	WC 122, 222	Personal risk rating for district

Table 12-1: Level of Service criteria

The risk costs for each scenario are based on the likelihood of a risk to meet customer outcomes occurring, multiplied by the monetised value of that risk.

The outcomes of the analysis are presented in the following figures.

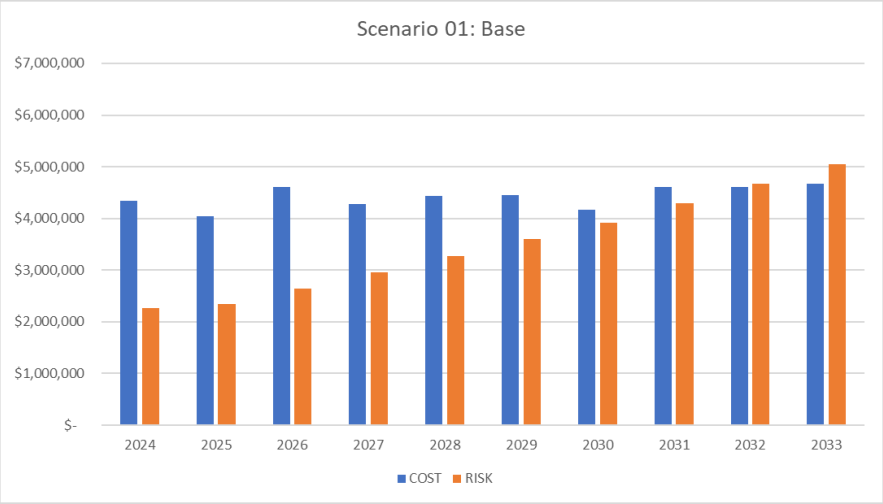


Figure 12-1: Investment Scenario 1 – Cost vs Risk

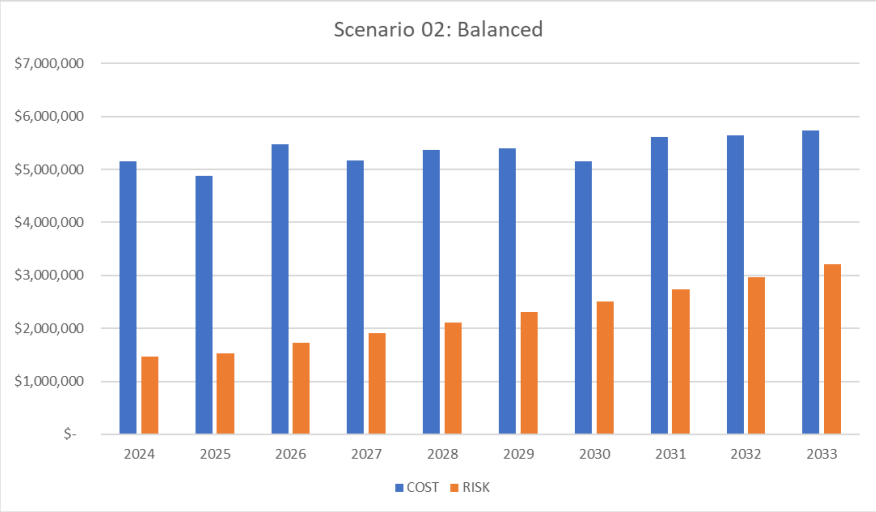


Figure 12-2: Investment Scenario 2 – Cost vs Risk

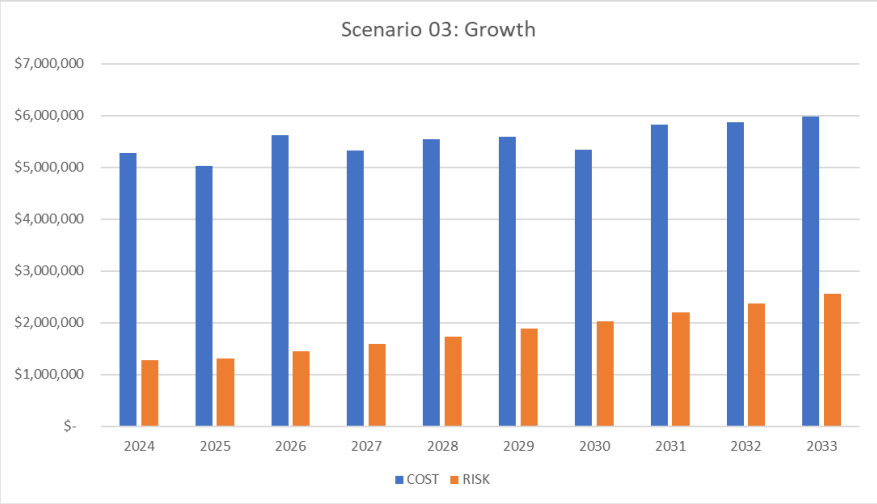


Figure 12-3: Investment Scenario 3 – Cost vs Risk

All three scenarios have the base scenario with the MOR programme for surfacing and Pavement renewals. This maintains the current levels of service but does not have any of the investments for addressing the issues of growth, resilience, and safety outcomes for the district. The risk profile for the base scenario reflects this with an increased risk associated with network pressures from traffic and environmental factors.

The Balanced and growth scenarios investment profiles are similar, where identified risks to service outcomes are addressed through targeted investment in speed management, mode choice infrastructure, and resilience improvements.

The risk profile for the Growth scenario reflects the increased investments from the LCLR programme in speed management and mode choice infrastructure and the contribution this makes to service outcomes.

The preferred programme is based on Scenario 2 for balanced investment.

13.0 Preferred Programme

13.1 Programme delivery

The Ōpōtiki network is predominantly a lightly trafficked rural network with two State highways providing the main arterial/regional connections. The current and future demands on the network do not support major alternatives to the current practice for delivery and maintenance of the ODC transportation services.

The delivery of the proposed programme is outlined through the approved procurement strategy and as indicated within the previous sections of this document. Maintenance services are to be continued to be provided through the existing traditionally based maintenance contract with in- house management.

Specialist Engineering services for bridge and structures management, and delivery of asset management services, is to be tendered out prior to the start of the 2024-27 programme. Specific programmes for pavement renewals and improvement projects will either be developed through the professional services supplier or tendered out in accordance with ODC procurement policy. Where the council has the appropriate capability and capacity for the quality management and surveillance of works then these services will be delivered in-house. MSQA for specialist works will be undertaken through separate contract with a professional supplier or as a variation to the professional services Consultant agreement.

13.2 Proposed Programme

ODC will continue to seek support either through collaborative arrangements with neighbouring RCAs or specialist professional service suppliers.

Regarding the Problems and benefits assessment in the strategic case it is considered that maintaining and renewing the existing network under this existing delivery model provides the appropriate method of delivering strategic outcomes. A summary of the proposed programme is provided in Table 13-1 below.

	2021 to 2024	2024 to 2027	Difference
Road Operations and Maintenance	7,865,521	10,098,289	28%
Road Renewals	3,515,315	6,390,451	79%
Total MOR	11,380,836	16,488,740	44%
Improvements (LCLR)	1,625,780	2,183,424	34%

Table 13-1: Summary of Proposed Investment Programme

A discussion of the main differences in programme costs is provided below.

The cost of all activities shown in the MOR request for funding (Appendix A) are inclusive of administration costs. The forecasted figures also include allowance for CPI increases of 4.2% in 2024/25, and 2.9% in 2025/26 and 2026/27 as per the BERL forecasts.

13.3 Summary of Changes for Maintenance and Renewals

Greater than expected inflation over the past two years has contributed to an additional 6% increase over the forecasted programme for 2021 to 2024, where outputs were cut to absorb the additional costs. A summary of the major increases or decreases in the proposed funding requirements are provided for each work category as follows:

- WC 111: 26% increase to cover increased maintenance requirements from ageing assets and impacts from weather events. Also includes for increased pre-reseal requirements related to increased surfacing renewals from reduced output during 2021 to 2024.
- WC 113: Increase in drainage maintenance of 10% to ensure network resilience is maintained
- WC 124 and 125: 140% and 135% increases respectively reflecting low expenditure during 2021-24 and requirements for the increased Walking and Cycling network length.
- WC 121 and 140: increases in each category to reflect impacts of climate change on the Environmental maintenance and Minor events budgets.
- WC 211: 15% reduction from what was spent in 2021 to 2024 as a result of increased re-metalling over last three years. This is offset with an increase in WC 112 for unsealed Maintenance to keep on top of spot metalling and increased grading costs.
- WC 212 and 214: Bringing back into balance from low investment levels in resurfacing over last 6 years and increased rehabilitation requirements on rural roads.

The Maintenance, Operations, and Renewals request is appended as Appendix A

13.4 Road Improvements Programme

The threshold for low cost low risk (LCLR) road improvements projects remains at $2M. The proposed projects are outlined in the specific Activity management sections above. The majority of ODC transport projects sit under the threshold for LCLR projects.

The draft GPS 2023 sets out the activity classes for the 2024-27 NLTP. LCLR programmes need to be allocated to the appropriate activity class. The two activity classes applicable for ODC are:

- Local Roads improvements activity class
- Walking and cycling improvements activity class

The local roads activity class includes the previous "road to zero" road safety improvements.

The draft LCLR Programme is appended as Appendix B.

Projects greater than $2M require a separate business case outside of this Activity Management Plan. There is currently one project that is being proposed for the 2027 to 2030 NLTP that will require the development of a business case within 2024 to 27. This Single Stage Business Case (SSBC) will be required for access to the State highway at Woodlands Road and west of Baird Road for areas identified for growth within the Spatial plan.

13.5 Programme Administration Costs

Administration is not integral to a project or activity that has been funded by Waka Kotahi but, nevertheless, must be provided by an approved organisation to support the delivery of activities.

The administration costs allocated to running the programme are derived from costs developed for the Long Term Plan and are based on:

- Administration buildings – allocated out by floor area used by the Engineering team.
- Information Systems – allocated out by staff working directly in the activity.
- Plant and vehicles – allocated out based on where the vehicles are used.

- Rating activities – covers the expense side of the rating activity – allocated out based on rate revenue per activity.
- Finance - covers the finance activity, accounts payable, accounts receivable – allocated out based on operating expenditure per activity.
- Engineering Services – covers the overhead costs of photocopying, training, subscriptions, and ACC for the Engineering Team. Allocated out based on the level of asset value managed.
- Corporate Services - covers Health and Safety, HR, Customer Services, Records Management, and CEO – allocated out based on operating expenditure per activity.

The above costs also include an allowance for growth in the team over the term of the long term plan.

13.6 Programme changes based on approved NLTP budgets

NZTA confirmed the NLTP budgets in September 2024 at which time Council LTP was already out for consultation. The table below summarises what was included in the LTP Transport budgets that went out for consultation, what has been recently approved by NZTA and what the difference is.

As shown in the table there is a cumulative deficit of approximately $3 million across Year 1 to 3 of the LTP including no LCLR funding. Council has since liaised with NZTA and based on these initial conversations have adopted the approach to include the 25% ODC local share of this deficit within the LTP budgets as separate projects in Year 2 and 3 (separated by operating and capital expenditure). The rationale for this is that Council is keen to be able to realise potential alternative funding opportunities that may arise during Year 2 and 3 of the LTP. These funding alternatives include the $100 million Transport Resilience Fund and possible share of any unspent NLTP funding at the end of each year.

Programme budgets Year 1 to 3	Proposed LTP Funding	Approved Allocation	Difference
114 - Structures maintenance	194,762	191,055	-3,707
121 - Environmental maintenance	1,122,918	1,104,839	-18,079
122 - Network service maintenance	907,502	892,555	-14,947
123 - Network operations	0	0	0
131 - Rail level crossing warning devices	0	0	0
140 - Minor events	855,557	841,414	-14,143
151 - Network and asset management	2,438,334	2,219,325	-219,009
215 - Structures component replacements	168,438	162,107	-6,331
221 - Environmental renewals	0	0	0
222 - Traffic services renewals	151,594	145,704	-5,890
111 - Sealed pavement maintenance	1,834,313	1,845,000	10,687

Programme budgets Year 1 to 3	Proposed LTP Funding	Approved Allocation	Difference
112 - Unsealed pavement maintenance	857,084	873,999	16,915
113 - Routine drainage maintenance	1,445,405	1,473,000	27,595
211 - Unsealed road metalling	577,048	576,000	-1,048
212 - Sealed road resurfacing	2,566,100	2,300,001	-266,099
213 - Drainage renewals	399,382	395,001	-4,381
214 - Sealed road pavement rehabilitation	1,978,354	1,932,000	-46,354
124 - Cycle path maintenance	123,752	45,297	-78,455
125 - Footpath maintenance	106,946	39,186	-67,760
224 - Cycle path renewal	0	0	0
225 - Footpath renewal	249,535	89,517	-160,018
216 - Bridge and structures renewals	300,000	350,000	50,000
Low Cost Low Risk	2,183,424	0	-2,183,424
Years 1 to 3 TOTAL	**18,460,448**	**15,476,000**	**-2,984,448**

Table 13-2: Summary of Proposed Investment Programme

14.0 Risk Management

Risk Management associated with the transport activity and assets include financial, operational, organisational, and public health and safety. The risks are from both a higher, corporate level, and to a more detailed asset –specific level, but do not substitute for more specific risk analysis at those levels.

The corporate risk management process at ODC utilizes risk matrices to assess risks. The risk Matrix is presented in Table 14-1.

		Probability				
		Almost certain	Likely	Possible	Unlikely	Rare
Consequence	Catastrophic	E8 - Extreme	E7 - Extreme	E5 - Extreme	D8 - High	D6 - High
	Major	E6 - Extreme	E4 - Extreme	D7 - High	D5 - High	C4 - Moderate
	Moderate	E3 - Extreme	E2 - Extreme	D4 - High	C3 - Moderate	B4 - Low
	Minor	E1 - Extreme	D3 - High	C2 - Moderate	B3 - Low	B2 - Low
	Insignificant	D2 - High	D1 - High	C1 - Moderate	B1 - Low	A - Low

Table 14-1 : Corporate Risk Matrix – Extreme, High, Moderate and Low Risk

The risks fall into one of the follow four categories:

Low Risk:	Manage by routine procedures.
Moderate Risk:	Management responsibility must be specified.
High Risk:	Risk & management strategy identified in AM Plan. Failure management plans available.
Extreme Risk:	Risk & management strategy identified in AM Plan. Failure management plan specifically addressing event in place.

14.1.1 Land Transport Risk Register

Governance, Business, Legal, Human Resource, Information System and Financial Management risks have been identified as part of the Corporate Risk Register. Risks relevant to the transport assets and the management of these are shown in Table 14-2.

Added at the end of this table are three Land Transport risks which are not part of the Corporate Risk Register.

Risk	Raw Risk	Present Systems and Process to manage risk	Present Risk	Is risk acceptable?
Governance				
Relevant information not reported to Council and/or advice does not meet required standard.	D7	Mayor's and Chief Executive's reports to six weekly meetings of Council (and informal updates); quarterly activity reports.	C2	Yes
Needs of community are not met.	E6	Statutory consultation and decision-making requirements; three yearly Resident survey; Council communications strategy.	D3	Yes
Business Risk				
Customer expectations not met.	D4	Monitoring and Reporting of levels of service; Resident survey; Performance Measures Reporting Tool.	B3	Yes
Exposure to Council following poor tender process.	E6	Procurement policy aligned to Waka Kotahi guidelines and accepted by Council's auditors; tender committee reports and decisions documented.	B3	Yes
Exposure to Council following poor contract management process.	E6	Audits with contractors; monthly meetings; referral back to asset management plans; Health and Safety.	D7	Yes
Action, inaction and/or advice resulting in adverse effects on person or property.	E6	Timely information flows within the organisation and early access to legal advice where potentially necessary; on-going training; information system updated; skilled and competent staff.	D7	Yes
Inability of recover/continue business following disaster.	E6	Servers moving off-site; back up at BOPRC, multiple communication paths into organisation and sites.	D7	Yes

Risk	Raw Risk	Present Systems and Process to manage risk	Present Risk	Is risk acceptable?
Relationship with Māori deteriorate.	D7	Regular invitations to WMTB, varying locations of CCB meeting, partnering in projects with WMTB such as Mōtū Trails and Harbour; meetings at various marae for annual plan, attendance at various high profile events.	D5	Yes
Resource base does not meet community needs.	E3	Advocacy to central government for a realistic level of funding outside rates (roading in particular, but also community development initiatives). Maximise use of volunteers; investment supports Economic Development and social wellbeing.	D4	Yes
Built Assets				
Inability to provide services to community following damage to assets.	E6	Relationship with suppliers (for availability of parts; work to uniformity) and neighbouring councils. Insurance cover. Business Continuity Plans	D5	Asset Management Plan Improvements
National disasters e.g. Storms, floods, tsunami and earthquakes.	E6	Some redundancies in infrastructure. A component of asset management planning and process for assets.	D7	Yes
Adverse impact from failure to assess risks to assets.	D7	Improving AM Plans (and monitoring these); arrangements with neighbouring authorities to cover prolonged staff absence (and also local contractors with utilities).	D5	Implementations of Improvement Plans
Poor asset design/maintenance resulting in potential safety service delivery and/or environmental management issues for roading.	D7	Periodically updated AM Plans and their interaction with the LTP and Annual Plan processes	C2	Yes

Risk	Raw Risk	Present Systems and Process to manage risk	Present Risk	Is risk acceptable?
Human Resources				
Appropriate staff are unable to be recruited and retained.	E3	Shared Services provides capacity without huge cost; formal interviews always associated with referee checks; recognition that there are a large number of 'unique' roles and the need to ensure performance of time-critical functions. Projects/promotion; lifestyle awareness, flexible employment conditions.	E2	Promotion of organisation as employer.
Information Systems				
Information system does not adequately support organisational needs.	E4	BoPRC contract to provide IT and telephone system provides good capacity and quality. RAMM with external supplier.	C3	Yes
Land Transport Risks				
Traffic services out or not visible from unreported traffic incidences, vegetation, or vandalism.	E5	Minimise time to repair/replace traffic service and maintain vegetation around traffic services. Regular network inspections.	C4	Yes
Road network closed due to storm damage.	E6	Minimise reaction time, identify detour routes, emergency works included in the maintenance contract.	E4	Yes
Asset failure closes or restricts access	E4	Asset monitoring and condition assessments	D7	Yes

Table 14-2: Land Transport Risks

15.0 Improvement Programme

15.1 Review of Asset Management Processes

Current AM process for the delivery of the Transportation activity for ODC is focused on delivery of fit for purpose services for the community. This has resulted in reactive maintenance dominant practices, which due to the light loading of the network, has proven to be cost effective for the district. These current processes have delivered transport services that the community has continued to express a high level of satisfaction with.

The council has improved its asset management practices with improved condition data and planning. As the district grows and changes there are more pressures and requests being put on the transport budgets. To clearly communicate and mange community expectations and levels of service further improvements will be required.

The following Improvement plan reviews and extends on the improvements to data and outlines the next steps to help Council achieve better outcomes for the community.

15.2 Improvement Plan

Project	Title	Activity	Current Status	Future Status and Identified Improvements	Improvement approach	Priority	Timeframe	Responsibility (task owner)	Resources	Cost	Status Update / Notes
SYSTEMS											
1	AM Framework	Developing an organisational AM framework for ODC	Under development with assessment of capability completed	Develop framework for improved and aligned AM systems across Council.	Work with Finance, engineering services, and parks and facilities to develop alignment of practices and systems aligned to ISO 55000 and IIMM. Review staff against REG AM competencies.	High	2024 to 34 LTP	Engineering and Services Manager	Internal / External	TBD	
2	ONF integration	Improve how the ONRC/ONF is linked to Operational process, town planning and systems.	ONRC incorporated in AMP development. Work to incorporate back through systems underway	Business, Operational, and contractual systems fully integrated with ONRC classification, levels of service, and use of performance measures.	Work with NZTA and BoP RCAs to develop consistent approach.	Medium	2025	Engineering and Services Manager	Internal / External	TBD	
EVIDENCE											
17	Treatment Lengths	Review treatment lengths	Treatment lengths reviewed with FWP development	Better alignment to work programmes and forward works planning	Review TL's based on top surface table and validate in field with FWP drive over.	High	Ongoing	Engineering and Services Manager	Internal / External		
18	Condition Assessments	Collection and analysis of asset condition and performance	Bridges, footpaths, and carriageway condition assessments up to date.	Review programmes for condition assessments of other assets and recording procedures for results. CCDC to proceed in 2024	Develop plan for assessment of critical assets aligned to ONRC and community outcomes. Assess systems for recording and reporting for AM planning.	Medium	Ongoing	Engineering and Services Manager	External		HS data collection of collectors completed. Condition surveys up to date.

Project	Title	Activity	Current Status	Future Status and Identified Improvements	Improvement approach	Priority	Timeframe	Responsibility (task owner)	Resources	Cost	Status Update / Notes
19	Traffic Estimates	Develop traffic counts methodology/strategy	Draft strategy and programme produced	Accurate loading and traffic estimates are important for assisting with FWP and maintenance activities.	get council sign off on Traffic counts strategy and implement	High	2024	Engineering and Services Manager	Internal / External		Methodology developed
20	ONRC measures	Collection and reporting of ONRC customer performance and technical output measures	A number of ONRC performance measures are not being collected and/or monitored	Develop systems for Collection and recording of data to better understand network performance indicators, comparative measures and guide investment	Draft ONRC data collection plan, collect and store data, analyse and report	Low	2024	Engineering and Services Manager	Internal / External		
COMMUNICATING											
31	Status Report	Council progress report	Currently standard reporting does not include reporting of benefits from TOF.	Explore potential to develop dashboard for council reporting.	develop reporting framework for sign off by Council executive	Medium	2025	Engineering and Services Manager	External		Need to workshop benefit's with executive Team. Review reporting Requirements
DECISION MAKING											
46	Forward works programme	Programme development	Lack of accurate asset and condition data to develop proactive forward works programmes.	Use data to develop longer term views in renewal programmes which will provide better evidence to support future investment	Undertake review of treatment lengths and FWP, identify data gaps, deliver data improvement programme to support further development. Build data evidence for implementation of performance monitoring in line with adjacent networks	Medium	Ongoing	Engineering and Services Manager	Internal / External		HS Data survey of collector roads completed. Develop management framework for unsealed roads

Project	Title	Activity	Current Status	Future Status and Identified Improvements	Improvement approach	Priority	Timeframe	Responsibility (task owner)	Resources	Cost	Status Update / Notes
SERVICE DELIVERY											
61	Maintenance contract	Procurement of new Road Maintenance contract	Maintenance contract review in 2025.	Integrate ONRC into existing Maintenance specification.	Review current maintenance specification to align with ONRC.	High	2022	Engineering and Services Manager	Internal		Complete
62	LoS implementation	Define LoS aligned to ONRC within contracts	Current Contract to be reviewed	Review ONRC and alignment with Contract Los	Update Contract operational requirements	High	2022	Engineering and Services Manager	Internal		Refer #61 above.
PEOPLE / CULTURE											
76	Regional collaboration	Regional collaboration Through RAG and information sharing is continued	Sharing of ideas and opportunities across region continues	Continue to work together to identify shared improvement opportunities for service delivery and AMP development. Identify further collaborative opportunities	Communicate and review activities across region with involvement from WK, work to develop better process for collaboration with HNO .	High	ongoing	Engineering and Services Manager	Internal		
77	Capability and succession plan	Development of a skills matrix and succession plan	No skills matrix developed. Succession planning in place for key staff.	Review existing staff/service skills and identify any gaps.	Capability matrix of core competencies requires development. Gaps identified and action plan developed for staff development/progression and service delivery options.	Medium	Ongoing	Engineering and Services Manager	HR / Exec		Morrison Low Report on procurement and service delivery complete. Options to be developed.

Table 15.1: Improvement Plan

Appendix A – Maintenance, Operations and Renewals Request

GPS	W/C	W/C Description	Activity breakdown	2024/25	2025/26	2026/27	3-year request
Maintain	111	Sealed pavement maintenance	Routine pavement repairs	401,660	409,346	448,749	1,259,755
			Pre-seal repairs	198,660	214,321	200,862	613,843
			Work Category Total Cost	600,320	623,667	649,611	1,873,598
	112	Unsealed pavement maintenance		280,500	291,409	303,531	875,440
	113	Routine drainage maintenance	Street cleaning	68,000	70,645	73,584	212,229
			Drainage maintenance	405,035	420,786	438,291	1,264,111
			Work Category Total Cost	473,035	491,431	511,875	1,476,340
	114	Structures maintenance	Bridge maintenance	49,740	51,675	53,825	155,240
			Retaining wall maintenance	14,000	14,544	15,149	43,693
			Work Category Total Cost	63,740	66,219	68,974	198,933
	124	Cycle path maintenance		40,500	42,076	43,826	126,402
	125	Footpath maintenance		35,000	36,362	37,874	109,236
	140	Minor events		280,000	290,890	302,991	873,880
Total Maintain Costs				1,773,095	1,842,054	1,918,682	5,533,829

GPS	W/C	W/C Description	Activity breakdown	2021/22	2021/23	2021/24	3-year request
Operate	121	Environmental maintenance	Vegetation control	172,918	179,643	187,116	539,677
			Other environmental maintenance	194,582	202,149	210,559	607,290
			Work Category Total Cost	367,500	381,792	397,675	1,146,967
	122	Network service maintenance	Traffic services power supply	31,598	32,827	34,192	98,617
			Traffic services maintenance	265,402	275,724	287,195	828,321
			Work Category Total Cost	297,000	308,551	321,387	926,938
	151	Network and asset management	Network management (including inspections)	383,455	393,398	404,216	1,167,614
			Management of asset inventory systems	414,545	435,636	459,306	1,322,941
			Work Category Total Cost	798,000	829,034	863,522	2,490,555
Total Operation Costs				1,462,500	1,519,377	1,582,584	4,564,460

GPS	W/C	W/C Description	Activity breakdown	2024/25	2025/26	2026/27	3-year request
Renew	211	Unsealed road metalling		185,000	192,119	199,929	577,048
	212	Sealed road resurfacing	Chip sealing	737,880	812,519	771,871	2,322,270
			Thin asphaltic surfacing	103,480	0	140,350	243,830
			Work Category Total Cost	841,360	812,519	912,221	2,566,100
	213	Drainage renewals	Culvert renewals	101,500	106,295	111,395	319,190
			Kerb and channel renewals	25,500	26,705	27,987	80,192
			Work Category Total Cost	127,000	133,000	139,382	399,382
	214	Sealed road pavement rehabilitation		555,360	503,111	919,883	1,978,354
	215	Structures component replacements		54,000	56,079	58,359	168,438
	216	Bridge and structures renewals		300,000	0	0	300,000
	222	Traffic services renewals		48,600	50,471	52,523	151,594
	224	Cycle path renewal		0	0	0	0
	225	Footpath renewal		80,000	83,079	86,456	249,535
Total Renewal Costs				2,191,320	1,830,378	2,368,753	6,390,451

Appendix B – Low Cost Low Risk Programme

Activity name	Location description	Activity description	Programme reference	Primary benefit	Funding source	Intervention type	2024/25	2025/26	2026/27
Ohiwa Beach Road Resilience	Ohiwa Beach Road RP 730 to 2020	resilience improvement associated with Rehab	Associated Improvement	4.1 Impact on system vulnerabilities and redundancies	Local road improvements	Resilience improvements			518,734
Papamoa Stream Crossing - Motu Road	Motu Road RP 26.8	Concrete Ford of Stream crossing	Activity Management Plan	4.1 Impact on system vulnerabilities and redundancies	Local road improvements	Resilience improvements	120,000		
Coast Communities walking improvements	Omaio, Te Kaha, Waihou Bay	Walking facilities for Coast Communities linking places of Social interest	Activity Management Plan	10.4 Impact on community cohesion	Walking and cycling improvements	Walking improvements		270,005	
Ōpōtiki Rtz Urban Speed Management	Opotiki Township Urban Roads	Implement speed management - WK Ref 374992	Endorsed business case	1.2 Impact on a safe system	Local road improvements	Traffic calming	180,000	124,618	64,842
Ōpōtiki Rtz Rural Speed Management	Rural Roads greater than 70km/hr	Implement speed management - WK Ref 374992	Endorsed business case	1.2 Impact on a safe system	Local road improvements	Signage / pavement marking	45,000	41,539	43,228
Urban Street upgrades 2026/27	Duke Street RP 12 to 561	Road widening to target width and drainage improvements	Associated Improvement	4.1 Impact on system vulnerabilities and redundancies	Local road improvements	Other, as agreed with Waka Kotahi			129,683

Activity name	Location description	Activity description	Programme reference	Primary benefit	Funding source	Intervention type	2024/25	2025/26	2026/27
Urban Street upgrades 2025/26	Stoney Creek Road, Union Street	Road widening to target width and drainage improvements	Associated Improvement	4.1 Impact on system vulnerabilities and redundancies	Local road improvements	Other, as agreed with Waka Kotahi		186,927	
Old creamery Road Traction Seal	Old Creamery Road RP 1.3 to 2.5	Traction seal Hill section of Old Creamery Road SH detour route	Activity Management Plan	4.1 Impact on system vulnerabilities and redundancies	Local road improvements	Traction seals	236,000		
Sedgewick Road drainage improvements	Sedgewick Road RP 0.2 to 0.4	Road widening to target width and drainage improvements	Activity Management Plan	4.1 Impact on system vulnerabilities and redundancies	Local road improvements	Kerb and channel	46,000		
Waioeka Pa Road drainage improvements	Waioeka Pa Road 0.0 to 0.4	Road widening to target width, drainage improvements and walking improvements to School	Activity Management Plan	4.1 Impact on system vulnerabilities and redundancies	Local road improvements	Kerb and channel	73,000		
Old creamery Road Safety Improvement	Old Creamery Road RP 0.05 to 0.55	sight line improvement and Traction seal Hill section of Old Creamery Road SH detour route	Activity Management Plan	4.1 Impact on system vulnerabilities and redundancies	Local road improvements	Traction seals		103,848	
Total							**700,000**	**726,937**	**756,487**

Appendix C – Pavement and Surfacing Renewal Programme

Road Name	TL start	TL end	Length	Area	Width	Classification	Existing Surface	Surface Date	Design Life	Age	Remaining Life	24/25	25/26	26/27
ARAKOTIPU BLVD	17	480	463	3535	7.63	ACCESS	Asphaltic concrete	15/02/2006	20	18	2	RS		
ARAKOTIPU BLVD	487	617	130	988	7.60	ACCESS	Asphaltic concrete	15/02/2006	20	18	2	RS		
BALNEAVIS PL	3	92	89	525	5.90	LOW VOLUME	Void fill seal	15/02/2003	12	21	-9	RS		
BUCHANAN ST	224	437	213	1640	7.70	ACCESS	Single Coat Seal	25/12/2012	18	11	7			RS
CHURCH ST	660	876	216	2593	12.00	ARTERIAL	Asphaltic concrete	15/02/2005	13	19	-6			TAC
CHURCH ST	876	898	22	265	12.04	ARTERIAL	Asphaltic concrete	15/02/2005	13	19	-6	TAC		
CHURCH ST	898	1000	102	1234	12.10	ARTERIAL	Asphaltic concrete	25/12/2012	13	11	2	TAC		
CHURCH ST	1025	1100	75	908	12.10	ARTERIAL	Asphaltic concrete	25/12/2012	13	11	2	TAC		
CHURCH/ELLIOTT RAB	0	50	50	425	8.50	PRIMARY COLLECTOR	Asphaltic concrete	15/02/2005	14	19	-5	TAC		
COAST VIEW ROAD (EX WALKER RD EXT)	3	376	373	1828	4.90	LOW VOLUME	Void fill seal	12/02/2015	12	9	3			RS
CROOKED RD	15	743	728	4732	6.50	SECONDARY COLLECTOR	Two Coat Seal	15/02/2011	16	13	3	RS		
DIP RD	3	1761	1758	10525	5.98	SECONDARY COLLECTOR	Single Coat Seal	25/12/2011	16	12	4			RS
DUKE ST	12	221	209	1212	5.80	ACCESS	Void fill seal	15/02/2008	11	16	-5			PROJ

Road Name	TL start	TL end	Length	Area	Width	Classification	Existing Surface	Surface Date	Design Life	Age	Remaining Life	24/25	25/26	26/27
DUKE ST	221	414	193	1119	5.80	ACCESS	Void fill seal	15/02/2008	11	16	-5			PROJ
DUKE ST	414	561	147	980	6.66	ACCESS	Void fill seal	15/02/2001	11	23	-12			PROJ
EDNA PL	6	88	82	590	7.20	LOW VOLUME	Void fill seal	15/02/2005	11	19	-8	RS		
ELLIOTT ST CARPARK (RP131 RHS)	15	65	50	670	13.40	CARPARK	Single Coat Seal	15/02/1985	14	39	-25	RS5		
FISHER PL	3	57	54	416	7.70	LOW VOLUME	Void fill seal	15/02/2004	12	20	-8			RS
FISHER PL	57	87	30	231	7.70	LOW VOLUME	Single Coat Seal	25/12/2011	20	12	8			RS
FRASER RD	1500	1843	343	1955	5.70	ACCESS	Two Coat Seal	15/02/2011	2	13	-11		RS	
GOW RD	22	575	553	3816	6.90	SECONDARY COLLECTOR	Single Coat Seal	6/04/2016	14	8	6			RHAB
GOW RD	575	1391	816	5630	6.90	SECONDARY COLLECTOR	Single Coat Seal	6/04/2016	14	8	6		RHAB	RS
GOW RD	1511	1816	305	1586	5.20	ACCESS	Single Coat Seal	1/03/2007	16	17	-1			RS
HUKUWAI BEACH RESERVE ACCESS	23	242	219	788	3.60	PARKS/RESERVE	Two Coat Seal	15/02/2000	3	24	-21	RS		
HUKUWAI BEACH RESERVE SLIP #1	18	84	66	224	3.40	PARKS/RESERVE	Two Coat Seal	15/02/2000	3	24	-21	RS		
HUKUWAI BEACH RESERVE SLIP #2	10	215	205	636	3.10	PARKS/RESERVE	Two Coat Seal	15/02/2000	3	24	-21	RS		
KING ST	120	205	85	1063	12.50	SECONDARY COLLECTOR	Two Coat Seal	15/02/2015	14	9	5			RS
KING ST CARPARK (RP550 RHS)	10	53	43	404	9.40	CARPARK	Asphaltic concrete	15/02/2000	20	24	-4			RS

Road Name	TL start	TL end	Length	Area	Width	Classification	Existing Surface	Surface Date	Design Life	Age	Remaining Life	24/25	25/26	26/27
KUTARERE WHARF RD	184	1206	1022	5621	5.50	ACCESS	Single Coat Seal	29/03/1999	18	25	-7	RS		
MAXWELL RD	3	200	197	867	4.40	LOW VOLUME	Single Coat Seal	1/03/2007	20	17	3		RS	
MCCARTHY RD	2	1390	1388	8050	5.80	ACCESS	Void fill seal	15/02/2002	11	22	-11			RS
MOTU RD	2291	2710	419	2724	6.50	SECONDARY COLLECTOR	Single Coat Seal	15/02/2005	18	19	-1	RS		
MOTU RD	2710	3250	540	3375	6.24	SECONDARY COLLECTOR	Single Coat Seal	15/02/2005	18	19	-1	RS		
MOTU RD	3250	4480	1230	7626	6.20	SECONDARY COLLECTOR	Single Coat Seal	15/02/2005	18	19	-1	RS		
MOTU RD	4480	4963	483	2995	6.20	SECONDARY COLLECTOR	Single Coat Seal	15/02/2005	18	19	-1	RS		
MOTU RD	4963	4986	23	127	5.50	ACCESS	Single Coat Seal	15/02/2005	18	19	-1	RS		
MURIWAI BLVD	4	267	263	1736	6.60	ACCESS	Asphaltic concrete	15/02/2006	20	18	2		RS	
OHIWA BEACH RD	734	2020	1286	7297	5.67	ACCESS	Single Coat Seal	15/02/2005	16	19	-3			RHAB
OHIWA HARBOUR RD	1999	2060	61	354	5.80	ACCESS	Single Coat Seal	30/03/1999	16	25	-9	RS		
OHIWA LOOP RD	4	529	525	3413	6.50	ACCESS	Void fill seal	4/04/2016	11	8	3			RS
OHIWA LOOP RD	529	1550	1021	6637	6.50	ACCESS	Single Coat Seal	30/03/1999	18	25	-7	RS		
OHIWA LOOP RD	1550	2872	1322	8593	6.50	ACCESS	Single Coat Seal	30/03/1999	18	25	-7		RS	

Road Name	TL start	TL end	Length	Area	Width	Classification	Existing Surface	Surface Date	Design Life	Age	Remaining Life	24/25	25/26	26/27
OHIWA LOOP RD BOATRAMP CARPARK	0	50	50	815	16.30	CARPARK	Single Coat Seal	30/03/1999	20	25	-5		RS	
OMARUMUTU RD	1495	2780	1285	8208	6.38	ACCESS	Single Coat Seal	15/02/2004	18	20	-2		RS	
OMARUMUTU RD	2780	3878	1098	7018	6.39	ACCESS	Single Coat Seal	15/02/2004	18	20	-2		RS	
OMARUMUTU RD	3878	4775	897	5382	6.00	ACCESS	Single Coat Seal	15/02/2008	20	16	4			RS
OTARA EAST RD	0	1444	1444	8953	6.20	ACCESS	Two Coat Seal	25/02/2015	16	9	7			RS
OTARA RD	27	441	414	2981	7.20	SECONDARY COLLECTOR	Single Coat Seal	13/03/2017	16	7	9			RS
OTARA RD	441	600	159	1145	7.20	SECONDARY COLLECTOR	Sandwich Seal	5/04/2016	9	8	1			RS
OTARA RD	766	1175	409	2945	7.20	SECONDARY COLLECTOR	Sandwich Seal	5/04/2016	9	8	1			RS
OTARA RD	1175	1237	62	533	8.60	SECONDARY COLLECTOR	Sandwich Seal	5/04/2016	10	8	2			RS
OTARA RD	1237	1610	373	2387	6.40	SECONDARY COLLECTOR	Sandwich Seal	5/04/2016	10	8	2			RS
OTARA RD	1610	1990	380	2432	6.40	SECONDARY COLLECTOR	Sandwich Seal	5/04/2016	10	8	2	RHAB	RS	
OTARA RD	1990	2490	500	3200	6.40	SECONDARY COLLECTOR	Sandwich Seal	5/04/2016	10	8	2		RS	
OTARA RD	9138	9164	26	140	5.40	ACCESS	Single Coat Seal	15/02/2004	18	20	-2	RS		

Road Name	TL start	TL end	Length	Area	Width	Classification	Existing Surface	Surface Date	Design Life	Age	Remaining Life	24/25	25/26	26/27
OTARA RD	9164	9202	38	144	3.80	ACCESS	Single Coat Seal	15/02/1985	18	39	-21	RS		
OTARA RD	9202	10127	925	5818	6.28	ACCESS	Single Coat Seal	15/02/2004	18	20	-2	RS		
PETERSEN PL	3	176	173	1021	5.90	LOW VOLUME	Void fill seal	15/02/2011	12	13	-1		RS	
PILE RD	10	371	361	1986	5.50	ACCESS	Two Coat Seal	15/02/2003	2	21	-19	RS		
PILE RD	371	500	129	568	4.40	LOW VOLUME	Two Coat Seal	15/02/2003	2	21	-19	RS		
SEDGEWICK RD	13	367	354	2251	6.35	ACCESS	Void fill seal	15/02/2004	11	20	-9		RS	
SEDGEWICK RD	367	442	75	488	6.50	ACCESS	Void fill seal	15/02/2004	11	20	-9		RS	
SEDGWICK RD EXTENSION	3	71	68	517	7.60	ACCESS	Void fill seal	15/02/2004	11	20	-9	RS		
SNELL RD	0	777	777	3885	5.00	ACCESS	Single Coat Seal	1/03/2018	18	6	12	RHAB	RS	
TABLELANDS RD	4	674	670	4355	6.50	SECONDARY COLLECTOR	Single Coat Seal	6/04/2016	16	8	8			RS
TABLELANDS RD	2808	4981	2173	11993	5.51	ACCESS	Void fill seal	15/02/2011	11	13	-2		RS	
TABLELANDS RD	4981	7736	2755	14051	5.10	ACCESS	Single Coat Seal	25/12/2013	20	10	10			RS
TE KAHA HOTEL RD	108	167	59	437	7.40	ACCESS	Two Coat Seal	15/02/2008	2	16	-14	RS		
TIROHANGA RD	605	855	250	1483	5.93	ACCESS	Single Coat Seal	1/03/2007	16	17	-1		RS	
TIROHANGA RD	855	2194	1339	8034	6.00	ACCESS	Void fill seal	15/02/2011	11	13	-2	RS		

Road Name	TL start	TL end	Length	Area	Width	Classification	Existing Surface	Surface Date	Design Life	Age	Remaining Life	24/25	25/26	26/27
TIROHANGA RD	2194	5050	2856	15511	5.43	ACCESS	Single Coat Seal	1/03/2007	18	17	1		RS	
TRAVIS PL	11	90	79	427	5.40	LOW VOLUME	Void fill seal	19/01/1998	12	26	-14	RS		
UNION ST	567	730	163	962	5.90	ACCESS	Void fill seal	18/04/2017	11	7	4		RHAB	RS
UNION ST	730	779	49	289	5.90	ACCESS	Void fill seal	18/04/2017	11	7	4		RHAB	RS
VERRALL RD	1200	2490	1290	8385	6.50	ACCESS	Single Coat Seal	15/02/2001	18	23	-5	RS		
VERRALL RD	2490	4492	2002	13013	6.50	ACCESS	Single Coat Seal	15/02/2002	18	22	-4	RS		
VIEW RD	5	211	206	1555	7.54	ACCESS	Void fill seal	15/02/2002	11	22	-11			RS
WAIOTAHI BEACH SURF CLUB ACCESS	6	370	364	2002	5.50	PARKS/RESERVES	Two Coat Seal	15/02/2000	3	24	-21		RS	
WAIOTAHI DRIFTS BLVD	65	502	437	3450	7.89	ACCESS	Asphaltic concrete	15/02/2006	20	18	2			RS
WAIOTAHI DRIFTS BLVD	509	757	248	1924	7.75	ACCESS	Asphaltic concrete	15/02/2006	20	18	2			RS
WAIOTAHI RIVER ESTUARY RESERVE	12	155	143	836	5.84	PARKS/RESERVE	Two Coat Seal	15/02/2005	3	19	-16			RS
WAIOTAHI VALLEY RD	141	770	629	4089	6.50	SECONDARY COLLECTOR	Single Coat Seal	14/03/2017	16	7	9	RS		
WAIRAKAIA RD	13	113	100	540	5.40	LOW VOLUME	Single Coat Seal	15/02/2006	18	18	0			RS
WELLINGTON ST	0	125	125	938	7.50	LOW VOLUME	Single Coat Seal	15/02/2009	18	15	3			RS
WELLINGTON ST	135	334	199	1930	9.70	SECONDARY COLLECTOR	Single Coat Seal	15/02/2009	16	15	1	RS		

Road Name	TL start	TL end	Length	Area	Width	Classification	Existing Surface	Surface Date	Design Life	Age	Remaining Life	24/25	25/26	26/27
WELLINGTON ST	773	816	43	417	9.70	PRIMARY COLLECTOR	Asphaltic concrete	15/02/2002	18	22	-4			TAC
WHAKAARI RD	7	153	146	1139	7.80	LOW VOLUME	Single Coat Seal	15/02/2004	18	20	-2	RS		
WOODLANDS CEMETERY ACCESS	3	359	356	1732	4.86	PARKS/RESERVE	Two Coat Seal	15/02/2005	3	19	-16		RS	
WOODLANDS RD	3700	6847	3147	18170	5.77	ACCESS	Void fill seal	15/02/2001	11	23	-12		RS	
WOODLANDS RD	6847	6881	34	184	5.40	ACCESS	Single Coat Seal	18/11/1987	12	36	-24		RS	

Three Waters Asset Management Plan

1. Introduction

1.1. Council Overview

Ōpōtiki district is bounded on one long side by the eastern half of the Bay of Plenty embayment of the Pacific Ocean and on the other long side by the Raukumara mountain range which rises to 1754 m at Mt. Hikurangi. The largest town in the district is Ōpōtiki and the largest river is the Motu river. The economy is driven primarily by agriculture with over 400 farms amounting to a total area of 75,660 hectares.

Ōpōtiki District encompasses an area of **310,100** hectares.
3 major waterways (Motu River, Otara River and the Waioeka River).
10,550 (estimated population at 30 June 2023).

1.2 Community Outcomes

- Development and protection of the natural environment
- Services and facilities meet our needs
- Fair and efficient leadership
- A strong and effective community spirit
- Purposeful work and learning opportunities
- Development supports the community
- Culture and history are treasured
- Contribution to community outcomes:
- **Water Supply** – safe, reliance, cost effective drinking water
- **Wastewater** - protect public health, property and environment
- **Stormwater** - protect public health, property and environment

1.3 Challenges

THREE WATERS

- Provide for growth
- Maintain level of service
- Protect the environment and public health
- Ageing Infrastructure
- Effective life cycle management.

WATER SERVICES

- Allow for harbour development
- Protect public health
- Comply with legislation

WASTEWATER

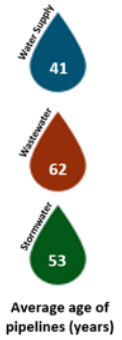
- Move vulnerable assets out of areas of potential inundation
- Mitigate risk of asset failure
- Reduce inflow and infiltration
- Climate change.

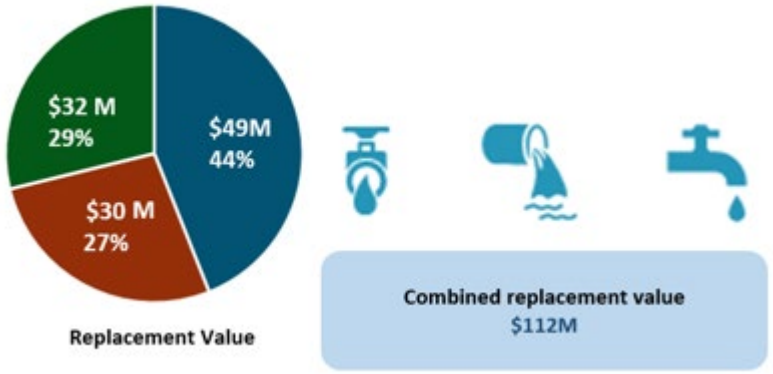
STORMWATER

- Protect against inundation
- Address climate change.

1.4 Key Facts and Figures

	Area	3,089 km^2
	Population	10,550 - (2022)
	Residential properties	4,239 - (2018)
	Non-residential properties	0 - (2018)





1.5 Data Confidence and Reliability

Overall Rating for ODC is B (Medium) - Data based on sound record, procedures, investigations and analysis which is properly documented, but has minor shortcomings for example data is old, some documentation is missing, and reliance is placed on unconfirmed reports. Asset condition data is very low, ODC is actively working on increasing this data set. Current decisions for renewals are based on asset life, performance and operational knowledge within ODC.

Dataset	Asset Register	Asset Valuations	Asset Condition	Asset Criticality	LOS	Performance measures	Resource Consents	Demand Projections	Risk and Resilience	CAPEX Forecast	OPEX Forecast	Renewals
WS	B	C	B	C	B	C	B	C	D	B	B	B
WW	B	C	B	C	B	C	B	C	D	B	B	B
SW	C	C	D	D	C	D	B	C	D	B	B	C

A - Very High	B - High	C - Medium	D- Low	E - Very Low

2.0 Partnerships and stakeholders

2.1 Mana Whenua Engagement

Ōpōtiki District Council recognises mana whenua and the important role Māori play in Council's decision-making processes and aim to build and grow mutually beneficial, positive relationships with iwi and hapū situated within the Opotiki District.

On 27 May 2023 the signing of Te Whakatōhea's deed settlement occurred. Te Whānau a Apanui also initialled a deed of settlement in late 2023, and Ngai Tai have begun their treaty settlement process also. These are historic milestones for the rohe and Council looks forward to playing a supporting role for our district's Iwi.

The aspirations of our local iwi and opportunities enabled by settlement will play a significant role in the development and growth of the Ōpōtiki district over the next ten years. Currently we engage with iwi on an as required basis as there is no formalised partnership yet between Council and iwi.

2.2 Key Customers and Stakeholders

The Three Waters activities exists to meet the needs and requirements of customers, partners and key stakeholders. The table below identified the areas of interests, expectations and involvements of this group.

Customers/Stakeholders	Area of Interest	Involvement/Expectations
Home owners; businesses; organisations; health and medical facilities; education facilities; community groups; tourists and visitors	Water, wastewater, stormwater usage	These customers realise the benefits of provided by the water supply, wastewater and stormwater activities
Iwi	Te Mana o te Wai Iwi & Hapū cultural heritage	All water to be respected and mauri of water to be protected and enhanced
Bay of Plenty Regional Council	Development, usage and discharge plans	Administers and enforces effective resource management in the Bay of Plenty region. Applications are processed through Bay of Plenty Regional Council.
Taumata Arowai / Ministry of Health	Drinking water safety	Compliance with drinking water standards and regulations
Audit New Zealand	Compliance and financial regulation	Carries out annual audits of Council on the Auditor-General's behalf to give ratepayers assurance that Council is appropriately reporting on how they spend public money and on the services they have provided.

Customers/Stakeholders	Area of Interest	Involvement/Expectations
Other Government agencies; Ratepayers Associations; Environmental groups; Fish and Game	Development, usage and discharge plans	These groups liaise with Council in relation to three waters services. Affected parties to Council's resource consents.
Other utility providers	Operations, performance and management of works	New Zealand Utilities Advisory Group (NZUAG) requirements for co-ordinating networks.
Bay of Plenty Emergency Management /Civil Defence	Emergency Operations	In the event of a Civil Defence emergency they provide advice and work alongside emergency services, lifeline utilities and government departments.
Elected Members; Committees; CEO, Management and Staff	Performance and management of services	Key internal stakeholders responsible for the management and operation of the Three Waters system.

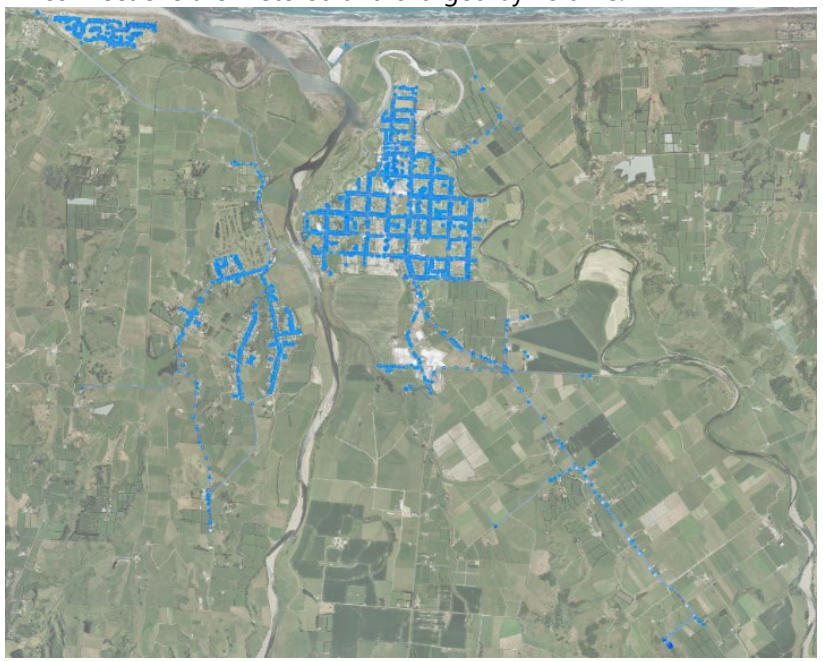
3.0 Our services and assets we manage

3.1.1 Water Supply

We manage three water supply schemes which serve approximately 60% of the Ōpōtiki District population. The largest scheme with about 2,175 connections, services Ōpōtiki and Hukutaia. There are two smaller schemes which service Te Kaha (220 connections) and Ōhiwa (17 connections). Treatment varies between schemes, with both Ōpōtiki /Hukutaia and Te Kaha chlorinated and treated with UV disinfection. None of the water supplies are fluoridated.

- multiple groundwater and infiltration wells
- 3 treatment plants, 4 pump stations, 9 water storage sites
- approximately 112 km water supply pipelines

All connections are metered and charged by volume.



Ōpōtiki Water Supply Network

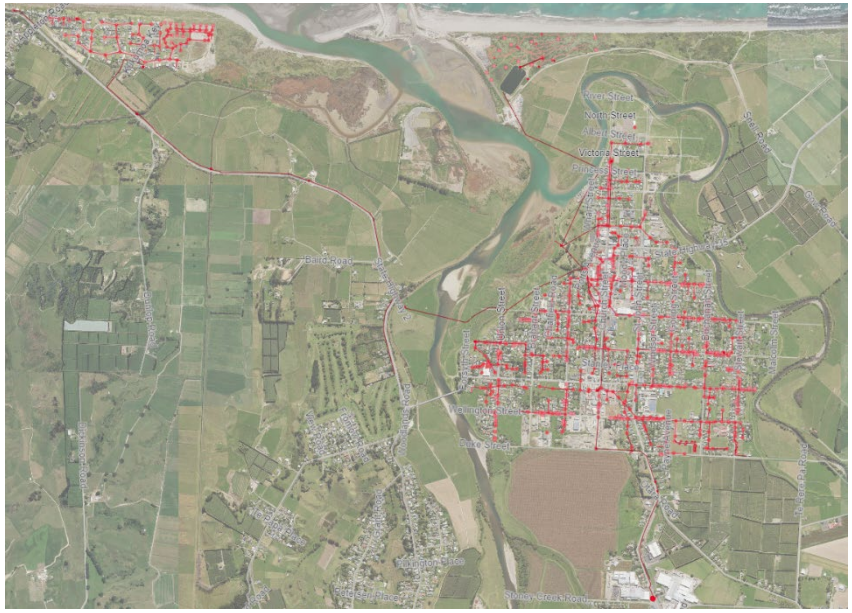
Ōhiwa Water Supply Network

Te Kaha Water Supply Network

3.1.2 Wastewater

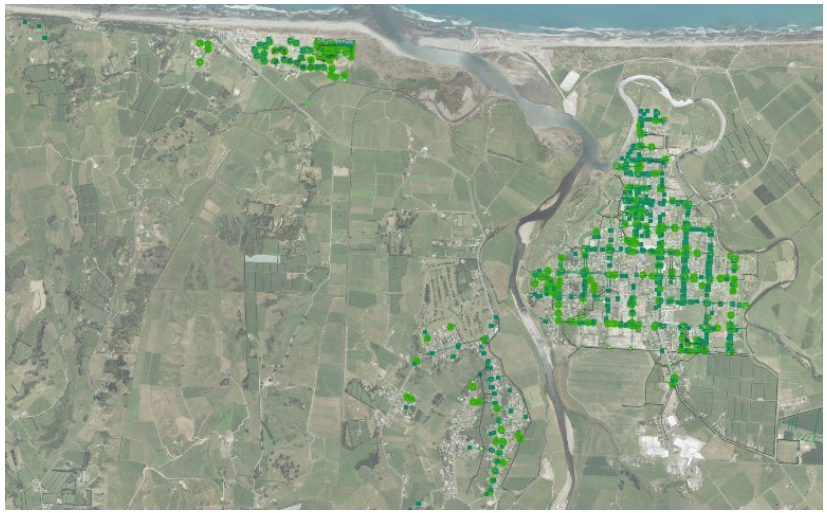
We manage two wastewater schemes in Ōpōtiki/Hukutaia (~1,400 connections) and Waihau Bay (~30 connections) which equates to about one third of the district's population. There are plans to expand the wastewater scheme to service the Hukutaia growth area.

- one treatment plant at Ōpōtiki with primary and secondary treatment and disposal to land
- one septic tank at Waihau Bay with disposal to land
- about 46 km wastewater pipelines



Ōpōtiki Wastewater Network

Waihau Bay Wastewater Network



Ōpōtiki Stormwater Network

3.1.3 Stormwater

We manage the urban stormwater network in Ōpōtiki which interfaces with the Bay of Plenty Regional Council flood protection scheme. Approximately two thirds of Ōpōtiki's stormwater is discharged into Tarawa Creek.

- 12 pump stations
- 21 flood gates
- 2 wetlands
- 29 km of stormwater pipelines
- 20 km of open drains

3.2 State of the assets – Water Supply

3.2.1 Asset Quality and Values

The latest asset valuations are shown in the table below. (Three Waters Infrastructure Valuation, Beca Projects NZ Limited, Feb 2023). This valuation was completed in accordance with Public Benefit Entities International Public Sector Accounting Standards 17, Property, Plant and Equipment.

Asset	Quantity	Unit	Replacement Cost	Depreciated Replacement Cost	Annual Depreciation
Pipework	109861.75	m	$ 38,543,333	$ 26,156,263	$ 443,468
Hydrants	323	No.	$ 675,763	$ 351,174	$ 11,421
Valves	592	No.	$ 832,547	$ 465,032	$ 16,034
Toby	2402	No.	$ 1,400,531	$ 139,590	$ 15,822
Intakes	4	No.	$ 56,691	$ 29,119	$ 1,646
Electrical and controls	98	No.	$ 1,131,149	$ 520,580	$ 39,126
Treatment Plant	382	No.	$ 5,462,173	$ 3,809,759	$ 114,331
Storage	16	No.	$ 1,036,835	$ 474,585	$ 15,182
Other	1	No.	$ 6,020.80	$ 4,735.11	$ 75.26
Total			$ 49,145,043	$ 31,950,838	$ 657,104

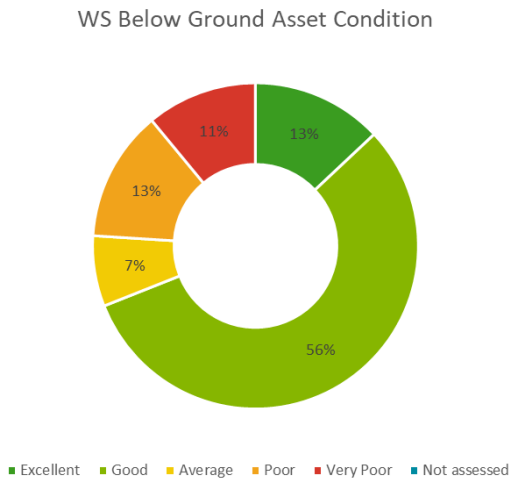
Depreciated values have been calculated using the optimised depreciated replacement cost (ODRC) method where asset optimisation and residual ODRC values have been considered. The valuation was completed via the Council's Univerus asset management database.

There was an overall movement of 19% between the 2020 and 2022 valuations. The majority of the valuation movement was due to minor depreciation method changes, changes in the unit costs, the net value of additions and deletions, renewals, the depreciation of asset values that existed as at 30 June 2020 and remaining useful life adjustments for assets in service that have reached and exceeded their base lives.

3.2.2 Asset Condition

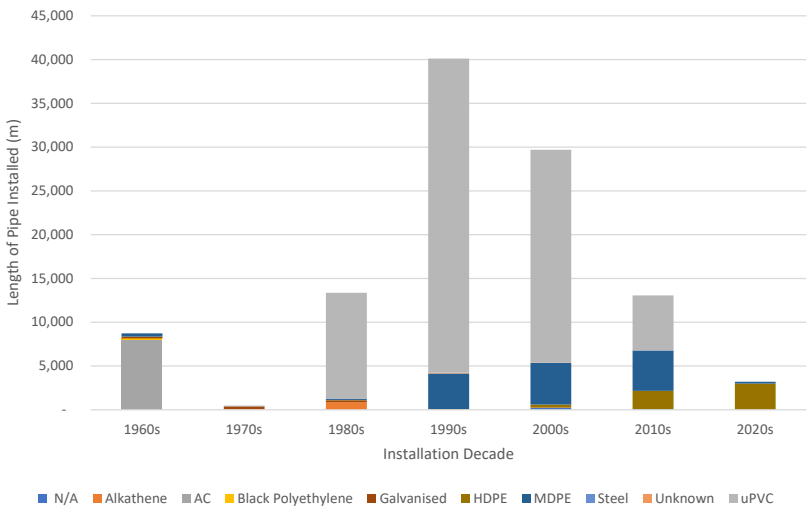
The International Infrastructure Management Manual provides guidance on assessing the condition of assets and approaches to grading the condition. In line with this, Council uses a condition grading system to identify the condition of assets at the group level. Using the system, the expected condition of assets is ranked from 1 (excellent) to 5 (very poor).

The following figure presents the condition distribution of the water supply assets. The majority of assets (76%) have a condition rating of average or better, with 13% of the asset base with a poor rating and 11% with a very poor rating.



3.2.3 Asset Age Profile

The figure below presents the installation of water supply mains by decades. Council monitors the remaining useful lives of its assets, this is directly linked to the installation dates and material type. Most of the network is comprised of asbestos-cement pipe. About 9km of water supply mains are over 50 years of age and nearing their respective useful lives.



3.2 4 List of Critical Assets

A Criticality Framework was developed to assign criticality to the three waters assets in Ōpōtiki District. The framework identifies critical assets which require condition information to inform their maintenance and renewal. The outcomes from the framework helps inform Asset Management Plans and Long Term Plan. The framework considers the following drivers:

- Health (sickness)
- Safety – staff & public (trauma)
- Loss of service (domestic)
- Key customers and business impacts
- Environment and Cultural
- Damage to property
- Damage and disruption to 3rd party utilities
- Compliance
- Complexity
- Financial on Council
- Image / Legal / Reputation

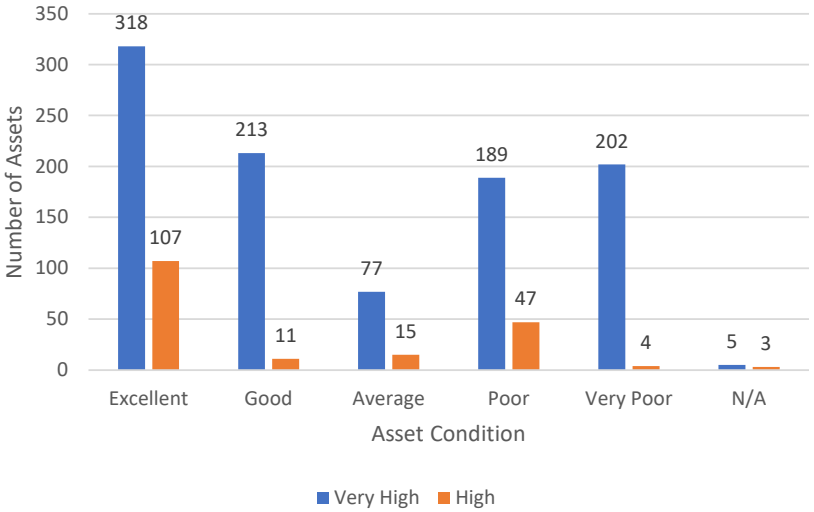
The table below lists the water supply assets with a High criticality rating and the drivers for the rating.

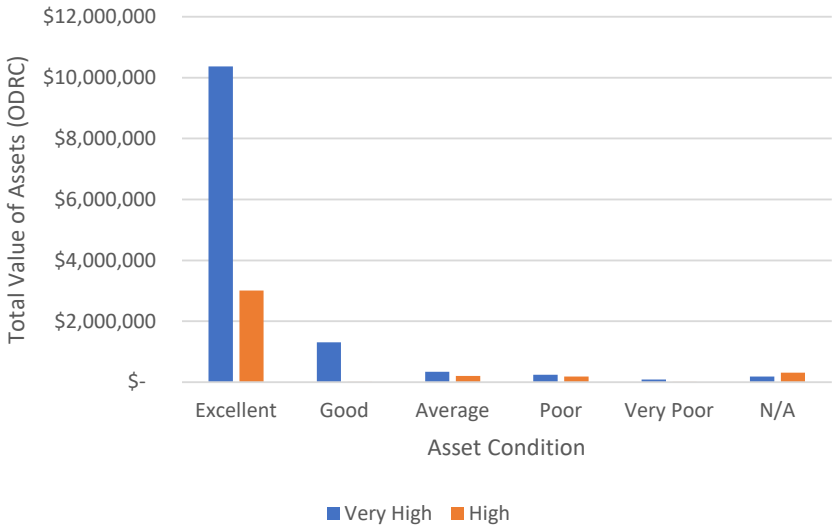
Water scheme	High	Drivers
Ōpōtiki	Water treatment plant	Loss of supply and health (sickness)
	Main 355mm Feed to Network	
	Primary Reservoir	Loss of supply
	SCADA System	Loss of supply and damage to property
	Water Quality Management	Health (sickness) and compliance
Te Kaha	Water treatment plant	Loss of supply
	Supply Line to Network	Loss of supply and complexity
	SCADA System	Loss of supply and damage to property
	Water Quality Management	Health (sickness) and compliance
Ohiwa	SCADA System	Loss of supply and damage to property
	Water Quality Management	Health (sickness) and compliance

3.2.5 Condition of Critical Assets

To monitor the condition of high critical water supply assets, techniques are identified based on the likely failure modes of specific assets. Inspections are scheduled and likely to become more frequent as the asset ages or as deterioration is noted. Analysis is undertaken using the measured deterioration to predict likely asset life with the intent to undertake pro-active renewal of the asset prior to failure.

The figures below provides condition distributions in asset numbers and values for water supply assets with a Very High and High Criticality rating.





3.2.6 Supporting commentary

No water supply assets have been identified with an extreme critical rating. The details of assets with criticality ratings can be found in the report: Asset Criticality Framework for 3 Waters, ProjectMax, (2022).

Assets with a Moderate rating are presented below.

Water scheme	Moderate	Drivers
Ōpōtiki	Water source with well pumps	Loss of service
	Water Source Boost Pumps	
	Raw water Rising Main	
	Hukuataia Booster Pumps	Loss of supply
	Hukuataia Reservoir	
	CBD	Damage to property and complexity
Te Kaha	Water source with submersible pumps	Loss of supply
	Reservoir	
Ōhiwa	Water source with submersible pumps	Loss of supply
	Water Treatment Plant / Reservoir	

3.3 State of assets – Wastewater

3.3.1 Asset Quantity and Values

The latest asset valuations are shown in the table below. (Three Waters Infrastructure Valuation, Beca Projects NZ Limited, Feb 2023). This valuation was completed in accordance with Public Benefit Entities International Public Sector Accounting Standards 17, Property, Plant and Equipment.

Asset	Quantity	Unit	Replacement Cost	Depreciated Replacement Cost	Annual Depreciation
Pipe (<160mm)	33,043	m	$ 12,607,180	$ 7,817,948	$ 146,192
Pipe (200-250mm)	3,687	m	$ 2,356,192	$ 1,852,421	$ 31,818
Pipe (375mm)	1,884	m	$ 1,838,210	$ 1,281,930	$ 20,425
Service Connections	1,416	No.	$ 3,888,336	$ 691,408	$ 48,604
Manholes	450	No.	$ 2,482,031	$ 1,035,424	$ 28,632
Electrical Controls	92	No.	$ 692,480	$ 319,905	$ 27,216
Treatment	245	No.	$ 5,420,889	$ 3,756,458	$ 111,117
Other	59	No.	$ 1,111,164	$ 786,470	$ 13,630
Total			$ 30,396,481	$ 17,541,963	$ 427,633

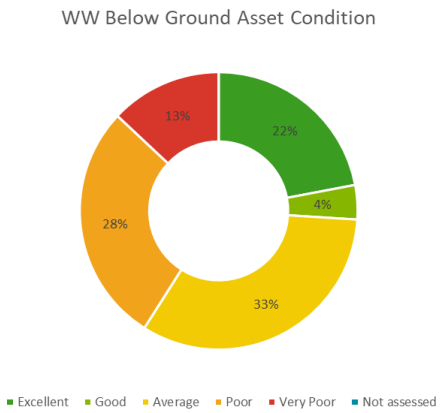
Depreciated values have been calculated using the optimised depreciated replacement cost (ODRC) method where asset optimisation and residual ODRC values have been considered. The valuation was completed via the Council's Univerus asset management database.

There was an overall movement of 19% between the 2020 and 2022 valuations. The majority of the valuation movement was due to minor depreciation method changes, changes in the unit costs, the net value of additions and deletions, renewals, the depreciation of asset values that existed as at 30 June 2020 and remaining useful life adjustments for assets in service that have reached and exceeded their base lives.

3.3.2 Asset Condition

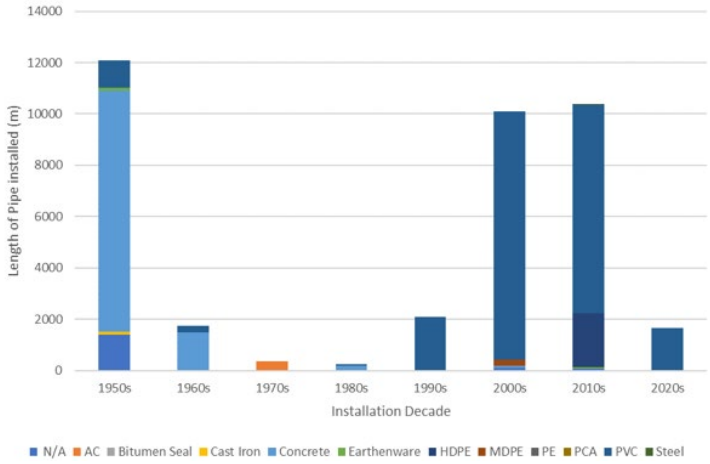
The International Infrastructure Management Manual provides guidance on assessing the condition of assets and approaches to grading the condition. In line with this, Council uses a condition grading system to identify the condition of assets at the group level. Using the system, the expected condition of assets is ranked from 1 (excellent) to 5 (very poor).

The following figure presents the condition distribution of the water supply assets. More than half of assets (59%) have a condition rating of average or better, with 28% of the asset base with a poor rating and 13% with a very poor rating.



3.3.3 Asset Age Profile

The figure below presents the installation of wastewater mains by decades. Council monitors the remaining useful lives of its assets, this is directly linked to the installation dates and material type. About 14km of wastewater mains are over 50 years of age and nearing their respective useful lives. Older pipes are mainly concrete.



3.3.4 List of Critical Assets

A Criticality Framework was developed to assign criticality to the three waters assets in Ōpōtiki District. The framework identifies critical assets which require condition information to inform their maintenance and renewal. The outcomes from the framework helps inform Asset Management Plans and Long Term Plan. The framework considers the following drivers:

- Health (sickness)
- Safety – staff & public (trauma)
- Loss of service (domestic)
- Key customers and business impacts
- Environment and Cultural
- Damage to property
- Damage and disruption to 3rd party utilities
- Compliance
- Complexity
- Financial on Council
- Image / Legal / Reputation

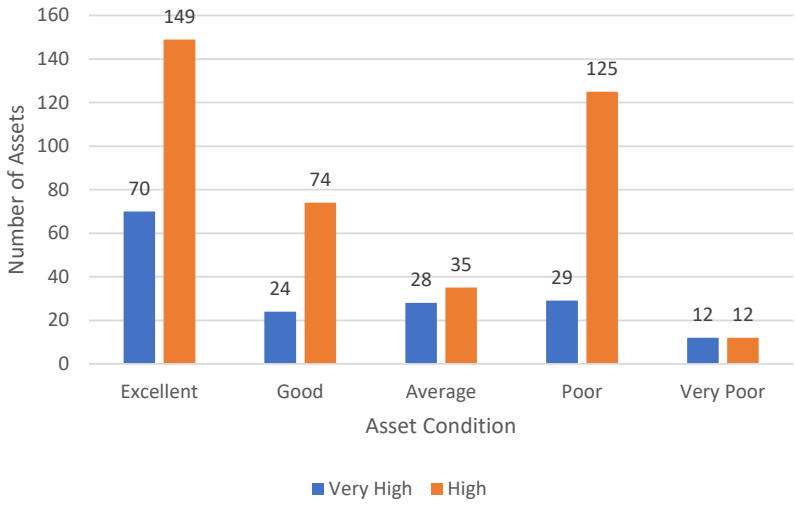
The following table lists the wastewater assets with a High criticality rating and the drivers for the rating.

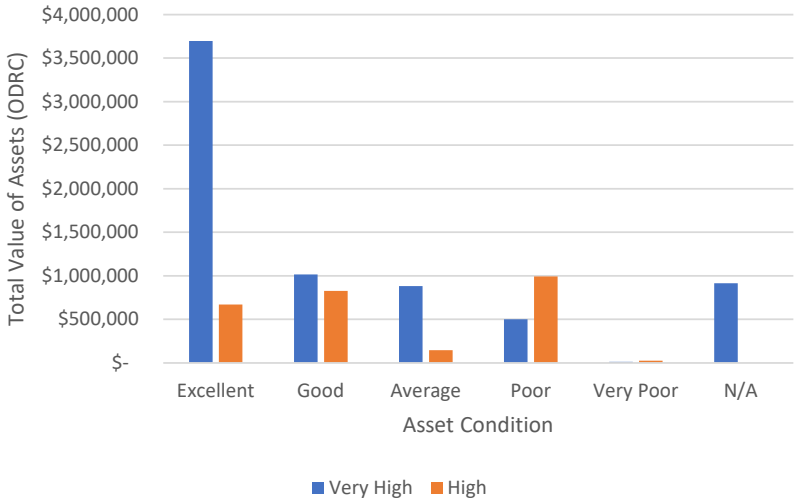
Wastewater scheme	High	Drivers
Ōpōtiki	River Crossings	Environmental
	Pump Stations (PS 1, 2 and 8)	Loss of service, environment, damage to property and key customers and business impacts
	Rising Mains (PS 1, 2 and 8)	
	SCADA System	Health (sickness), environment and compliance
	Water Quality Management	
Waihau Bay	SCADA System	Health (sickness), environment and compliance

3.3.5 Condition of Critical Assets

To monitor the condition of high critical wastewater assets, techniques are identified based on the likely failure modes of specific assets. Inspections are scheduled and likely to become more frequent as the asset ages or as deterioration is noted. Analysis is undertaken using the measured deterioration to predict likely asset life with the intent to undertake pro-active renewal of the asset prior to failure.

The figures below provides condition distributions in asset numbers and values for wastewater assets with a Very High and High Criticality rating.





3.3.6 Supporting commentary

No wastewater assets have been identified with an extreme critical rating.

The details of assets with criticality ratings can be found in the report: Asset Criticality Framework for 3 Waters, ProjectMax, (2022).

Assets with Moderate rating are presented below.

Wastewater scheme	High	Drivers
Ōpōtiki	Pump Stations (PS 1, 4, 5, 6 and 7)	Loss of service, environment, damage to property and key customers and business impacts
	Rising Mains (PS 1, 4, 5, 6 and 7)	
	Collection network	Damage (Property) and Loss of Service
	Key Customers	
Waihau Bay	Pump Station	Environment
	Disposal Field	Compliance, environment, complexity

3.4 State of the assets – Stormwater

3.4.1 Asset Quantity and Values

The latest asset valuations are shown in the table below. (Three Waters Infrastructure Valuation, Beca Projects NZ Limited, Feb 2023). This valuation was completed in accordance with Public Benefit Entities International Public Sector Accounting Standards 17, Property, Plant and Equipment.

Asset	Quantity	Unit	Replacement Cost	Depreciated Replacement Cost	Annual Depreciation
Open Drains	19755.76	m	$ 61,885	$ 19,358	$ 785
Culverts	904.26	m	$ 964,507	$ 649,705	$ 10,717
Pipe (<=150mm)	7202.61	m	$ 2,313,926	$ 1,330,821	$ 36,058
Pipe (180-250mm)	8729.63	m	$ 5,260,228	$ 3,524,675	$ 58,711
Pipe (>250mm)	16861.88	m	$ 17,893,376	$ 12,200,683	$ 200,588
Service Connections	1063.35	m	$ 378,234	$ 306,439	$ 4,203
Catchpits	527	No.	$ 1,566,902	$ 1,128,575	$ 18,404
Manholes	223	No.	$ 1,439,458	$ 1,007,185	$ 17,993
Electrical and controls	66	No.	$ 398,087	$ 246,175	$ 18,462
Inlet/outlet	66	No.	$ 391,497	$ 228,000	$ 6,440
Plant/Structures	114	No.	$ 1,538,984	$ 1,118,635	$ 33,363
Total			$ 32,207,084	$ 21,760,251	$ 405,723

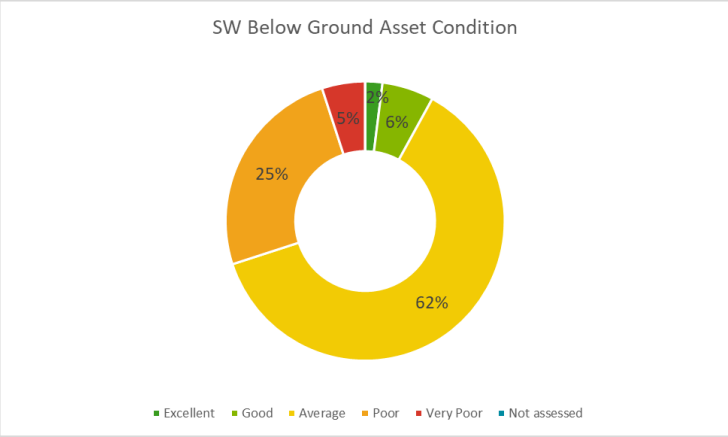
Depreciated values have been calculated using the optimised depreciated replacement cost (ODRC) method where asset optimisation and residual ODRC values have been considered. The valuation was completed via the Council's Univerus asset management database.

There was an overall movement of 19% between the 2020 and 2022 valuations. The majority of the valuation movement was due to minor depreciation method changes, changes in the unit costs, the net value of additions and deletions, renewals, the depreciation of asset values that existed as at 30 June 2020 and remaining useful life adjustments for assets in service that have reached and exceeded their base lives.

3.4.2 Asset Condition

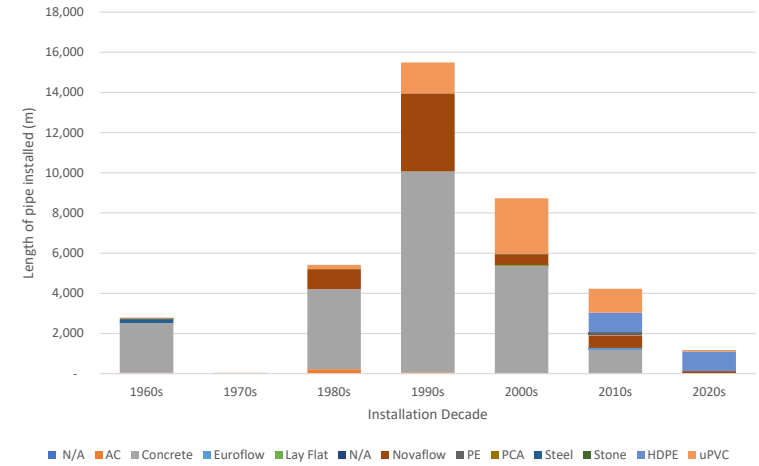
The International Infrastructure Management Manual provides guidance on assessing the condition of assets and approaches to grading the condition. In line with this, Council uses a condition grading system to identify the condition of assets at the group level. Using the system, the expected condition of assets is ranked from 1 (excellent) to 5 (very poor).

The following figure presents the condition distribution of the water supply assets. More than half of assets (70%) have a condition rating of average or better, with 25% of the asset base with a poor rating and 5% with a very poor rating.



3.4.3 Asset Age Profile

The figure below presents the installation of stormwater mains by decades. Council monitors the remaining useful lives of its assets, this is directly linked to the installation dates and material type. About 22km of stormwater mains are over 50 years of age and nearing their respective useful lives. Older pipes are mainly concrete.



3.4.4 List of Critical Assets

A Criticality Framework was developed to assign criticality to the three waters assets in Ōpōtiki District. The framework identifies critical assets which require condition information to inform their maintenance and renewal. The outcomes from the framework helps inform Asset Management Plans and Long Term Plan. The framework considers the following drivers:

- Health (sickness)
- Safety – staff & public (trauma)
- Loss of service (domestic)
- Key customers and business impacts
- Environment and Cultural
- Damage to property
- Damage and disruption to 3rd party utilities
- Compliance
- Complexity
- Financial on Council
- Image / Legal / Reputation

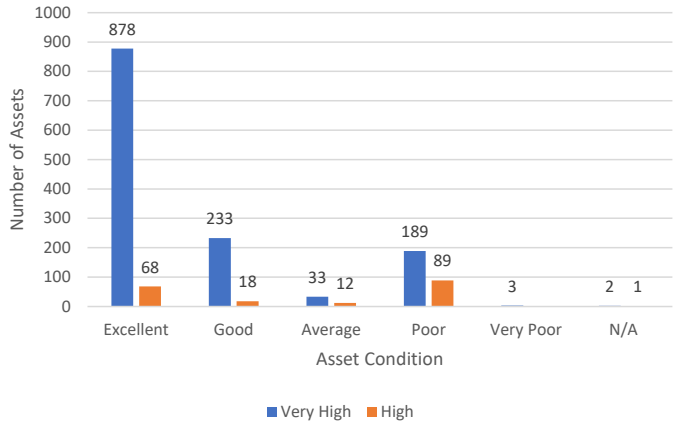
The following table lists the stormwater assets with a High criticality rating and the drivers for the rating.

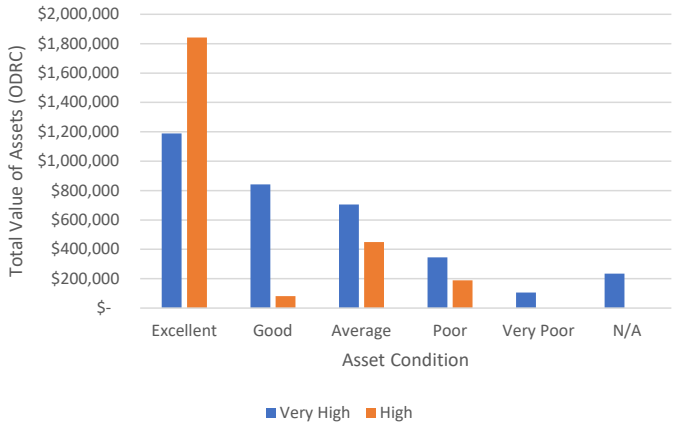
Criticality Ratings	Ōpōtiki Stormwater	Drivers
Extreme	Stopbanks	Damage to property and injury
High	Floodgates	Damage to property
	SCADA System	Damage to property

3.4.5 Condition of Critical Assets

To monitor the condition of high critical stormwater assets, techniques are identified based on the likely failure modes of specific assets. Inspections are scheduled and likely to become more frequent as the asset ages or as deterioration is noted. Analysis is undertaken using the measured deterioration to predict likely asset life with the intent to undertake pro-active renewal of the asset prior to failure.

The figures below provides condition distributions in asset numbers and values for stormwater assets with a Very High and High Criticality rating.





3.4.6 Supporting commentary

Reliable operation of the flood protection assets, e.g. stopbanks, floodgates is essential to the operation of the stormwater system. These are owned and maintained by Bay of Plenty Regional Council but their integrity is paramount to the safety and protection of district residents.

The details of assets with criticality ratings can be found in the report: Asset Criticality Framework for 3 Waters, ProjectMax, (2022).

Assets with Moderate rating are presented below.

Criticality Ratings	Ōpōtiki Stormwater	Drivers
Moderate	Bay of Plenty Regional Council interception drain and Pump Stations	Damage to property
	Overland Flow Paths	
	Open Drains	

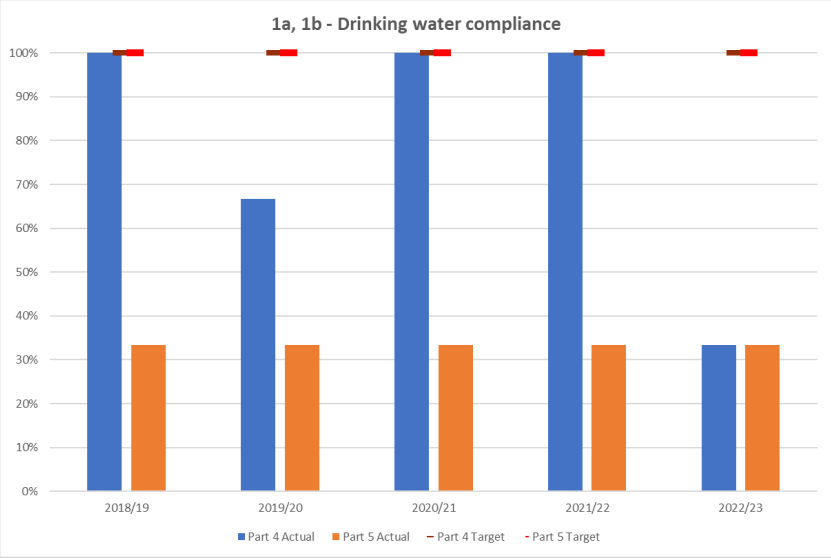
4.0 Current Level of Service and Performance – Water Supply

Water Supply (1a) and (1b) – Safety of drinking water

The figure below shows that Council drinking water supplies have not fully complied with the following criteria for the last five years:

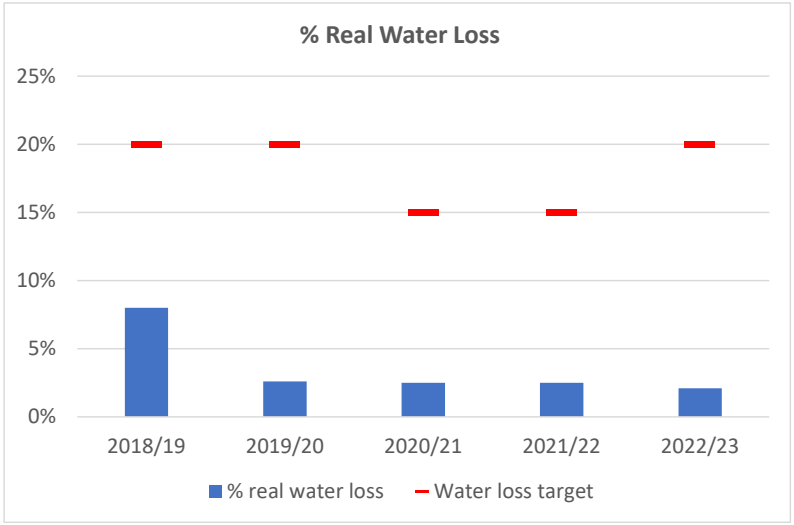
(a) part 4 of the drinking-water standards (bacteria compliance criteria), and

(b) part 5 of the drinking-water standards (protozoal compliance criteria)



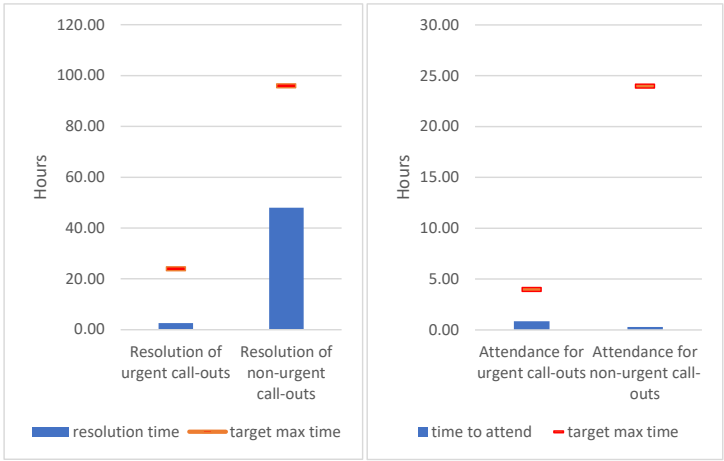
Water Supply (2) – Maintenance of the reticulation network

The figure below shows the percentage of real water loss from the Council's water networks. The loss has been well under the maximum target for the last five years. However, the actual values seems much lower than typical industry values and may require more investigation.



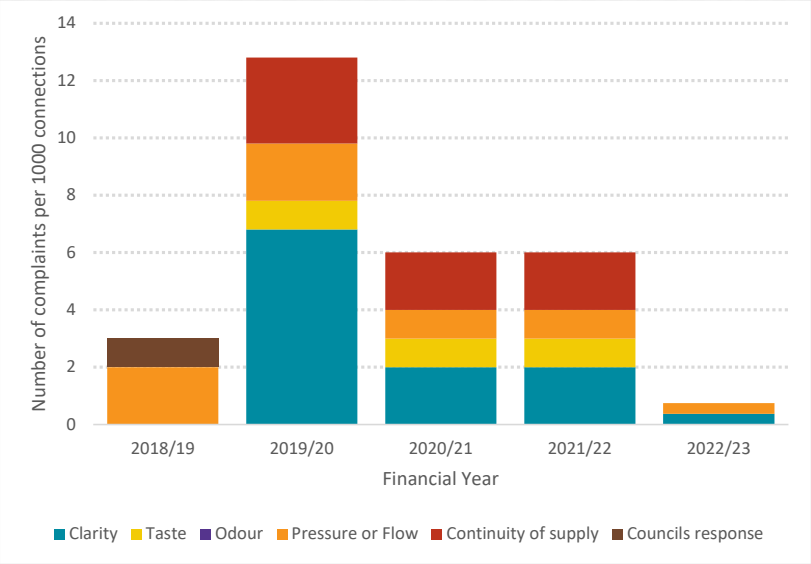
Water Supply (3) Fault Response Times

The figures below show the median times to attend and resolve call-out in response to a fault or unplanned interruption to the water supply system in 2022/23. Attendance and resolution times were all within target.



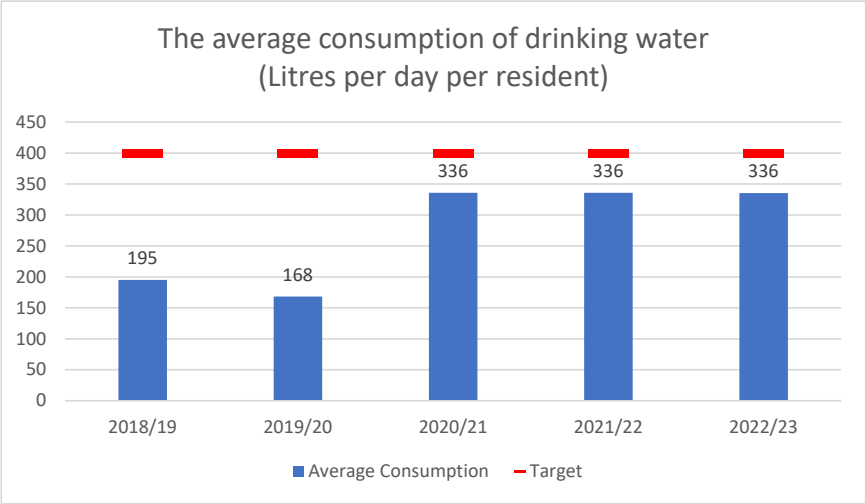
Water Supply (4) – Customer Satisfaction

The figure below shows the total number of complaints received by the Council regarding: (a) drinking water clarity, (b) drinking water taste, (c) drinking water odour, (d) drinking water pressure or flow, (e) continuity of supply, and (f) the local authority's response to any of these issues - expressed per 1000 connections to the Council's networked reticulation system. Overall complaints have decreased in recent years.



Water Supply (5) – Demand Management

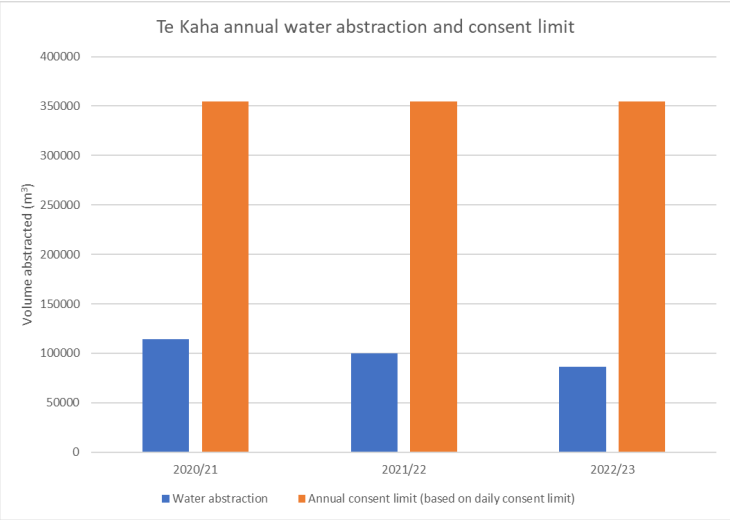
The figure below shows the average consumption of drinking water per day per resident with targets over the last five financial years. Average consumption has remained below the maximum target for the last five years.



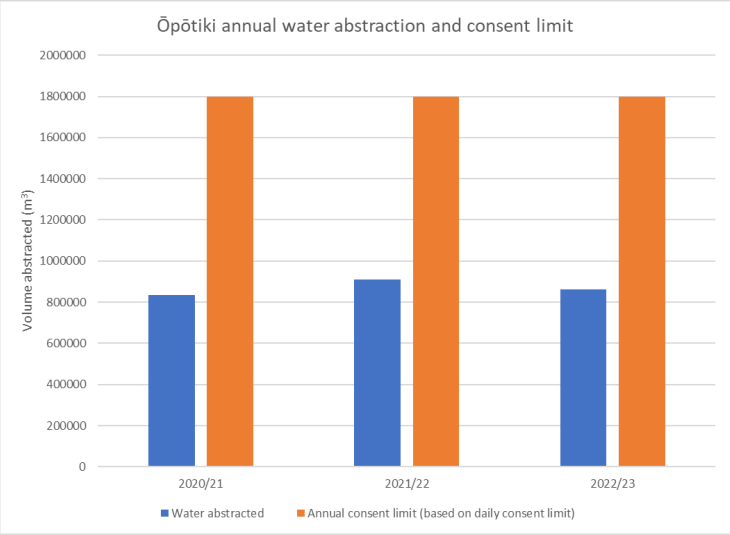
Water Supply (6) – Consents owned and expiry dates

Network	Consents	Expiry date
Ōpōtiki Town	68042 - Taking water from a bore for public supply located at Woodlands Road Ōpōtiki.	30/11/2024
	66501 - Taking water from two bores located at Clark Cross Road Ōpōtiki.	31/10/2045
Te Kaha	61174 - Taking of Water from shallow filter bed adjacent to the Puremutahuri Stream for the Te Kaha community supply.	31/09/2021

Water Supply (7a) – Water abstraction (Te Kaha)

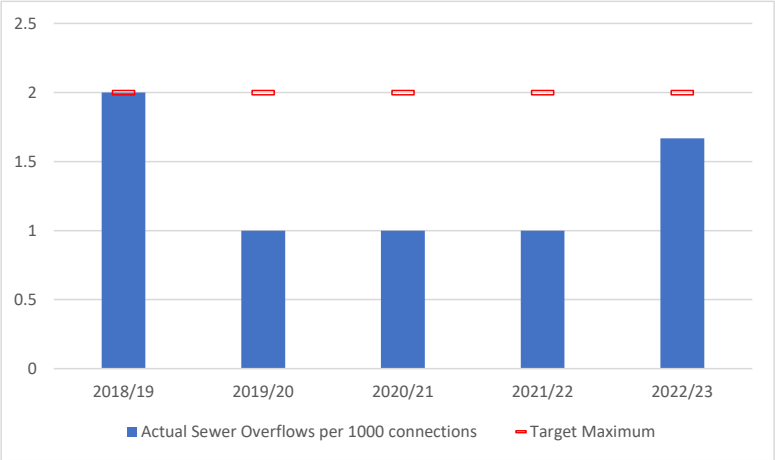


Water Supply (7b) – Water abstraction (Ōpōtiki)



4.0 Current Level of Service and Performance – Wastewater

The number of dry weather sewerage overflows from the Council's sewerage system (expressed per 1000 sewerage connections) for the last five years has been lower than the maximum target.



Wastewater (2) – Discharge Compliance

With regard to the following Mandatory Performance Measure reported in Council Annual Reports:

Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:

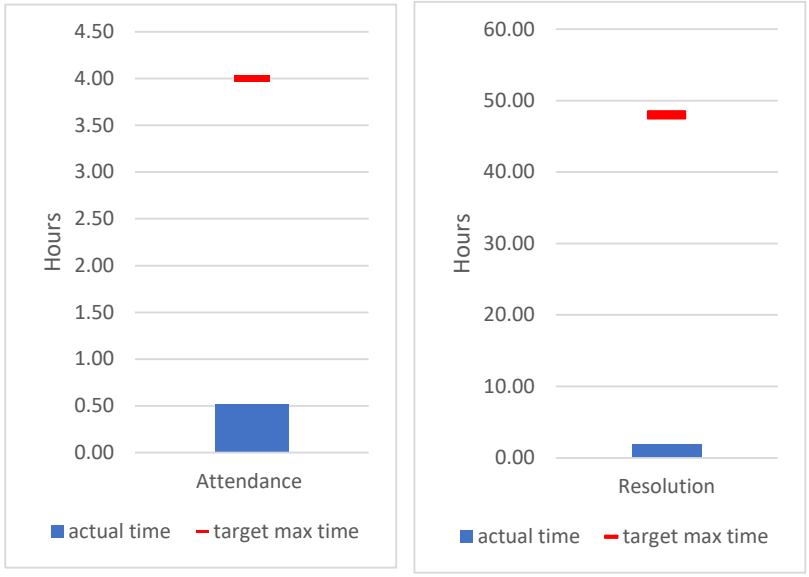
- Abatement notices
- Infringement notices
- Enforcement orders
- Convictions

Received by the territorial authority in relation to those resource consents.

Ōpōtiki District Council received an abatement notice with regards to discharges from the Ōpōtiki township effluent overflow pond breaching the number of allowable days discharging to the receiving environment (between the period of 1 November 2021 to 31 October 2022).

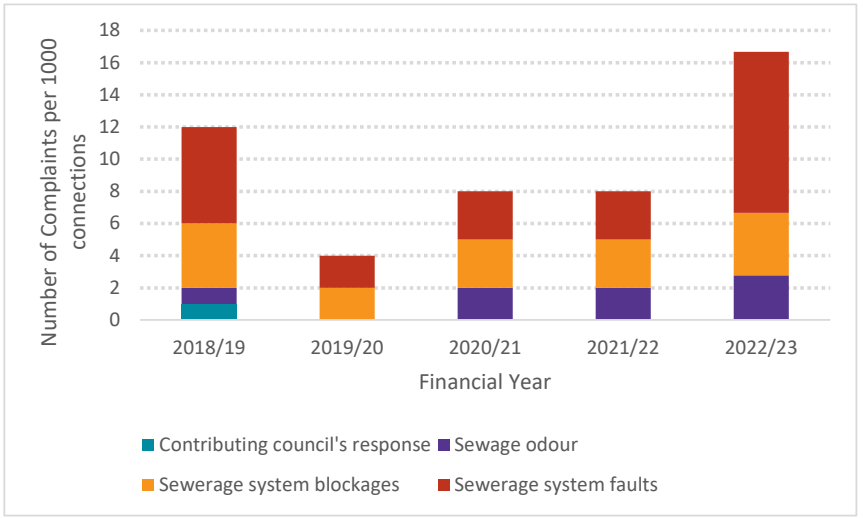
Wastewater (3) – Fault Response Times

The figure below shows the 2022/23 median response times to attend to sewerage overflows resulting from a blockage or other fault in the sewerage system, (a) attendance time and (b) resolution time. Actual times were all within target timeframes.



Wastewater (4) – Customer Satisfaction

The figure below shows the total number of complaints received by the Council about the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the sewerage system. The number of complaints increased significantly in 2022/23.



Wastewater (5) – Consent owned and expiry dates

Network	Consents	Expiry date
Ōpōtiki Town	050423 - Constructing and locating a pipeline within the coastal marine area of the Otara River for the reticulation of sewage from its treatment plant at Potts Ave, Ōpōtiki	30/11/2029
	63594 - Discharging wastewater milli-screenings from the Ōpōtiki Wastewater Treatment Plant to land	31/07/2025
	RM17-0736-AP - Resource consent is to authorise and specify conditions with discharging septic tank treated wastewater to ground soakage, at the Te Ahiaua Reserve, Ōpōtiki.	31/01/2024
	63179 - Secondary treated sewage via soakage trenches to land adjacent to the Waioeka Estuary, Ōpōtiki.	31/07/2025
Waihau Bay	63013 - Discharging treated sewage to ground soakage on the permit holder's property at Te Moana Subdivision, Otutehapari Roa, Waihau Bay, Ōpōtiki.	30/04/2030

4.0 Current Level of Service and Performance – Stormwater

Stormwater (1) – System and Adequacy

With regard to the following Mandatory Performance Measure reported in Council Annual Reports:

- The number of flooding events that occur in a territorial authority district

Council considers flooding events as an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor.

There have been no such flooding events in the last five years.

Stormwater (2) – Discharge Compliance

With regard to the following Mandatory Performance Measure reported in Council Annual Reports:

Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:

- Abatement notices
- Infringement notices
- Enforcement orders
- Convictions

Received by the territorial authority in relation to those resource consents.

Ōpōtiki District Council has not received any notices or convictions in the last five years.

Stormwater (3) – Response Times

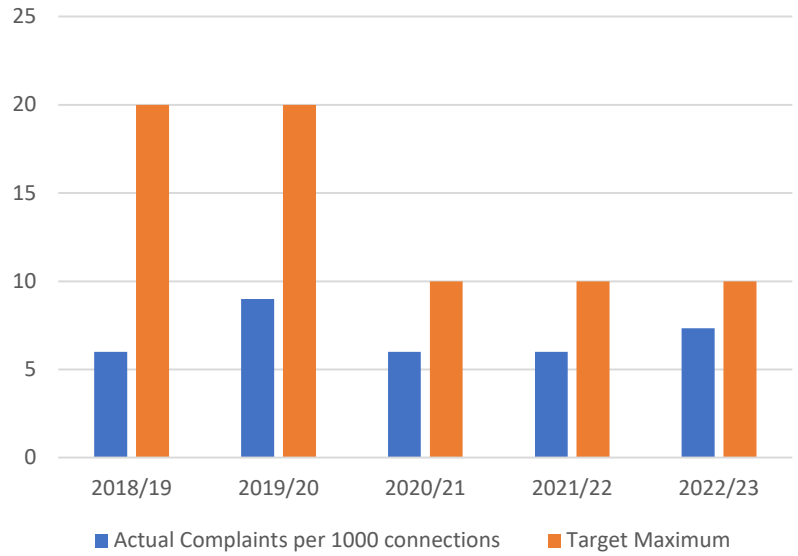
With regard to the following Mandatory Performance Measure reported in Council Annual Reports:

- The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

There have been no flooding events in the last five years.

Stormwater (4) – Customer Satisfaction

The figure below shows the number of complaints received by the Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system. There are few complaints recorded about the stormwater activity



Stormwater (5) – Consents owned and expiry dates

Network	Consents	Expiry date
Ōpōtiki Town	40192 - To authorise the continued presence of two outfall structures. located on the eastern bank of Tarawa Creek.	30/04/1934
	62902 - Discharge of 1200 litres per second (2% AEP) of stormwater generated by the Waiotahi Beach Resort Subdivision to Huntress Creek.	31/03/2020
	67024 - For the purpose of authorising the installation of a reticulated stormwater system and the discharge of stormwater to the Waioeka River at the Forsythe Street reserve.	30/04/2047
	67809 - For the purpose of removing and replacing a 900 mm diameter culvert with a 1200 mm culvert, in, on and under the bed of an un-named drain at Bryan Road, Ōpōtiki.	30/04/2049
	62935 - Discharging Stormwater from 1671 SH 2 Waiōtahe Beach to storage/soakage pond.	31/12/2024
	68223 - Discharge stormwater to the Waioeka River and Otara Rivers from two stormwater pumping station (Tarawa Creek pump station to King Street, - St Johns street pump station at High street).	24/09/2017
	RM19-0462-DC.01 - Discharge of sediment contaminated stormwater to land and where it may enter the Waiotahi Estuary while earth works is being undertaken.	31/08/2024

4.0 Current Level of Service and Performance

Areas of concern and mitigation options

Water Supply

- Treatment processes have improved in Te Kaha and Ōhiwa to ensure that not only bacteria but also protozoa are removed. These improvements were completed in 2019 and 2020, Ōpōtiki and Ōhiwa supplies are now fully compliant, with Te Kaha still regularly failing protozoa compliance due to high turbidity issues in source water.
- Despite improvements, the Te Kaha intake struggles with contamination during heavy rain. Plans to switch to a cleaner groundwater source are underway with one bore already operational. However, a secondary bore collapsed, necessitating further investigation to achieve a reliable backup system for Te Kaha's new water source, especially during heavy rainfall.
- Enough water is stored for firefighting in Ōpōtiki, Hukutaia Waiotahi Drifts and Ōhiwa. But in Te Kaha, there is a need for more water storage specifically for firefighting. This will require further investigation once a new water source is determined.
- The Hukutaia area has limited water storage capacity, with just one reservoir on Crooked Rd. Council plans to improve the resilience of supply to the Hukutaia area by either making the reservoir bigger to hold more water or adding a new river crossing and Booster Station. This station would allow Hukutaia to get water directly from the main Ōpōtiki reservoir or, in emergencies, from water bores. Both options will enable increased resilience by ensuring that a 24-hour storage capacity is available to both Ōpōtiki township and Hukutaia.
- The replacement of 5.8 km of DN300 uPVC watermain from the WTP to Ford Street is planned to go ahead due to multiple previous pipe failures in this section of the network. This will reduce the effect on the community during a pipe failure and ensure a reliable service is provided.
- The water supply for Ōhiwa is meeting current demands but may need to be increased for seasonal variations in demand or if the resident population increases. Further investigation is needed, and resource consent obtained if demand is likely to exceed consent limits.

Wastewater

- Despite an increase in 2022/23, Council's wastewater network performs well during dry weather (with sewer overflows per 1000 properties still below the target maximum performance criteria). However, the network often struggles during heavy rain. The system can't handle the extra water from leaks and stormwater entering it. We have already completed work to reduce the amount of water getting into the network. Further plans include upgrading wastewater pump station 1 (WWPS01) and the corresponding rising main from WWPS01 to the wastewater treatment plant. This upgrade will allow for additional capacity in the network.
- Our immediate focus is on reducing stormwater getting into the system. The biggest public health risk comes from the system overflowing during storms, which can also stop properties from being able to flush toilets during very heavy rain. Upgrades are also planned for the wastewater treatment plant and disposal field to handle increased flows from population and industrial growth without risking public health.

Stormwater

- Currently, neighbourhoods around the township experience localised areas of nuisance and damaging flooding for storm events between a 1 in 10-year and 1 in 50-year AEP. The Council's goal over the next 30-years, is to ensure that no homes in the township will flood from a storm that's expected once every 50 years (1 in 50-year ARI event). Urban stormwater modelling has helped identify locations where the reticulation network requires upgrading or extending to address existing issues. Plans are in place to increase the pumping capacity and ensure that resilience (provision of back-ups and retrofitting) improvements have also been planned in the trunk parts of the network to address large storm events.
- Overland flow entering the township from the south is also of major concern, particularly during large storm events. To address this issue, ŌDC plans to work with Regional Council to mitigate against this overland flow, therefore minimising the volume of stormwater runoff entering the township from upstream catchments. The planned options here include the upgrade of the SH2 culvert and the provision of increased attenuation through the construction of stop banks with a suitable standard of protection for the township.

5.0 Planning for the future

5.1 Relevant Strategic Documents

1. **Eastern Bay Economic Development Strategy (2018).** The strategy provide an overview of the development opportunities and constraints facing the Eastern Bay of Plenty region. It identifies priorities on key catalytic infrastructure projects for regional economic development. These projects and recommendations will promote the investment and development of three waters infrastructure.
2. **Ōpōtiki District Draft Economic Development Strategy** (**2013**). The Strategy aims to drive growth in the economy, particularly sustainable employment in Ōpōtiki District, to achieve the vision of "Strong Community Strong Future". The economic growth will have an impact on service performance and delivery of three waters infrastructure.
3. **Ōpōtiki District Visitor Strategy (2014-2018).** The Strategy aims to increase the value of the visitor industry to Ōpōtiki and to share Ōpōtiki's unique landscape and culture. It also supports local business development and tourism environment. The implication on three waters services will be higher demand on existing three waters infrastructure and increased maintenance and renewal costs.
4. **Long Term Plan (2024-2034).** Council's Long Term Plan provides the direction and strategies that drive three waters asset management. Programmes for capital, maintenance and renewal works are linked to the Plan along with essential budgeting requirements.
5. **Infrastructure Strategy (2024-2054).** The Strategy describes the key infrastructure related challenges facing the Council's three waters and transport activities over the next 30 years. It sets out what the options and implications are for responding to these challenges, and Council's preferred approach.
6. **District Plan (2021).** The Plan is developed in compliance with the requirements of the Resource Management Act 1991. It controls the way the Council and community use, subdivide and develop land in the district. It identifies where activities can take place, what land can be developed and what features should be protected.

5.2 Demand Drivers

1. **Population** - Population is projected to increase to 11,760 by 2031, reaching 14,100 in 2051 (Eastern Bay of Plenty Housing and Business Needs Research, MRCagney (NZ), 2023)

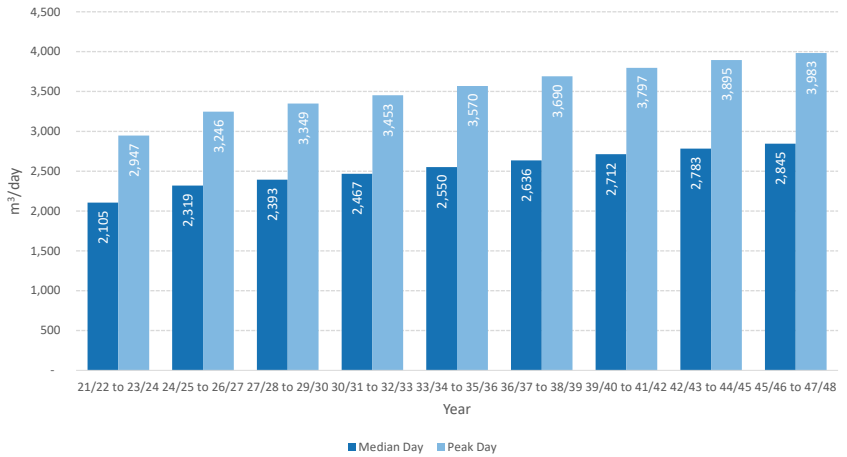
2. **Economic Activities** – A summary of Ōpōtiki District's strategic priorities for economic development is listed below.

    - Develop Marine Economy
    - Support Local Industry Growth
    - Attract Investment and Add Value
    - Grow the Visitor Economy
    - Purposeful Work and Learning Opportunities

3. **Climate Change** – It is forecasted that there will be more frequent and severe storm events in Ōpōtiki. This will increase the risks to homes and infrastructure in vulnerable areas in the district. Climate change will also cause an increase in the risk of coastal hazards, e.g., sea levels and storm surges. Much of the developed land in the district is near the coast.

4. **Tourism** – Council has been promoting the growth of visitor economy in the district. This will have an impact on infrastructure services. Higher demand on existing three waters infrastructure and increased maintenance and renewal costs are anticipated.

5. **Water Quality and Water Reforms**– Water Reform and new water regulators may affect three waters service, especially the drinking water. This primarily includes meeting the drinking water legislation and standards, assessment of the state of three waters infrastructure, and discharge resource consents. This may increase compliance costs and project investment.



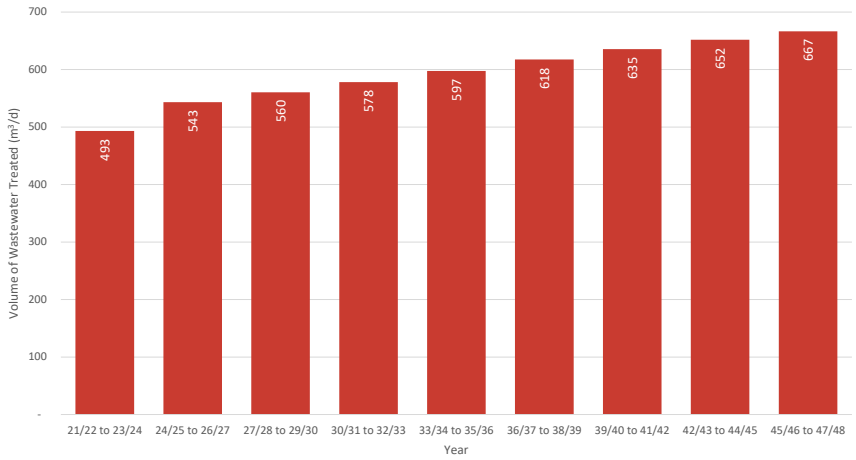
5.3 Demand Projections

Potential water and wastewater demand changes in Ōpōtiki are shown below. The forecasts are based on population and high level demand consumptions across the district.

Key future water and wastewater demand themes are:

- The district experiences some seasonal variations in population. Additional water storage may be required during summer demand.
- There is some opportunity to reduce water consumption through demand management in Ōpōtiki. The water storage and treatment capacity need to be increased.

- The Ōpōtiki wastewater treatment plant is close to its design capacity. The extensions are programmed to accommodate the increasing demand.
- The Ōpōtiki wastewater network upgrades are programmed to accommodate the increasing demand and stress on the network during wet weather and high flow events. The upgrades to the wastewater network are also linked to the Ōpōtiki wastewater treatment plant upgrades and design requirements.



5.4 Managing Demand (Mitigation Measures)

Water Supply – Meeting Existing Demands

Ōpōtiki Town:

- Obtain reasonable knowledge of demand, pumped rates and capacity
- Ricado monitoring system installed at critical pump stations
- Additional bulk flow meters are proposed in all supplies for lea detection and demand management.

Te Kaha:

- The upgrade of Te Kaha water supply with the securing of a secondary bore to provided duty/standby bores to meet existing and future demand.

Ohiwa:

- Obtain reasonable knowledge of demand, pumped rates and capacity.

Water Supply – Meeting Future Demands

Ōpōtiki Town:

- Asset performance to be assessed during major events, worst areas investigated further
- Install Secondary Trident Filter
- Increase water storage and treatment capacity of the water supply network
- Improve the water supply infrastructure due to the industrial demand for the harbour development
- Assess the state of water supply infrastructure in Ōpōtiki to estimate the cost of upgrading water infrastructure to address public health and environmental impacts
- Additional water storage may be required during summer demand
- New main river crossing to Hukutaia and booster pump station

Te Kaha:

- The upgrade of Te Kaha water supply with the securing of a secondary bore to provided duty/standby bores to meet existing and future demand.

Ohiwa:

- No future demand anticipated for Ohiwa.

Wastewater – Meeting Existing Demands

Ōpōtiki Town:

- Obtain reasonable knowledge of demand, pumped rates and capacity
- Ricado monitoring system installed at critical pump stations.
- Install monitoring equipment on the network to monitor the network performance and check whether additional works are required
- Improve the wastewater treatment plant to allow for growth, by e.g., constructing a second oxidation pond and constructing stage 2 anaerobic ponds for both oxidation ponds
- Improve trade waste management and monitoring to allow for the harbour development and other industrial growth
- Pump Station 2 Rising main extension

Waihau Bay:

- The existing wastewater system is adequately meeting current demands.

Wastewater – Meeting Future Demands

Ōpōtiki Town:

- Asset performance to be assessed during major events, worst areas investigated further
- Improve the wastewater infrastructure due to the industrial demand for the harbour development
- Assess the state of wastewater infrastructure in Ōpōtiki to estimate the cost of upgrading wastewater infrastructure to address public health and environmental impacts
- Hukutaia Wastewater reticulation design & investigation
- The Drifts subdivisions (Stage 2), catchment infill, proposed marina development and potential additional flow and load associated with industry

Waihau Bay:

- Seasonal and permanent population trends will be monitored but no growth or availability issues are currently forecast.

Stormwater – Meeting Existing Demands

Ōpōtiki Town:

- Stormwater modelling for the Ōpōtiki catchments to identify upgrades and additional storm attenuation (ponding) areas
- Ricado monitoring system installed at critical pump stations.
- Enhancements to the stopbank to the south of the town (south of Church Street and Duke Street) to channel farm runoff back into the rivers rather than through the town
- Improve other storm basins around Ōpōtiki to increase available storage and reduce ponding on private property or roads

Stormwater – Meeting Future Demands

Ōpōtiki Town:

- Asset performance to be assessed during major events, worst areas investigated further
- Improve the stormwater infrastructure due to the industrial demand for the harbour development
- Hukutaia Stormwater reticulation design & investigation
- Develop an optimised design from the stormwater model and implement rolling upgrades as development occurs in town.

6.0 Risk Management

6.1 Risk Management Approach and Key Risks

Council adopted a Risk Management Policy and a Risk Management Framework in 2015. The Risk Management Framework provides detailed guidance on how to describe, identify and manage risk. It uses a well-established approach derived from AS/NZS ISO 31000:2009. Risks are informed by key strategic issues and consideration of existing assets and current operations, as well as levels of service performance indicators. Key risks for the three water schemes have been identified through assessment of the activities at both asset and operational levels and recorded in risk register which is revisited periodically.

6.2 Building Resilience

Council has developed water safety plans and emergency management plans. Those are updated periodically. It is important to engage sufficient staff or long-term contractors to maintain technical knowledge of schemes in preparation for natural hazards or emergency response.

Council participates in Bay of Plenty Lifeline Utilities group which are made up of all the essential utilities in Bay of Plenty region. This group, working alongside Civil Defence and Emergency Management during emergencies, to restore essential services for community.

Network	High Level Risk/Issue Title	Caused by	Impacts	Current Controls and Mitigation	Proposed further response
Three waters	Risk: Asset Management Practice	• Poor internal controls • Undeveloped processes • Inadequate maintenance contracts • Improper data population • Absence or loss of records • Loss of institutional knowledge • Inaccurate population Predictions	• Poor audit reviews • Fraud • Poor value for money • Unbudgeted expenditure • Poor planning and inadequate modelling • Inadequate cost recovery • Possible damage unrecorded and unrectified • Increased cost of repairs • Risk of cross connections (sewer and stormwater) • Overflows to streams and rivers not monitored or rectified	• Ongoing audit and development of asset management plans • Adhere to process and procedure Improvement programme • Develop asset management policy and framework • Programme renewals, maintenance and upgrades based on optimised designs. • Manage and review expenses.	• Develop Strategic plan with district planners and councillors.
Three waters	Risk: Scheme Operation	• Lack of resource • Lack of expertise • Fluctuations in expenses • Incorrect technical operation • Poor decision making & planning • Lack of maintenance	• Risk to public health • Non-compliance with legislation • Environmental contamination or damage • Poor information for decision making • Increased life cycle costs • Increased maintenance and operational costs • Deterioration of assets	• Obtain robust data for decision making • Manage online monitoring of schemes. Ensure software and data collection equipment is kept up to date • Adhere to accounting and asset management standards and accepted practice. Update asset data regularly	• Discuss development plans with District planners and councillors to ensure adequate infrastructure is available or any restrictions are known.
Three waters	Risk: Scheme Legalisation	• Lack of easements • Outdated, inadequate or non-existent bylaws	• Loss of access – possible delays in undertaking remedial works • Poor public perception • Increased liability for Council and reduced ability to control inappropriate behaviours	• Work with planners and developers to ensure new infrastructure is incorporated. • Review and update bylaws on a regular basis • Manage consents and compliance	• Improve programming and continue record keeping processes.

Network	High Level Risk/Issue Title	Caused by	Impacts	Current Controls and Mitigation	Proposed further response
Three waters	Risk: Asset Condition	Failure due to age or event	• Risk to public health • Loss of service • Risk of damage to other infrastructure (e.g. road pavement) • Risk to public and private property • Possible collapse or wash-out • Contamination of the environment	• Prepare for climate change • Mitigate risk of natural hazards • Ensure adequate storage for emergencies. • Condition assessments on critical assets & performance modelling • Storm and scheme performance modelling informing asset project planning. • Move or protect infrastructure out of areas prone to flooding • System monitoring and maintain minimum construction standards. • Effective lifecycle management	• Assemble recovery plan • Check infrastructure in low lying areas or at river crossings • Provide/enhance flood storage areas. • Ensure treatment plants are protected from increased storm surges or inundation.
Three waters	Risk: Scheme Performance	Poor performance due to lack of capacity	• Limit growth • Inadequate water pressures allowing backflow • Inadequate firefighting capability • Risk to property • Damage to public assets	• Scheme pressure monitoring and performance modelling informing asset planning • Assessment of service requirements informing asset project planning and lifecycle management • System monitoring and development planning informing renewal and maintenance programme	• Allow for growth
Three waters	Risk: Asset Maintenance	Poor performance due to impairment	• Loss of service • Risk to public health • Risk to public property • Risk to public health and property Contamination of the environment	• Effective life cycle management • Programme renewals, maintenance and upgrades based on optimised designs and timeframes • Maintain level of service Measure performance against key performance indicators – review regularly and use data to inform decision making • Scheme leakage testing and water loss monitoring • Effective water safety planning and asset project planning.	• Engage local contractors under long term maintenance contracts to assist with condition assessments and regular renewals wherever possible.
Three waters	Risk: Scheme Function	Inadequate treatment	• Risk to public health • Non-compliance with legislation • Environmental contamination or damage	• Safe disposal of filter backwash • Maintain treatment environment • Educate public and enforce trade waste runoff control. • Comply with legislation. • Monitor stormwater discharge and maintain treatment environment • Reduce overflows from wastewater network. • Reduce leaching of wastewater from network into ground or streams and rivers. • Maintain treatment environment	• Move wastewater infrastructure away from areas prone to flooding or flood storage areas. • Monitor and manage any overflows. • Dispose of hazardous waste from treatment processes in accordance with best practice.

7.0 Asset Operations and Maintenance

7.1 Operations and Maintenance Requirements (WHY)

Council is responsible for how the asset will be operated and maintained on a day-to-day basis to:

- Achieve adequate level of service performance targets
- Meet resource consent conditions requirements
- Ensure the capacity of three waters assets is maintained
- Deliver three waters services at the required level
- Ensure effective control of water and support water conservation and efficiency
- Protect public health and safety

Council delivers three waters services mainly through maintenance contracts. Physical works are mainly covered by the maintenance contracts. The service delivery model is presented below.

Service Delivery Function	Internal Service Delivery Team	Internal Capabilities	External Service Delivery
Design	Three Waters	Minor projects	Consultants /Contractors
Construct	Three Waters	Operational works only	All projects to contractors
Operate	Three Waters	Minor fixtures, minor CCTV works	Mechanical and electrical repairs Backflow device testing and laboratory services CCTV inspection
Maintenance	Three Waters		All external through local service providers

7.2 Key Operational Processes and Asset Maintenance (WHAT)

Operational objectives	Operations and maintenance activities
Scheme operation	• Obtain robust data for decision making. • Manage on-line monitoring of schemes. Ensure software and data collection equipment is kept up to date. • Adhere to accounting and asset management standards and accepted practice. Up-date asset data regularly. • Discuss development plans with District planners and councillors to ensure adequate infrastructure is available or any restrictions are known.
Manage scheme technical operation	• Maintain accurate records of new works. Produce/update operations manuals. • Ensure Water Safety Plans and Emergency Management Plans are developed and updated. • Engage sufficient staff or long-term contractors to maintain technical knowledge of schemes.
Asset maintenance	• Effective life cycle management • Programme renewals, maintenance and upgrades based on optimised designs and timeframes. • Engage local contractors under long term maintenance contracts to assist with condition assessments and regular renewals wherever possible. Only engage larger contractors for major works on a short timescale. • Maintain level of service • Measure performance against key performance indicators – review regularly and use data to inform decision making • Effective data management • Ongoing population of asset register and maintenance expenditure

7.3 Operations and Maintenance Plan (HOW)

Operational and maintenance expenditure is monitored against set budgets throughout the year. Good operational management should predict expenses accurately. Currently expenditure for three waters assets is predicted using high level annual trends. The ideal method for managing expenditure should be via proactive maintenance schedules and detailed operational budgets.

Historically asset management data has lacked the sophistication to allow the assembly of robust proactive maintenance schedules. While critical assets such as pumps have been proactively maintained most other maintenance has been carried out on an ad hoc basis as faults and failures occurred. This historical practice has been further exacerbated by a lack of general renewal budgeting leading to costs of inexplicable asset failures being paid for by operational budgets.

A full re-itemisation of plant assets was carried out for all three waters, eliminating inaccuracy in replacement costs and paving the way for the assembly of maintenance schedules. New long term contracts for maintenance and operations are set to be procured from 2024/25 for a 6-year contract.

8.0 Asset Renewals

8.1 Water Supply

Renewal Approach

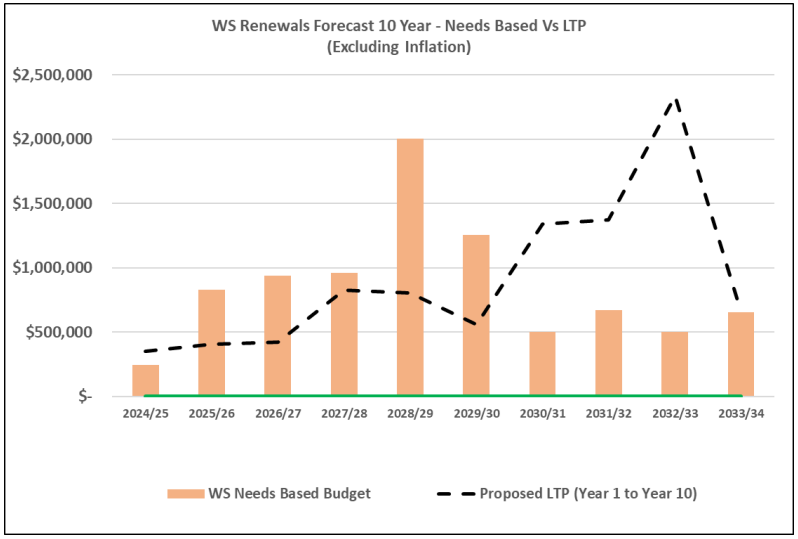
Ōpōtiki District Council maintains an Asset Database in Univerus. This records asset ages, condition and expected remaining life. This has been used to as a tool to estimate future renewals over the thirty years of the Asset Management Plan. Assets nearing the end of their lives are reviewed and included in the long-term plan. Assets that may be showing signs of premature failure are also included in work plans and compared with other similar assets of similar age so that the estimated remaining lives can be updated.

Ōpōtiki District Council's decisions on how the renewals budgets are spent and prioritised are currently based around reactive response works. Number of breaks or service requests from public contribute to the priority of an asset for renewal.

Major renewals projects include the renewal of the 5.8 km DN 300 uPVC WTP to Ford Street (FY28-FY34), Hukutaia Water Supply LOS and Resilience

Implementation Phase (FY31-FY33), and the renewals of the Hukutaia AC water mains on Grant, road, Hukutaia Road, and Woodlands Road (FY33).

Renewal Plan



8.2 Wastewater

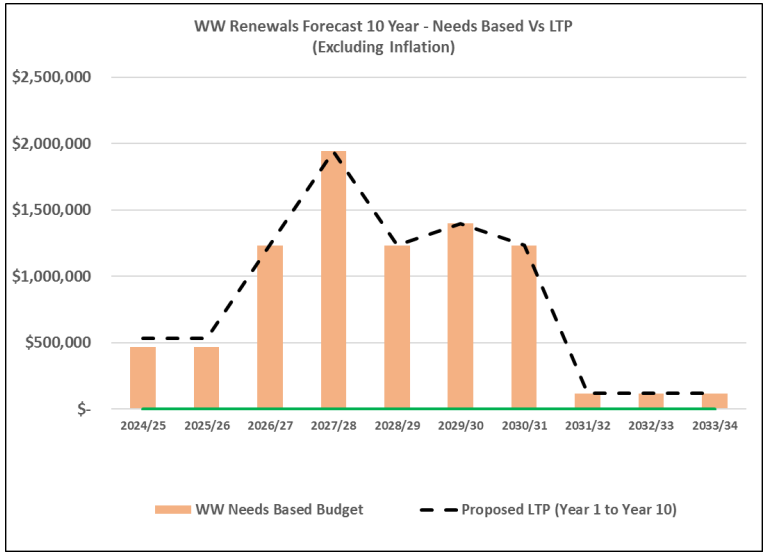
Renewal Approach

Ōpōtiki District Council maintains an Asset Database in Univerus. This records asset ages, condition and expected remaining life. This has been used to as a tool to estimate future renewals over the thirty years of the Asset Management Plan. Assets nearing the end of their lives are reviewed and included in the long-term plan. Assets that may be showing signs of premature failure are also included in work plans and compared with other similar assets of similar age so that the estimated remaining lives can be updated.

Ōpōtiki District Council's decisions on how the renewals budgets are spent and prioritised are currently based around reactive response works. Number of breaks or service requests from public contribute to the priority of an asset for renewal.

There are a large number of general ongoing renewals budgets incorporated into the LTP forecast. Reticulation Rehabilitation for Ōpōtiki Town is one of the larger renewal's budgets from FY27-FY31 with the decrease in I&I being one of the biggest drivers to increase LOS for the community. WW Pump Station 01 (Potts Avenue) is up for renewal to resolve LOS issues and align with growth projects.

Renewal Plan



8.3 Stormwater

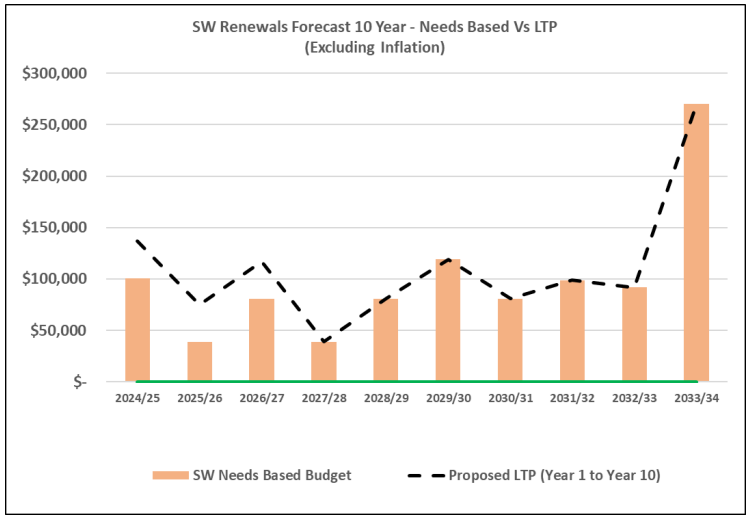
Renewal Approach

Ōpōtiki District Council maintains an Asset Database in Univerus. This records asset ages, condition and expected remaining life. This has been used to as a tool to estimate future renewals over the thirty years of the Asset Management Plan. Assets nearing the end of their lives are reviewed and included in the long-term plan. Assets that may be showing signs of premature failure are also included in work plans and compared with other similar assets of similar age so that the estimated remaining lives can be updated.

Ōpōtiki District Council's decisions on how the renewals budgets are spent and prioritised are currently based on flood risk management. Age, insider knowledge from the Operations team, and service requests from the public contribute to the priority of an asset for renewal. Long term data is being collected from CCTV footage to inform how renewals budgets will be prioritised for the future.

Stormwater renewals budgets are included for Ōpōtiki Town SW Drainage Renewals, SW Pump Station Renewals, and Stormwater Reticulation Renewals.

Renewal Plan



9.0 Asset Improvements and Disposals

9.1 Asset Improvements

Ōpōtiki Harbour-Wharf Masterplan

Council has adopted a new masterplan to upgrade and develop the Ōpōtiki Harbour-Wharf precinct. This will result in new commercial developments. The core infrastructure assets, including three waters infrastructure will be planned to service these areas accordingly.

Waihau Bay Masterplan

Consultation on this masterplan is underway and may require new three waters services when implemented.

Hukutaia Draft Structure Plan

A new structure plan for the development of Hukutaia is currently under consultation and will require three waters services when implemented (planned within next 5-10 years)

Asset Management Policy and Framework

Council has plans to develop an asset management policy to set the Council's asset management framework for managing infrastructure assets in a structured, integrated, cost-effective and sustainable manner. The Policy will cover three waters assets and other infrastructure assets. The Asset Management Framework provides a management structure within which requirements, goals, objectives, strategies, and tactics are brought together to enable a balanced and consistent approach to asset management and improvement of infrastructure services provision, including three waters services.

Asset Management Improvements

Council has an Asset Improvement Plan for three waters activities. Areas which require the most focus are:

- **Risk management** - Risk Management Framework set up at corporate level provides direction at activity level. Refinement in critical asset register with monitoring of assets in place
- **Maintenance** - Bring Ricado maintenance recording system online to ensure all maintenance is recorded. Develop maintenance contracts with service providers.
- **Maintenance data** - Maintenance data attached to individual assets. History recorded in Asset Management System. Ricado system to enable direct contractor population.
- **Operations** - Current operations manuals to be updated in line with new equipment installed. Technical performance measures to be documented. Routine operations included in contract documents where appropriate.
- **Audit/Review** - Internal audit processes in place to ensure continuous improvement program is effectively followed

Further Improvement

The following further improvements to the plan are suggested:

1. Review results of I and I monitoring and determine whether further works are required to the wastewater network and if so the nature and value of the work.
2. Complete design of sludge management proposals for the Ōpōtiki wastewater plan
3. Confirm capacity of Ōpōtiki wastewater treatment plant
4. Determine water supply capacity that is available for the Harbour development and any constraints on the ability to supply
5. Prioritise stormwater improvements

9.2 Asset Disposals

Disposal is the retirement or sale of assets whether surplus or replaced by new or improved systems.

Assets may need to be disposed of for a number of reasons, particularly if they fall under some criteria, including those identified below:

- Underutilisation
- Obsolescence
- Cost inefficiency

- Policy change
- Provision exceeds required Levels of Service
- Service provided by other means (e.g. private sector involvement)
- Potential risk of ownership (financial, environmental, legal, social).

As part of the lifecycle asset management process, Council considers the costs of asset disposal in the long-term financial forecasts. These costs are generally incorporated in the capital cost of level of service increases or asset renewals. While there are assets that fit under one or more of the above criteria, the Local Government Act provides clear instances when assets can be disposed of.

Council has no plans to dispose of any three waters assets other than those that become obsolete as a result of renewal or upgrading works.

10.0 Investment Forecasts

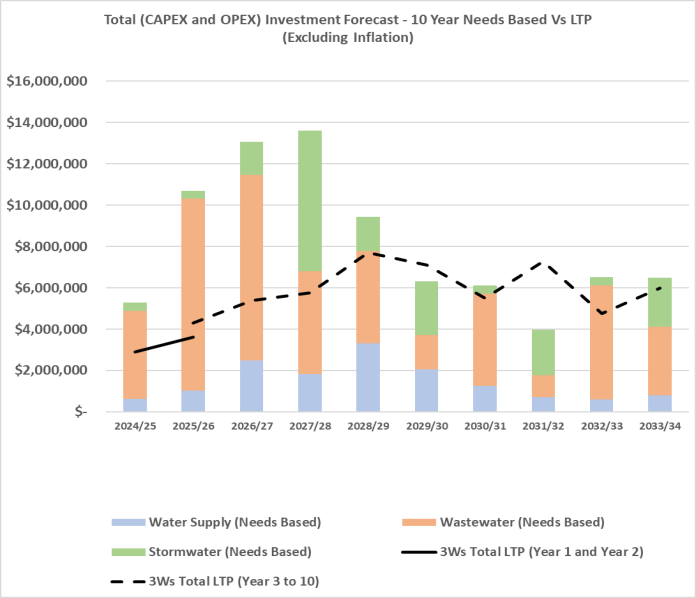
10.1 Total Investment

Summary of Total Investment (CAPEX + OPEX)

The total investment needs for ODC, can be summarised as under ODC's investment forecast for the 3 activities in Year 1 and 2 of the LTP is $6,516,000, with the net operational expenditure projected at $690,000 (net cost of service) and capital expenditure at $5,826,000 (total capital spend).

The below figure shows the drop from the needs based budget to actual LTP budget. The needs based budget portrays an unconstrained budget that allows for all works to be completed for LOS, growth, and renewals. Projects have been prioritised based on risk to LOS and safety for the community. This prioritisation has allowed the budgets to have a wider spread over the next ten financial years.

Detailed Tables for each area of spending are included in our LTP/activity plan.



10.2 Capital Investment

Summary of Total Capital Investment (CAPEX)

ODC is committed to prioritising and accomplishing capital projects within the Ōpōtiki district with focus on community safety and health. The total capital investment needs for ODC, can be linked back to ODC's outcome introduced in the Overview section. ODC's largest investment areas cover:

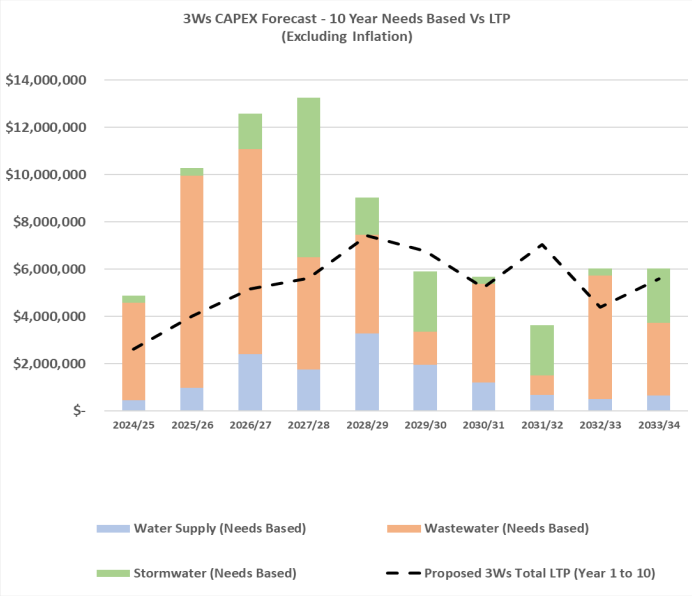
• Healthy water bodies

• Safe and healthy communities

The capital projects have resources available through local contractors and consultants. For large CAPEX projects these contractors and consultants have been involved throughout the planning a budget estimate process.

The below figure estimates the overall Capital investment profile for ODC, over Year 1 and 2 of LTP is $5,826,000.

The CAPEX forecast for 10-year period FY24 to FY34 is $53,810,000, averaging approximately $5,381,000 per annum.



10.3 Operational Investment

Summary of Operational and Maintenance Expenditure

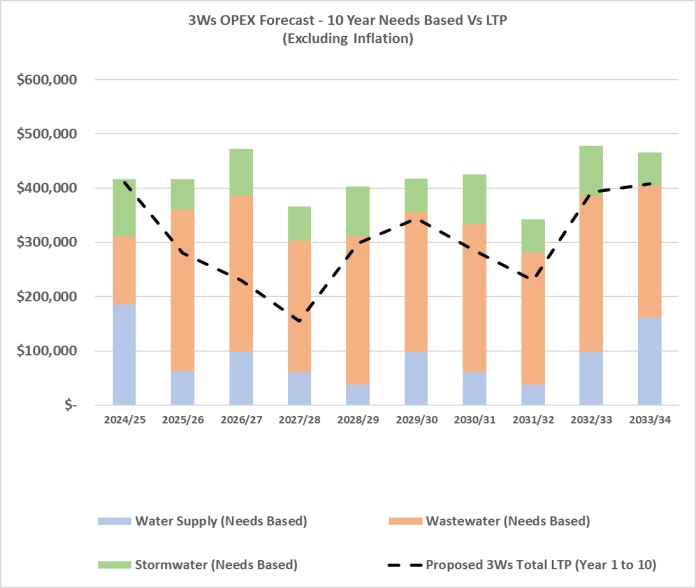
ODC's operational and maintenance expenditure budget covers the daily costs to operate and maintain existing ODC assets across Water Supply, Wastewater, and Stormwater.

The figure below presents the break-down of operational investments for three water activities in ODC for Year 1 and 2 as $690,000.

The operational expenditure is broken down to:

- 37% on water supply,
- 63% on wastewater and
- 24% on stormwater.

0.3% of the overall expenditure is to be spent on Compliance, 75.9% on Maintenance, 18.7% on Operational Planning & Investigations and 5.1% on Operations. The below figure estimates the overall direct operational investment profile for ODC, over the 10-year period FY24 to FY34 at $3,032,000, averaging approximately $303,000 per annum.



11.0 Key Projects

11.1 Key Water Supply Projects (Including inflation – further breakdown found in Section 12)

##	Project	Primary Driver	Year/s	Costs	Financial Data Confidence	Description and Objectives of the project	Benefits/Justification of the project	Project Stage
1	Hukutaia – Water supply LOS and Resilience	LOS	2025-33	$2.86m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	The main objective for this project is to maintain LOS to the Hukutaia residents and building resilience into the reticulation network to allow for future growth.	This project contributes to addressing the following areas of concern: (i) Growth – This project is driven by the current growth projections and anticipated need for increased supply to the Hukutaia area. (ii) LOS – The increased resilience in the Hukutaia area.	• Planning • Design • Implementation
2	Te Kaha – Water Treatment Plant Relocation	LOS	2025-27	$1.65m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	The main objective of this project is to address the raw water quality issues at the Te Kaha Water Treatment Plant by relocating the Water Treatment Plant and changing source. This project also aims to resolve ongoing access issues to the trunk main, as it runs through private property.	This project contributes to addressing the following areas of concern: (i) LOS – Safety of drinking water; Compliance with Part 4 and Part 5 of DWSNZ. (ii) LOS - Water safety plans improvements.	• Design • Construction
3	Water Reticulation Renewals – Replace 5.8km of DN300 uPVC watermain from WTP to Ford Street	Renewal	2024-50	$8.95m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	The main objective of this project is to replace the 5.8 km of DN300 uPVC water main running from the Water Treatment Plant to Ford Street with new DN300 uPVC/HDPE to reduce the risk of pipe failures on the watermain. The batch of DN300 uPVC used when installing the watermain has had multiple pipe failures resulting in the need to supply raw water to the community during repairs. This section of watermain has been noted as a very brittle batch of pipe.	This project contributes to addressing the following areas of concern: (i) LOS – Maintain supply to the community and reduce the health risk to community having to supply raw water when the watermain fails. (ii) (ii) Renewal – Watermain is due for renewal based on condition of pipe and the ongoing need for repairs, this is a critical watermain for the water supply of Ōpōtiki Town.	• Design • Construction

##	Project	Primary Driver	Year/s	Costs	Financial Data Confidence	Description and Objectives of the project	Benefits/Justification of the project	Project Stage
4	Ōpōtiki Town Treatment Renewals	Renewal	2025-54	$3.90m	Costs calculated using: • Univerus asset data • Unit rates	The main objective for this budget is to allow for end of life assets to be renewed to maintain the Water Treatment Plants assets.	This project budget contributes to addressing the following areas of concern: (i) Renewal – Ensure Water Treatment Plant is remains compliant with DWSNZ by renewing assets as required. (ii) LOS – Maintain supply to Ōpōtiki Town from the Water Treatment Plant.	• Design • Construction
5	Ōpōtiki Town Reticulation Renewals	Renewal	2025-54	$3.33m	Costs calculated using: • Univerus asset data • Unit rates	The main objective for this budget is to allow for end of life pipe assets to be renewed within the Ōpōtiki Town reticulation network to maintain level of service to the community.	This project budget contributes to addressing the following areas of concern: (i) Renewal – Ensure Ōpōtiki Town reticulation remains compliant with DWSNZ by renewing assets as required. (ii) LOS – Maintain supply to Ōpōtiki Town community.	• Design • Construction
6	Ōpōtiki Town – Valves, hydrants and meters	Renewal	2025-54	$2.54m	Costs calculated using: • Univerus asset data • Unit rates	The main objective for this budget is to allow for end of life valves, hydrants and meters to be renewed within the Ōpōtiki Town reticulation network to maintain level of service to the community.	This project budget contributes to addressing the following areas of concern: (i) Renewal – Ensure Ōpōtiki Town reticulation remains compliant with DWSNZ by renewing assets as required. (ii) LOS – Maintain supply to Ōpōtiki Town community.	• Design • Construction

11.2 Key Wastewater Projects (Including inflation – further breakdown found in Section 12)

##	Project	Primary Driver	Year/s	Costs	Financial Data Confidence	Description and Objectives of the project	Benefits/Justification of the project	Project Stage
1	Wastewater network development for Hukutaia Growth Area	Growth	2027-2030 (Phase 1) 2033-2037 (Phase 2)	$7.60m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	The main objective of this project is to provide a wastewater network to Hukutaia that connects it to the existing wastewater network for Ōpōtiki Town. The residents of Hukutaia are not currently provided a wastewater connection and with the current growth projections and development prospectives it is anticipated to be required. This will also provide the current residents the opportunity to connect to the wastewater system.	This project contributes to addressing the following areas of concern: (i) LOS – Provide WW service connection to current and proposed Hukutaia properties. (ii) Growth – Extension of WW network based on growth prediction for Ōpōtiki.	• Design • Construction
2	Wastewater Treatment Plant Upgrade	LOS	2024-36 (completed in 6 phases)	$20.76m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	The main objective of this project is to upgrade the WWTP, this is driven by the WWTP's consent requiring reconsenting in 2025. The upgrades proposed are also required to maintain LOS in Ōpōtiki which is heavily impacted by I&I issues within the network. The upgrades also allow for growth based on the growth predictions.	This project contributes to addressing the following areas of concern: (i) Compliance – Renewal of consent at WWTP to continue wastewater treatment services to Ōpōtiki town. (ii) LOS – Maintain capacity at WWTP to ensure limited loss of service to community. (iii) Growth – WWTP to be upgraded to allow for additional capacity based on growth predictions.	• New Resource Consent • Early Works Design • Preliminary Design • Detailed Design • Construction
3	Ōpōtiki Town – Reticulation rehabilitation	Renewal	2024-31	$6.95m	Costs calculated using: • Univerus asset data • Unit rates	The main objective for this budget is to allow for the rehabilitation of active reticulation assets to focus on continuing to reduce infiltration and inflow of stormwater into the system.	This project contributes to addressing the following areas of concern: (i) LOS – Maintain service in the WW reticulation network of Ōpōtiki.	• Design • Construction

##	Project	Primary Driver	Year/s	Costs	Financial Data Confidence	Description and Objectives of the project	Benefits/Justification of the project	Project Stage
4	Ōpōtiki Town – WWPS01 Rising main to WWTP - Diversion and Upgrade	LOS	2024-28	$2.73m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	This project is aligned with the WWPS01 upgrade – Potts Avenue. To complete the upgrades to WWPS01 to increase pumping capacity and LOS to the community, the rising main needs to be upgraded.	This project contributes to addressing the following areas of concern: (i) LOS – Loss of service during storm events. (ii) Growth – Increasing capacity of wastewater network to allow for growth projections in Ōpōtiki.	• Planning • Design • Construction
5	Upgrade WWPS01 – Potts Avenue	LOS	2024-26	$1.70m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	The main objective of this project is to upgrade the WWPS01 to allow for additional capacity at WWPS01. WWPS01 is a critical pump station in the WW network, all waste flows through WWPS01 to the WWTP. WWPS01 reaches capacity quickly during storm events due to I&I in the network as well as areas of the network associated with tidal patterns. This leads to surcharging in the network and loss of service during storm events for some areas of Ōpōtiki.	This project contributes to addressing the following areas of concern: (i) LOS – Loss of service during storm events. (ii) Growth – Increasing capacity of wastewater network to allow for growth projections in Ōpōtiki.	• Planning • Design • Construction
5	Ōpōtiki Town - Wastewater Reticulation Renewals	Renewal	2024-54	$3.30m	Costs calculated using: • Univerus asset data • Unit rates	The main objective for this budget is to allow for end of life assets to be renewed within the Ōpōtiki Town reticulation network to maintain level of service to the community.	This project budget contributes to addressing the following areas of concern: (i) Renewal – Ensure Ōpōtiki Town reticulation remains compliant by renewing assets as required. (ii) LOS – Maintain LOS to Ōpōtiki Town community.	• Design • Construction
6	Ōpōtiki Town - Wastewater Treatment Renewals	Renewal	2024-54	$3.39m	Costs calculated using: • Univerus asset data • Unit rates	The main objective for this budget is to allow for end of life assets to be renewed to maintain the Wastewater Treatment Plants assets.	This project budget contributes to addressing the following areas of concern: (i) Renewal – Ensure Ōpōtiki Town WWTP remains compliant by renewing assets as required. (ii) LOS – Maintain LOS to Ōpōtiki Town.	• Design • Construction

11.3 Key Stormwater Projects (Including inflation – further breakdown found in Section 12)

##	Project	Primary Driver	Year/s	Costs	Financial Data Confidence	Description and Objectives of the project	Benefits/Justification of the project	Project Stage
1	Rural to Urban Flood Protection – SH2 Culvert Upgrade	LOS	2024-30	$1.51m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	This project involves an upgrade to the SH2 culvert, in east rural Ōpōtiki. This upgrade aims to address the flooding on the eastern side of SH2 to minimise the effect of rural flooding on the eastern urban area of Ōpōtiki. This project in combination with Duke Street stop bank will aim to allow for enough storage for flood waters to be pumped out by the Bay of Plenty Regional Council pump station and/or attenuate.	This project contributes to addressing the following areas of concern: (i) LOS – increase the level of service provided to the Ōpōtiki community during storm and flooding events. (ii) Health and safety – keep community members safe during flooding events.	• Design • Construction
2	Stormwater infrastructure development for Hukutaia Growth Area (Phase 01 and 02)	Growth	2028-53	$15.09m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	The main objective of this project is to provide a stormwater network to Hukutaia that can provide service to current residents and allow for anticipated growth.	This project contributes to addressing the following areas of concern: (i) LOS – Provide SW service to current and proposed Hukutaia properties. (ii) Growth – Extension of SW network based on growth prediction for Ōpōtiki.	• Planning • Design • Construction
3	Ōpōtiki Town - Stormwater Pump Station - Tarawa Creek Upgrade	LOS	2031-33	$3.87m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	During extreme storm events, elevated water levels in the two rivers combined with overland flow from upstream catchments results in the township being inundated. Projections of increased frequency of extreme or large magnitude storm events would require upgrades to the pump stations to ensure the level of service to the township is maintained, as a minimum requirement.	This project contributes to addressing the following areas of concern: (i) LOS – increase the level of service provided to Ōpōtiki community during storm and flooding events. (ii) Health and safety – keep community members safe during flooding events.	• Design • Construction

##	Project	Primary Driver	Year/s	Costs	Financial Data Confidence	Description and Objectives of the project	Benefits/Justification of the project	Project Stage
4	Ōpōtiki Town - Stormwater Reticulation extensions / upgrades	LOS	2030-54	$9.27m	Costs calculated using: • Univerus asset data • Unit rates	Stormwater reticulation extensions and capacity upgrades are required across Ōpōtiki Town to keep up projected climate change and sea level rise scenarios. During extreme storm events the elevated water levels in the Waioeka and Otara rivers, combined with overland flow results in the township being inundated. There is a requirement to maintain or improve LOS within Ōpōtiki to mitigate this flooding.	This project budget contributes to addressing the following areas of concern: (i) LOS – Maintain LOS to Ōpōtiki Town community and reduce inundation during extreme storm events. (ii) Health and safety – keep community members safe during flooding events.	• Design • Construction
5	Ōpōtiki Town - Stormwater Reticulation Renewals	Renewal	2024-54	$12.31m	Costs calculated using: • Univerus asset data • Unit rates	The main objective for this budget is to allow for end of life assets to be renewed within the Ōpōtiki Town reticulation network to maintain level of service to the community.	This project budget contributes to addressing the following areas of concern: (i) Renewal – Ensure Ōpōtiki Town reticulation remains functional and compliant by renewing assets as required. (ii) LOS – Maintain LOS to Ōpōtiki Town community.	• Design • Construction
6	Ōpōtiki Town - Flood Water Storage Area - Tarawa Creek	LOS	2034-36	$3.14m	Cost calculated using: (1) Contract Unit Rates (2) Engineers Estimates (3) Staff Estimates	Stormwater reticulation extensions and capacity upgrades are required across Ōpōtiki Town to keep up projected climate change and sea level rise scenarios. During extreme storm events the elevated water levels in the Waioeka and Otara rivers, combined with overland flow results in the township being inundated. There is a requirement to maintain or improve LOS within Ōpōtiki to mitigate this flooding.	This project contributes to addressing the following areas of concern: (i) LOS – Maintain LOS to Ōpōtiki Town community and reduce inundation during extreme storm events. (ii) Health and safety – keep community members safe during flooding events.	• Design • Construction

12.0 All Projects

12.1 Capital Investment (CAPEX) Projects (Water Supply – including inflation)

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
LOS				
Hukutaia - Water Supply LOS and Resilience - 1 - Planning Phase	$25,955	$25,955	$-	$-
Hukutaia - Water Supply LOS and Resilience - 2 - Design Phase	$161,745	$161,745	$-	$-
Hukutaia - Water Supply LOS and Resilience - 3 - Implementation Phase	$2,672,250	$-	$2,672,250	$-
Ōhiwa - Water Telemetry Upgrade	$50,000	$50,000	$-	$-
Te Kaha - Water Treatment Plant Relocation - 1 - New Water Source	$160,000	$160,000	$-	$-
Te Kaha - Water Treatment Plant Relocation - 2 - Design	$130,813	$130,813	$-	$-
Te Kaha - Water Treatment Plant Relocation - 3 - Construction	$1,358,658	$1,358,658	$-	$-
Te Kaha Water - Booster to OBrien's 1.4km	$1,140,125	$-	$1,140,125	$-
Te Kaha Water - Reticulation upgrades - Copenhagan Loop	$612,454	$-	$612,454	$-
Growth				
Ōpōtiki Town - Water Reticulation Upgrades for Harbour	$174,455	$-	$174,455	$-
Ōpōtiki Town - Water Ring Main - Duke St - 1 - Planning and Design Phase	$79,439	$-	$-	$79,439
Ōpōtiki Town - Water Ring Main - Duke St - 2 - Easement Arrangement	$246,421	$-	$-	$246,421
Ōpōtiki Town - Water Ring Main - Duke St - 3 - Construction Phase	$509,598	$-	$-	$509,598
Renewals				
Hukutaia - Valves and Hydrants Renewals	$101,371	$17,649	$83,722	$-
Hukutaia - Booster Station Electrical Control Renewal	$117,426	$15,000	$44,560	$57,866
Hukutaia - Reticulation Renewals	$1,720,553	$233,738	$284,711	$1,202,104
Hukutaia - Water Main Renewal - Grant Road - AC Watermain	$364,291	$-	$364,291	$-
Hukutaia - Water Main Renewal - Hukutaia Rd - AC Watermain	$466,502	$-	$466,502	$-
Hukutaia - Water Main Renewal - Woodlands Road - AC Watermain	$655,200	$-	$655,200	$-
Ōhiwa - Water Reticulation Renewals	$10,644	$6,470	$-	$4,174
Ōhiwa - Water Treatment Renewals	$96,343	$6,233	$17,255	$72,855
Ōpōtiki Town - Otara Booster Station Renewals and Pumps	$383,002	$11,861	$134,768	$236,373
Ōpōtiki Town - Valves, Hydrants and Meters Renewals	$2,538,054	$22,840	$235,034	$2,280,179
Ōpōtiki Town - Water Reservoir Lining Renewal	$387,184	$-	$387,184	$-
Ōpōtiki Town - Water Reticulation Renewals	$3,326,794	$276,066	$578,049	$2,472,679
Ōpōtiki Town - Water Reticulation Renewals - 5.8km DN300 uPVC WTP to Ford Street - 1 - Planning and Design	$25,000	$25,000	$-	$-
Ōpōtiki Town - Water Reticulation Renewals - 5.8km DN300 uPVC WTP to Ford Street - 2 - Construction	$8,925,858	$-	$2,156,900	$6,768,958
Ōpōtiki Town - Water Reticulation Renewals - Ōpōtiki WTP Treated Water Main	$166,712	$-	$166,712	$-
Ōpōtiki Town - Water Treatment Renewals	$3,901,757	$195,620	$785,798	$2,920,338
Ōpōtiki Town - Water Treatment UV Renewals	$433,999	$22,840	$108,346	$302,813
Te Kaha - Valves, Hydrants, Meters, Pumps Renewals	$416,456	$17,649	$92,098	$306,708
Te Kaha - Water Reticulation Renewals	$1,347,952	$95,060	$451,489	$801,403
Te Kaha - Water Treatment Renewals	$994,003	$92,903	$172,552	$728,548

12.2 Capital Investment (CAPEX) Projects (Wastewater – including inflation)

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
LOS				
Ōpōtiki Town - Factory Rd Wastewater Extension - 1 - Design Phase	$106,865	$-	$106,865	$-
Ōpōtiki Town - Factory Rd Wastewater Extension - 2 - Implementation Phase	$308,654	$-	$308,654	$-
Ōpōtiki Town - Wastewater Pump Station 01 Potts Avenue - Upgrade	$1,699,346	$1,699,346	$-	$-
Ōpōtiki Town - WWPS01 Rising main to WWTP - Diversion and Upgrade	$2,728,364	$227,259	$2,501,104	$-
Ōpōtiki Town - WWTP - Stage 2a - Early Works Design	$75,000	$75,000	$-	$-
Ōpōtiki Town - WWTP - Stage 2b - Preliminary Design	$560,000	$560,000	$-	$-
Ōpōtiki Town - WWTP - Stage 3 - Detailed Design	$747,504	$747,504	$-	$-
Ōpōtiki Town - WWTP - Stage 4a - Construction - Early Works	$1,068,275	$1,068,275	$-	$-
Ōpōtiki Town - WWTP - Stage 4b - Construction	$18,102,155	$-	$14,005,866	$4,096,289
Ōpōtiki Town Wastewater - Caravan Wastewater Dumpstation	$317,333	$-	$317,333	$-
Growth				
Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 01	$3,222,200	$-	$3,222,200	$-
Hukutaia - Wastewater infrastructure development for Hukutaia Growth Area - Phase 02	$4,372,882	$-	$334,425	$4,038,457
Hukutaia - WWPS 04 Rising Main Separation / WWPS05 Upgrade	$300,205	$-	$300,205	$-
Ōpōtiki Town - Wastewater Extension Stage 2 - Otara Rd	$893,084	$-	$893,084	$-
Renewals				
Ōpōtiki Town - Reticulation Rehabilitation - 1 - Investigations and Planning	$250,000	$250,000	$-	$-
Ōpōtiki Town - Reticulation Rehabilitation - 2 - Design and Approvals	$259,550	$259,550	$-	$-
Ōpōtiki Town - Reticulation Rehabilitation - 3 - Construction	$6,445,158	$1,201,226	$5,243,932	$-
Ōpōtiki Town - Wastewater Reticulation Renewals	$3,303,378	$284,693	$578,049	$2,440,636
Ōpōtiki Town - Wastewater reticulation renewals - Waiotahe Drifts - replace PN6 rising main with PN12	$793,993	$-	$793,993	$-
Ōpōtiki Town - Wastewater Treatment Renewals	$3,388,022	$201,389	$388,242	$2,798,391
Ōpōtiki Town - WWTP - Stage 1 - New Resource Consent	$203,820	$203,820	$-	$-
Waihau Bay - Wastewater Disposal Field Renewals	$199,832	$-	$199,832	$-
Waihau Bay - Wastewater Reticulation Renewals	$289,029	$18,699	$51,766	$218,564
Waihau Bay - Wastewater Treatment Renewals	$48,172	$3,117	$8,628	$36,427

12.3 Capital Investment (CAPEX) Projects (Stormwater – including inflation)

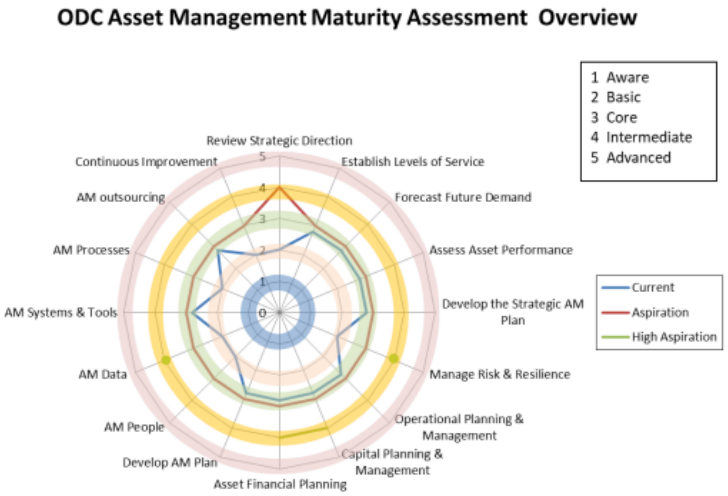
Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
LOS				
Ōpōtiki Town - Flood Water Storage Area - Tarawa Creek	$3,141,220	$-	$-	$3,141,220
Ōpōtiki Town - Rural to Urban Flood Protection - SH 2 Culvert Upgrade - 1 - Investigation and Design	$93,438	$93,438	$-	$-
Ōpōtiki Town - Rural to Urban Flood Protection - SH 2 Culvert Upgrade - 2 - Consent and Approvals	$54,915	$26,958	$27,958	$-
Ōpōtiki Town - Rural to Urban Flood Protection - SH 2 Culvert Upgrade - 3 - Construction	$1,358,390	$-	$1,358,390	$-
Ōpōtiki Town - Rural to Urban Flood Protection - Duke St West Stopbank - 1 - Investigations and Design	$75,000	$75,000	$-	$-
Ōpōtiki Town - Rural to Urban Flood Protection - Duke St West Stopbank - 2 - Consent	$25,000	$25,000	$-	$-
Ōpōtiki Town - Rural to Urban Flood Protection - Duke St West Stopbank - 3 - Construction	$778,650	$778,650	$-	$-
Comprehensive Stormwater Discharge Consent	$25,000	$25,000	$-	$-
Ōpōtiki Town - Stormwater Main Upgrade - St John Street	$895,796	$-	$-	$895,796
Ōpōtiki Town - Stormwater Portable Pumps and Permanent Sumps - 1 - Planning and Design	$50,000	$50,000	$-	$-
Ōpōtiki Town - Stormwater Portable Pumps and Permanent Sumps - 2 - Sump Construction	$264,563	$264,563	$-	$-
Ōpōtiki Town - Stormwater Portable Pumps and Permanent Sumps - 3 - Existing Pump Upgrade	$103,820	$103,820	$-	$-
Ōpōtiki Town - Stormwater Portable Pumps and Permanent Sumps - 4 - New Pump/s Purchase	$539,150	$539,150	$-	$-
Ōpōtiki Town - Stormwater Pump Station - Tarawa Creek Upgrade	$3,873,900	$-	$3,873,900	$-
Ōpōtiki Town - Stormwater Basin - Wellington/Union Street	$250,000	$250,000	$-	$-
Ōpōtiki Town - Stormwater Reticulation extensions/upgrades	$9,272,920	$-	$1,149,610	$8,123,311
Growth				
Hukutaia - Stormwater infrastructure development for Hukutaia Growth Area - Phase 01	$3,132,200	$-	$3,132,200	$-
Hukutaia - Stormwater infrastructure development for Hukutaia Growth Area - Phase 02	$11,956,084	$-	$-	$11,956,084
Renewals				
Ōpōtiki Town - Stormwater culvert cost share	$50,000	$50,000	$-	$-
Ōpōtiki Town - Stormwater Drainage Renewals	$575,229	$45,723	$81,462	$448,045
Ōpōtiki Town - Stormwater Pump Stations - Renewals	$1,208,863	$61,566	$272,870	$874,427
Ōpōtiki Town - Stormwater Reticulation Renewals	$12,313,829	$233,738	$633,146	$11,446,946

13.0 Continual Improvement

13.1 Asset Management Maturity

Our last asset management maturity assessment was conducted in 2022 (Assessment of Asset Management Maturity

- 3 Waters and Roading, ProjectMax Ltd, May 2022). The diagram below provides a comparison of current against aspirational asset management practice.



- The highest priority improvements identified were:
- Reviewing Strategic Direction
- Developing and Reviewing Levels of Service
- Managing Risk and Resilience
- AM Data and Information

13.2 Asset Management Improvement Plan

The following improvement actions were recommended in the 2022 asset management maturity assessment:

- Develop and implement an asset management policy
- Review of asset management cycle every three years
- Further development of level of service technical measures and target
- Stakeholder engagement on levels of service
- Implement three waters criticality framework via GIS and asset management system
- Incorporate criticality into investment decision making
- Embed resilience into risk management processes
- Review how asset data is recorded in the asset management system and implications for how assets are described, how valuations are done, how maintenance is recorded and how renewals are planned

13.3 Improvements based OAG Report

The office of the Auditor General provided an audit in June 2023 (Report to the Council on the audit of Ōpōtiki District Council to 30 June 2022, Audit NZ, June 2023)

The most urgent and necessary recommendations were:

- Ensure appropriate and reliable condition information is recorded in the asset management register
- Implement the valuer's recommendations for three waters asset data
- Ensure revaluation adjustments are appropriately reflected in the asset information

- Ensure the annual reconciliation between the fixed asset register, and the general ledger, are prepared and reviewed as soon as possible after balance date, ideally within two months
- Establish a formal monitoring and reporting process over the service level agreement delivery with Bay of Plenty Regional Council, including consideration of how this is reported to council
- Formally advise council of any delays in achieving planned capital works as well as the impact of any delays on the wider community
- Ensure council is prepared for the transition to the new accounting standard PBE IPSAS 41 Financial Assets
- Publish the accountability documents for council-controlled organisations on the council website in a manner that is easy to locate by a standard search enquiry.

Solid Waste Asset Management Plan

1.0 Introduction

1.1 Council Overview

Ōpōtiki district is bounded on one long side by the eastern half of the Bay of Plenty embayment of the Pacific Ocean and on the other long side by the Raukumara mountain range which rises to 1754 m at Mt. Hikurangi. The largest town in the district is Ōpōtiki and the largest river is the Motu river. The economy is driven primarily by agriculture with over 400 farms amounting to a total area of 75,660 hectares.

1.2 Community Outcomes

The draft vision for waste management and minimisation in the Ōpōtiki Region is:

"Taking action towards a circular economy"

The draft goals for waste management and minimisation in the Ōpōtiki district are :

1. Collective responsibility for our resources and where they end up
2. Enabling systems to support the reuse, reduction and recycling of materials
3. Collaborate and innovate for a circular economy

1.3 Challenges

1. Resources, including recruitment of skilled staff has been a challenge, especially in asset management, project management, and operations.
2. Each of the RRC's are undergoing resource reconsenting at the time of publishing. Obtaining new consents in a timely manner is a constraint on project delivery and is also a key risk to overall service provision.
3. Council has a relatively small population and therefore rates base, which makes funding Solid Waste services difficult.
4. Lack of basic asset data and condition assessments along with embedded asset management process for Solid Waste has meant that historically investment into the activity (particularly proactive renewals) has been below what is required. Understanding our assets better, how to manage them more effectively and make more informed decisions is a key challenge and opportunity for Solid Waste.

1.4 Key Facts and Figures

	Area	3,089 km^2
	Population	10,550 - (2023)
	Residential properties	4,239 - (2018)
	Non-residential properties	0 - (2018)

Waste per capita	
Total waste to Class 1 landfill (tonnes 2022/23 year), note: Council operations only	2,424
Tonnes / capita / annum of waste to Class 1 landfills	0.230

1.5 Data Confidence and Reliability

Dataset	Asset Register	Asset Valuations	Asset Condition	Asset Criticality	LOS	Performance measures	Resource Consents	Demand Projections	Risk and Resilience	CAPEX Forecast	OPEX Forecast	Renewals
Solid Waste	E	E	D	E	D	C	C	D	D	C	C	D

A - Very High | B - High | C - Medium | D- Low | E - Very Low

Overall Rating for ODC is D (Low) - Data based on uncertain records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolation from a limited sample for which A or B data is available. The activity has an out of date and incomplete asset register with little to no supporting condition assessments. Most of the expenditure forecasting has been developed based on staff experience and knowledge of the service and associated assets.

2.0 Partnerships and Stakeholders

2.1 Mana Whenua Engagement

Ōpōtiki District Council recognises mana whenua and the important role Māori play in Council's decision-making processes and aim to build and grow mutually beneficial, positive relationships with iwi and hapū situated within the Opotiki District.

On 27 May 2023 the signing of Te Whakatōhea's deed settlement occurred. Te Whānau a Apanui also initialled a deed of settlement in late 2023, and Ngai Tai have begun their treaty settlement process also. These are historic milestones for the rohe and Council looks forward to playing a supporting role for our district's Iwi.

The aspirations of our local iwi and opportunities enabled by settlement will play a significant role in the development and growth of the Ōpōtiki district over the next ten years. Currently we engage with iwi on an as required basis as there is no formalised partnership yet between Council and iwi.

2.2 Key Customers and Stakeholders

The Solid Waste activity exists to meet the needs and requirements of customers, partners and key stakeholders. The table below identifies the areas of interests, expectations and involvement of the various groups.

Customers / Stakeholders	Area of Interest	Expectations
Domestic customers	Kerbside collection RRCs Public litter	Regular on time kerbside collection Availability of RRC service and opening hours
Commercial and industrial customers	RRCs	Availability of RRC service and opening hours Resource recovery material types accepted
Iwi	Kaitiakitanga and mauri Iwi & Hapū cultural heritage	Land and environment to be respected and mauri of the land to be protected and enhanced
Bay of Plenty Regional Council	RRCs and other consented services	Administers and enforces effective resource management in the Bay of Plenty region. Applications are processed through Bay of Plenty Regional Council.
Ministry for the Environment	Compliance with broader waste legislation Collection of waste levy	Sets standards for waste management and minimisation in New Zealand
Ministry of Health	Compliance with relevant health legislation	Waste management and minimisation plans to be approved by Medical Officer of Health
Audit New Zealand	Compliance and financial regulation	Carries out annual audits of Council on the Auditor-General's behalf to give ratepayers assurance that Council is appropriately reporting on how they spend public money and on the services they have provided.
Elected Members; Committees; CEO, Management and Staff	Performance and management of services	Key internal stakeholders responsible for the management and operation of the Three Waters system.

3.0 Our services and assets we manage

3.1.1 Ōpōtiki Town RRC

The Resource Recovery Centre (RRC) located at 38 Wellington Street in Ōpōtiki township provides the following services:

- A wide range of recyclable and recoverable materials,
- Residual waste,
- Household hazardous waste,

- Green waste.

The main assets on site are:

- Main sorting building
- New weighbridge
- Building facilities
- Bailer / compactor building
- Bailer / compactor – general
- Bailer – tin and can
- Conveyor / sorter
- Hoists
- Storage bays
- Greenwaste bays
- Hardstand pavement
- Hardstand gravel
- Fencing and security system

3.1.2 Te Kaha RRC

The Resource Recovery Centre (RRC) located on Copenhagen Road in Te Kaha provides the following services:

- Recyclable and recoverable materials,
- Residual waste,
- Household hazardous waste,
- Green waste.

The main assets on site are:

- Main sorting building
- Building facilities
- Sorting tables and small bins
- Portable bins
- Storage bays
- Hardstand pavement
- Fencing

3.1.3 Waihau Bay RRC

The Resource Recovery Centre (RRC) located on Orete Forest Road in Waihau Bay provides the following services:

- Recyclable and recoverable materials,
- Residual waste,
- Household hazardous waste,
- Green waste.

The main assets on site are:

- Main sorting building
- Building facilities
- Sorting tables and small bins
- Portable bins
- Storage bays
- Hardstand gravel
- Fencing

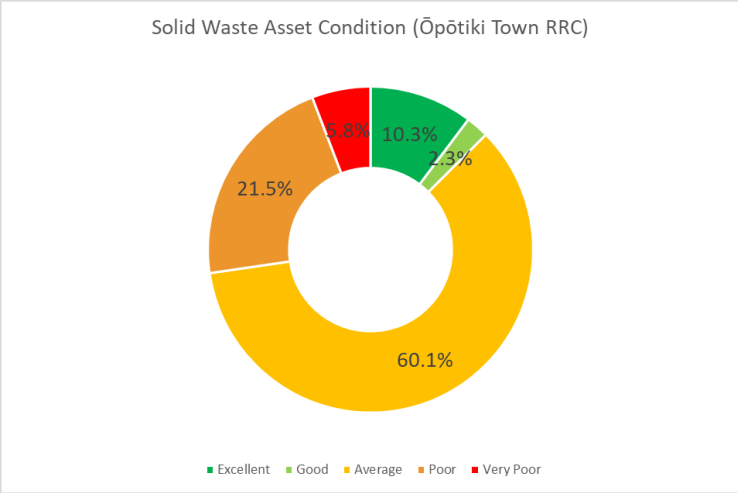
3.2 State of the assets

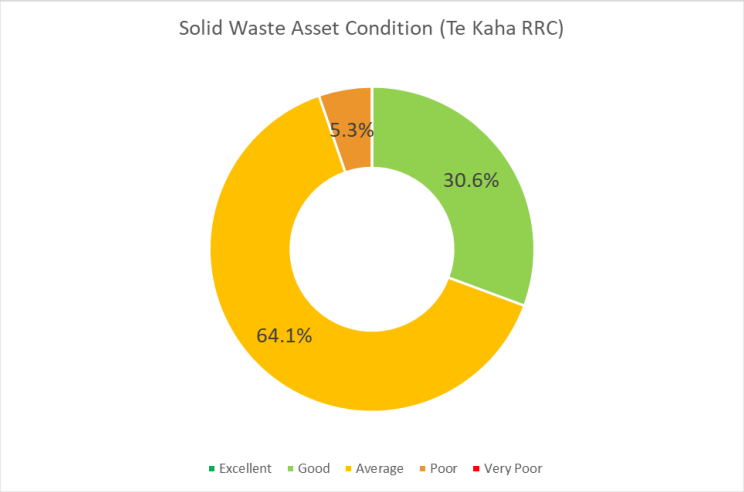
Assets Quantity and Values

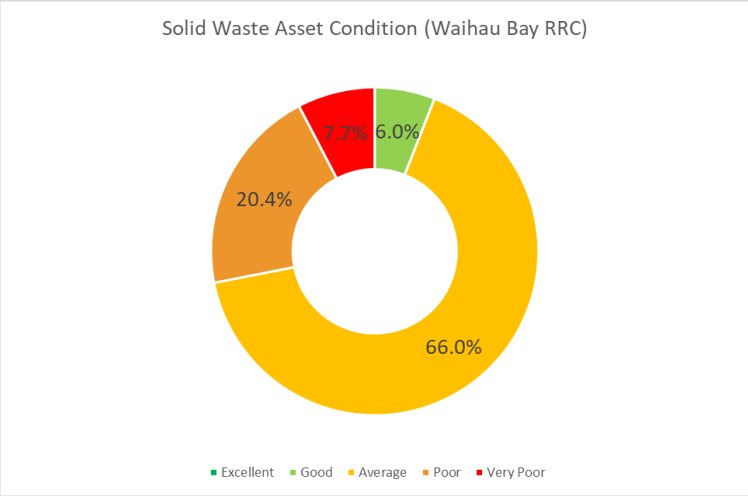
Location	Asset	Replacement Value
Ōpōtiki Town RRC	Bailer - tin and can	$120,000
Ōpōtiki Town RRC	Bailer / compactor - general	$280,000
Ōpōtiki Town RRC	Storage bays (existing)	$360,000
Ōpōtiki Town RRC	Fencing	$190,000
Ōpōtiki Town RRC	Hardstand (pavement for existing bays)	$590,000
Ōpōtiki Town RRC	Hoist (glass)	$90,000
Ōpōtiki Town RRC	Miscellaneous	$105,000
Ōpōtiki Town RRC	Security system	$35,000
Ōpōtiki Town RRC	Bailer / compactor building	$55,000
Ōpōtiki Town RRC	Building facilities	$100,000
Ōpōtiki Town RRC	Main building	$3,000,000
Ōpōtiki Town RRC	Conveyor/sorter	$45,000
Ōpōtiki Town RRC	Stormwater drainage	$100,000
Ōpōtiki Town RRC	Hardstand (gravel)	$80,000
Ōpōtiki Town RRC	Hardstand (pavement for entrance and turning areas)	$485,000
Ōpōtiki Town RRC	Hoist (plastics)	$90,000
Ōpōtiki Town RRC	Greenwaste bays	$115,000
Ōpōtiki Town RRC	Hardstand (greenwaste gravel pavement)	$40,000
Ōpōtiki Town RRC	Roller doors	$140,000
Ōpōtiki Town RRC	Weighbridge	$150,000
Te Kaha RRC	Hardstand (pavement for existing bays)	$120,000
Te Kaha RRC	Miscellaneous	$79,500
Te Kaha RRC	Storage bays (existing)	$95,000
Te Kaha RRC	Building facilities	$70,000
Te Kaha RRC	Main building	$1,000,000
Te Kaha RRC	Fencing	$50,000
Te Kaha RRC	Hardstand (pavement for entrance and turning areas)	$310,000
Te Kaha RRC	Roller doors	$70,000
Waihau Bay RRC	Fencing	$45,000
Waihau Bay RRC	Miscellaneous	$45,000
Waihau Bay RRC	Storage bays (existing)	$90,000
Waihau Bay RRC	Building facilities	$50,000
Waihau Bay RRC	Main building	$500,000
Waihau Bay RRC	Hardstand (pavement for entrance and turning areas)	$230,000
Waihau Bay RRC	Hardstand (pavement for existing bays)	$145,000
Waihau Bay RRC	Roller doors	$70,000
All sites	**TOTAL**	**$9,139,500**

Asset Condition

There is currently no of limited data on the condition of critical assets at each RRC. An allowance for investment in collecting reliable data as well as a criticality assessment is including in operational projects. In general, then most critical assets are the buildings themselves and the key plant involved in sorting and compaction of the material.







List of Critical Assets

1. Main building, Ōpōtiki Town RRC
2. Main building, Te Kaha RRC
3. Main building, Waihau Bay RRC
4. Tin and can bailer, Ōpōtiki Town RRC
5. General bailer / compactor, Ōpōtiki Town RRC
6. Conveyor / sorter, Ōpōtiki Town RRC

Commentary

We recognise that we are at the beginning of our asset management journey for Solid Waste. As such, our first objective is to gather good data on the assets we currently have and formally assess the condition of all our assets. Our interim desktop assessment of asset condition shows that much of the asset base is in an average to poor condition, with some key operational assets such as storage bays in a very poor condition. This builds on what staff already know, that ongoing investment is required to keep the activity operational and to meet minimum levels of service.

Historically we have not maintained a robust asset register and have lacked condition data for our assets. As a result, our service to the community relies heavily on staff operator knowledge and experience. The current asset register has been estimated based on an informal snapshot of assets at each RRC and the associated estimated renewal cost. Without readily available asset data the activity has previously operated on a reactive renewals approach. Programming of maintenance and replacement of assets has been difficult given the lack of asset data and asset management processes in the Solid Waste activity.

With investment into data collection and asset management improvements, the Solid Waste activity will be able to continue to deliver

a key service to the community into the future – driving better outcomes for the community and ratepayers.

4.0 Current Level of Service and Performance

Council currently provides the following services to the community, the performance of which are measured by three KPIs as part of annual reporting:

- Kerbside collection (weekly) within the urban area of the Ōpōtiki township
- Operation of three Resource Recovery Centres (RRC's) within the wider Ōpōtiki district, which provides facilities for public and commercial operators to dispose of waste and recoverable materials. These are located in:
    - Ōpōtiki township
    - Te kaha
    - Waihau Bay
- Transport and disposal. Transport from the coastal RRC's to Ōpōtiki township, and final transport to landfill and recycling markets.
- Waste education and minimisation programmes. In conjunction with the services outlined above, Council funds from time to time an in-school education programme aimed at minimising waste within the community.
- Public place litter bins. Council own 19 street litter bins within Ōpōtiki CBD area.
- Litter and illegal dumping monitoring and enforcement.

Council generally achieves the performance targets set out below with the exception that in 2022/23 customer satisfaction rating of the RRC's was below 80%. This is likely reflective of the deteriorating condition of many of the assets at each RRC and matches anecdotal evidence from staff who operate at each location.

Outcome or priority for action	Measure of success	Performance achieved 2022/23	Performance targets 2024/25	Performance targets 2025/26	Performance targets 2026/2027	Performance targets 2027-2034
Solid Waste facilities and services that meet current and future needs.	Number of justified complaints received about kerbside refuse and recycling collection service. (Note: service conditions outlined on brochure delivered annually)	7	<20	<20	<20	<18
	Customer satisfaction rating of waste transfer stations good or better.	77%	>80%	>80%	>80%	>80%
	Percentage of actions identified in the Waste Management and Minimisation Plan for the year that have been completed. This identifies the total annual actions required. Actions are required within specification and budget.	75%	75%	75%	75%	75%

Areas of concern and mitigation options

While the activity generally meets the targets set out in annual reporting, there are areas that have been identified as requiring improvement. These improvements are most likely to be achieved by appropriate investment in timely renewal of aging, poor condition assets as opposed to new level of service improvements. Below is summary of key areas of concern and the proposed mitigation options to either maintain the desired level of service to the community and in some cases, improve this level of service.

Ōpōtiki Town RRC

- Most of the storage bays on site are in a very poor condition leading to spilling of materials into the hardstand / work area, loss of material to the environment through improper containment and cross-contamination of different recyclable materials (particularly glass which results in the end recycler rejecting some glass). The proposed mitigation is to renew the current storage bays and in the long-term future expand the number of, and configuration of, all the storage bays on site. The latter project will be implemented in conjunction with a proposed layout upgrade to the site.
- The main building is in an average condition and based on estimates of its age, is due for replacement in the next 15 years. Any new building presents the opportunity to implement level of service improvements to the layout and operation of the recycling work area.
- The gravel and pavement hardstand area for drop off and loader operation is in a poor condition. The pavement is rutted and cracking, leading to stormwater runoff ponding and general degradation of the site work area. Periodic replacement over the first 10 years of the LTP has been programmed to manage the renewal of work areas over time.
- The RRC was recently affected by flooding in 2023 which highlighted some operational stormwater issues as well as raising the long-term fitness of the site as an RRC. To mitigate this, stormwater drainage renewals are proposed, as well as specific budget to implement compliance with new resource consents and budget to investigate the long-term suitability fit of the current RRC location.

Te Kaha RRC

- The site does not have a dedicated loader machine and therefore has had to borrow/lease this from a local resident. This is less than ideal and presents issues around health and safety and the use of fit for purpose equipment. The purchase of a new loader will mean that the site can effectively perform as required, and secure an asset that will be available in the long term
- All of the storage bays are either undersized or in a very poor condition. These need to be replaced which will in of itself increase the storage capacity of site (as material will be able to be better stacked) and will keep the site clean and tidy, reducing cross-contamination of different recyclable materials.

Waihau Bay RRC

- The site currently only has a gravel hardstand area as a working area for the storage bays. This is in a poor condition and has been scheduled for replacement.
- The RRC building is undersized for the required sorting workstations and covered storage of recyclable materials. A building expansion and associated concrete / pavement hardstand area for portable bins is proposed to provide more working space and a hard-wearing surface for where the steel bins are loaded and unloaded.

- All of the storage bays are either undersized or in a very poor condition. These need to be replaced which will in of itself increase the storage capacity of site (as material will be able to be better stacked) and will keep the site clean and tidy, reducing cross-contamination of different recyclable materials.

5.0 Planning for the future

5.1 Relevant Strategic Documents

1. Waste Assessment 2024 (WA): The Waste Assessment describes the current waste situation, sets the vision, goals, objectives and targets for the districts, and develops options for meeting future demand. The Waste Assessment is reviewed every 10 years and feeds into the development of the WMMP.
2. Waste Management and Minimisation Plan 2024 (WMMP): This document outlines how Council will work with residents, homeowners, and businesses to achieve Ōpōtiki's waste management and minimisation goals and objectives.
3. The Regional Waste and Resource Efficiency Strategy (2013 – 2023): This a regional position on managing waste, hazardous substances, hazardous waste and contaminated sites in the Bay of Plenty.

5.2 Demand Drivers

1. Landfill costs have risen in the past due to higher environmental standards under the RMA and increasing construction and operation costs. Costs will continue to rise with increases in the Waste Disposal Levy (currently $20 per tonne, moving to $60 per tonne in 2024) and costs for landfills associated with the New Zealand Emissions Trading Scheme.
2. The Te Rautaki Para Waste Strategy (2023) has provided an increased focus on the circular economy and emission reduction, with an ambitious 2050 roadmap. For the district, this may require funding infrastructure to manage specific material streams, implementing national standardisation of collections, a focus on organic waste, increased data collection and reporting requirements and continuing efforts on developing product stewardship schemes.
3. Statutory requirements in the Waste Minimisation Act 2008 to encourage waste minimisation and decrease waste disposal – with a specific duty for TAs to promote effective and efficient waste management and minimisation and to consider the waste hierarchy in formulating their WMMPs. Updates planned to the WMA to support the implementation of the Te Rautaki Para Waste Strategy may affect the approaches driven within Ōpōtiki.
4. New regulations surrounding forestry (National Environmental Standards for Commercial Forestry) include new requirements to remove slash from erosion-prone land. This may increase the amount of forestry slash requiring disposal in Ōpōtiki, where previously this was left on forests to break down.
5. Waste industry capabilities. As the nature of the waste sector continues to evolve, the waste industry is changing to reflect a greater emphasis on recovery and is developing models and ways of working that will help enable effective waste

minimisation in cost effective ways. This will likely open up new markets for recoverable materials. Recycling and recovered materials markets – many materials collected for recycling rely on downstream processing in New Zealand or offshore. Increasingly there is a focus on collecting materials that can be processed in New Zealand (paper, cardboard, PET, HDPE, glass) or that are traded internationally at good prices (steel, aluminium).

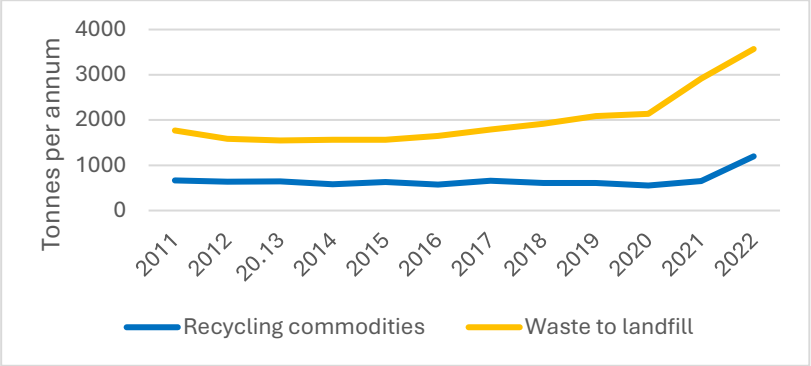
6. Local policy, including actions and targets in the WMMP, bylaws and licensing.
7. Collection systems. In brief, more convenient systems encourage the presentation of material for recycling or disposal. An increase in the numbers of large wheeled bins used for rubbish collection, for example, drives an increase in the quantities of material disposed of through them. Conversely, more convenient recycling systems with more capacity help drive an increase in the amount of recycling recovered.
8. Ōpōtiki's growing tourism industry is likely to increase the volume of waste generated in public place bins. This waste generation may fluctuate, for example, increasing in large centres around the summertime when holiday makers in the district visit beaches and reserves.

5.3 Demand Projections

The historic demand of waste and recycling is shown below (up to 2022). The graph shows a comparison of waste to Class 1 landfill and recycling over time and suggests that the proportion of waste recovered is reducing over time or that the recovery of waste is in line with population growth. The figure also shows an increase in the amount of waste and recyclables being produced in the district since 2020. This could be attributed to post-COVID related behaviour change, population changes, harbour development or more materials coming from the rural sector however this is unclear from the data available.

Future demand is expected to proportionally increase in line with population growth and at a similar rate as the 2021 – 2022 years. However, collected data is sparse and therefore there is moderate uncertainty in this projection. There are several factors which create significant uncertainty in the forecasts and these need to be considered in any decisions made based on the forecast demands. These factors include:

- The management of waste on individual properties e.g. burning household waste, farm dumps and burning farm waste.
- The impact of the current (regional and national) focus on rural waste. It is possible there will be a resultant significant increase in commercial quantities of rural waste such as plastic wrap, chemical containers and treated timber (fencing/construction) making their way to the RRC with a greater focus of rural wastes.
- The impact of alignment with kerbside standardisation requirements and proposals.
- The impact of varying economic activity.



5.4 Meeting Existing Demands

Our current understanding of demand is limited. We do not adequately measure all materials collected at RRC's or produced within the district. The Ōpōtiki township now has a weighbridge installed which will aid in collecting more accurate data on the demand on the service for some waste and recyclable materials but not all.

Current estimates and anecdotal evidence from staff suggests that the Ōpōtiki township RRC is coping with demand while the two coastal RRC's at Te Kaha and Waihau Bay are not coping with demand to an extent (primarily during peak season times over summer). It is however noted that general renewal and replacement of aging and dilapidated assets is likely to correspond to an increase in demand capacity at each site. For instance, most of the storage bays are in a poor condition across all three RRC's. Replacement of these bays will enable more efficient storage and stacking of recyclables (as the bays will actually contain the materials as opposed to currently where for many storage bays the material slumps outwards) and therefore a modest increase in capacity will be realised.

Council also periodically undertakes local school waste management and minimisation education initiatives to educate our children and wider community about recycling and reuse. This helps to shape behaviour around demand on the activity.

Council do operate a monitoring and enforcement service to combat illegal dumping but is limited in scope.

5.5 Meeting Future Demands

Demand for services in the future will be managed through a combination of better management of existing assets (better asset data and condition assessment to inform replacement and maintenance), some limited level of service improvements and in the instance of green waste, a new dedicated green waste collection and composting service at Ōpōtiki township RRC.

In conjunction with these, a wide range of waste management and minimisation initiatives are proposed as operational projects. These include:

- General - Education and behaviour change
- General - Design and develop food waste collection system
- General - Illegal dumping work
- General - Resource Recovery Community Initiatives
- General - Solid Waste Review of Services and Delivery
- General - Supporting businesses on circular opportunities and investigation into funding opportunities
- General - Waste Compliance Monitoring and Enforcement

The main challenge to meeting future demand is the ever-changing legislation and regulatory backdrop that often sees new services implemented as mandatory requirements for local government. As a result, having regularly reviewed and updated Waste Management and Minimisation Plans, implementing better asset management practices and keeping informed of changes will best allow us to understand and then appropriately respond to future demands.

6.0 Risk Management

6.1 Risk Management Approach and Key Risks

Council adopted a Risk Management Policy and a Risk Management Framework in 2015. The Risk Management Framework provides detailed guidance on how to describe, identify and manage risk. It uses a well-established approach derived from AS/NZS ISO 31000:2009. Risks are informed by key strategic issues and consideration of existing assets and current operations, as well as levels of service performance indicators.

However, due to the relatively immature level of asset management of the Solid Waste activity, use of this risk management approach and

identification of key risks is undertaken by utilising staff experience and judgement and may not be fully compliant with current guidance. In development of this first Asset Management Plan, key risks have been identified as follows:

High Level Risk/Issue Title	Caused by	Impacts	Current Controls and Mitigation	Proposed further response
Risk: Non-compliance of RRC consent conditions and/or failure to obtain new resource consents for RRC operations	• Breach of current resource consent conditions • Services do not demonstrate ability to achieve conditions as set out in new resource consents	• Environmental concerns • Infringement notices • Ability of RRC service to operate	• External consultants are currently engaged to produce wider Waste Assessment, Waste Management and Minimisation Plan in conjunction with applying for new consents	• Finalise current work on applying for new resource consents. • Continue to monitor resource consents and regulatory environment to respond to changes as required.
Issue: Resourcing of Solid Waste activity	• Funding allocation • Employee pool in the District	• Reduced level of service, possible partial closure of RRCs	• Raise awareness of funding allocation with Council • Seek alternative (central government) funding sources • Corporate level initiatives to recruit suitable staff	• Continue to seek alternative (central government) funding sources • Build on corporate level initiatives to recruit suitable staff
Risk: Asset Management Practice	• Poor internal controls • Undeveloped processes • Inadequate maintenance contracts • Improper data population • Absence or loss of records • Loss of institutional knowledge • Inaccurate population Predictions	• Poor audit reviews • Fraud • Poor value for money • Unbudgeted expenditure • Poor planning • Inadequate cost recovery • Possible damage unrecorded and unrectified • Increased cost of repairs	• Reliance on staff knowledge and experience to manage the assets • Incorporate practices of other Council activities to help improve Solid Waste practices	• Develop a Council wide asset management Strategic plan with district planners and councillors (with Solid Waste included). • Continue to improve AM practices in Solid Waste activity by adopting the processes of the more mature activities (Three Waters and Transport) • Undertake a baseline collection of asset data and establish an assets register for all three RRC's. • Undertake condition assessments of key assets, and then for all assets. • Include Solid Waste in the development of an asset management policy and framework.

6.2 Building Resilience

Council has developed a Waste Management and Minimisation Plan and associated Waste Assessment. These are currently being reviewed and updated with 2024 draft versions produced. This planning touches on resilience of the service in the face of ongoing weather related events, and how this effects the services.

As small a Council, ODC collaborates on a cross-regional basis within the Bay of Plenty and Waikato regional council domain. This collaboration across different planning, operation and future waste stream response allows for a level of resilience in provision of services that ODC would not be able to achieve by itself.

7.0 Asset Operations and Maintenance

7.1 Operations and Maintenance Requirements (WHY)

Council is responsible for how the asset will be operated and maintained on a day-to-day basis to:

- Achieve adequate level of service performance targets
- Meet resource consent conditions requirements
- Ensure Solid Waste assets are operated and maintained so as to support achieving levels of service
- Deliver Solid Waste services at the required level

Council delivers Solid Waste services mainly through external contracts for:

- Kerbside and coastal RRC collection services
- Transport of waste to landfill
- Transport of glass and tyres

Physical works are addressed on as needed basis usually in a reactive manner. The service delivery model is presented below.

Service Delivery Function	Internal Service Delivery Team	Internal Capabilities	External Service Delivery
Design	Solid Waste	Minor projects	Consultants/Contractors
Construct	Solid Waste	Operational works only	All projects to contractors
Operate	Solid Waste	General RRC site operations only	Mechanical and electrical repairs. Kerbside collection and waste transportation service delivered by external contractor
Maintenance	Solid Waste		All external through local service providers

7.2 Key Operational Processes and Asset Maintenance (WHAT)

Operations processes and asset maintenance of the activity can be split into each of the key services provided:

Kerbside collection

- **Contract management**

Kerbside refuse and recycling collection is operated by a contractor (Handee Can Services – Whakatāne), who undertakes the collection service on behalf of Council. Council staff manage the contract and there are no assets to maintain.

Resource recovery centres

- **Site routine operations**
- **Reactive maintenance and repairs**

Operation of each RRC is managed by the Solid Waste activity staff with a team employed at each site.

Maintenance is currently undertaken on an as needed basis for much of the activity. Much of the operational plant at Opotiki Town RRC, such as the conveyor / sorter and bailers are maintained by external contractors. Given the age of the some of the assets, the frequency of required repairs and maintenance is well above what may be acceptable to the manufacturer.

As the activity asset management matures over time, better asset and condition data will allow for more preventive and proactive maintenance programming.

Transport and disposal

- **Contract management**

This service is the transport of material from coastal RRC's to Ōpōtiki township, and the final transport and disposal to landfill and recycling markets. A variety of contractors are used to operate the various streams of refuse and recycling that go to different end recycling markets. Council staff manage the associated contracts for this service.

7.3 Operations and Maintenance Plan (HOW)

Operational and maintenance expenditure is monitored against set budgets throughout the year. Currently expenditure for Solid Waste is predicted using high level annual trends, with a high level of unplanned budget required for repairs and maintenance of aging assets. The ideal method for managing expenditure would be via proactive maintenance schedules and detailed operational budgets. As the activity asset management maturity improves over time, the operational management and setting of budgets will become more sophisticated and accurate as well.

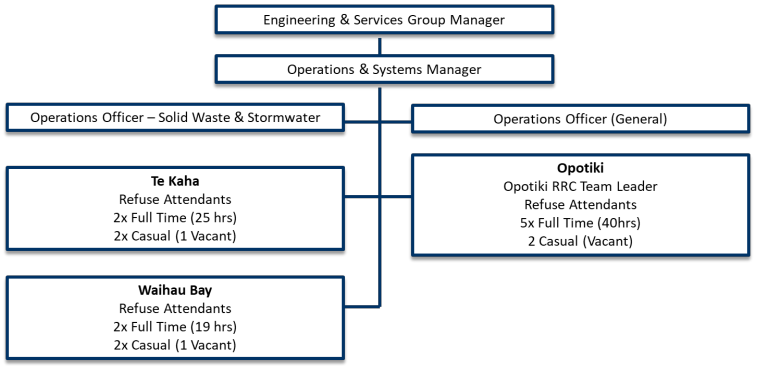
For each of the key services provided, the following operations and maintenance plan is implemented:

Kerbside collection

Rubbish is collected weekly, with the materials collected for recycling alternating each week. Handee Can Services – Whakatāne currently operate this service on behalf of Council.

Resource recovery centres

The following team is employed across each of the three RRC sites generally:



External contractors are used for building services, mechanical and electrical repairs.

Transport and disposal

A variety of contractors are used to operate the various streams of refuse and recycling that go to different end recycling markets.

8.0 Asset Renewals

8.1 Renewal Approach

Asset renewals within the Solid Waste activity have historically been based on reactive replacement of an asset as it reaches the end of its life. Many assets have been sweated beyond their original asset life, however, without reliable asset data and assessment of the condition, it has

historically been difficult to programme when to replace many of the assets, even those in poor condition. Therefore, with limited visibility of the required renewals profile, historically investment into the activity has been below what is required.

Going forward Council's approach to renewals across all activity areas is to adopt a Long Run Average Renewal Approach. This relies on having accurate and complete asset data, backed by condition assessments and robust asset management practices that allow for the best estimate of what a Long Run Average is for renewing assets. For Solid Waste this means that the average of renewals will be significantly increased compared to previous LTP periods as Council recognises that this activity has been historically under invested in for a long period of time.

For this AMP, the renewal programme has been based on staff judgement and experience working with the assets, and is our best estimate of when renewals are likely to be required. This assumption and approach has inherent risks and limitations given that there is little to no data to base the programme on. As such, any changes to this assumption may have material difference on the overall renewals programme including timings. However, given that we will be adopting an average of required asset renewals, we will be able to prioritise those assets most needing of replacement in the first 5 years and then as asset and condition data improves, the timing of renewals will become more accurate and less likely that 'surprises' are to occur.

8.2 Renewal Plan

The renewals plan for Solid Waste is based primarily on staff knowledge and experience of the assets, with a desktop exercise undertaken to estimate replacement costs (based on industry unit rates) and assign a basic level condition rating for the identified main assets. Given the lack of asset data and information related to asset age, condition or criticality, this method was deemed acceptable as a starting point, on the understanding that as asset data information and processes improves over time, the renewals profile will be refined and become more accurate over time.

Prioritisation of assets has therefore been given to those assets deemed to be more critical to the operation of each RRC or are in a very poor condition, which in turn has been applied to the assets to give our best estimate of a renewals profile. Given current financial constraints on Council, the timing of some of this investment has been moved to allow for a more deliverable annual capital expenditure profile. This in effect means that many of the assets will continue to be sweated, meaning that there is an increased risk of loss of levels of service to the community and increased risk of unplanned expenditure in any given year.

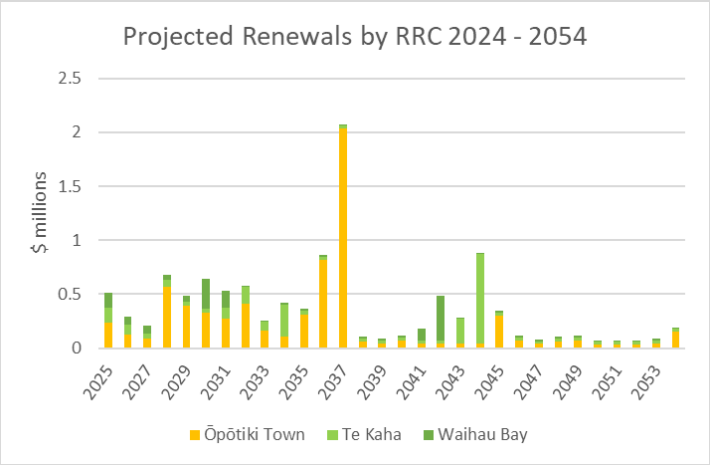
Many of the earlier renewals in years 1 to 5 have been prioritised on the basis of the assets that are either the most critical to the function of the immediate service or on the condition of the assets. An example of this are the storage bays at each site. These are uniformly in a very poor condition with cross contamination of material types occurring, often resulting in some recyclables such as glass, being rejected by end recyclers. The renewal of these assets is key to the level of service provided at each site.

8.3 Renewals across each RRC

The projected renewals profile across each RRC location is shown in the chart below. Given Ōpōtiki Town RRCs relative size and asset base, the majority of renewals on a dollar basis are for this site. However, there is consistent investment at each site over the first 10 years recognising the general uniform degradation of asset condition at all three locations.

The first 10 years sees the renewal of the aforementioned storage bays and other key operational assets such as hardstand areas for the storage bays and entrance/exits areas of each site. For Ōpōtiki Town RRC there is an emphasis on upgrades for resource consent compliance as a result of gaining a new consent for the site. These are expected to be relatively major.

The other notable investment over the 10-to-30-year time horizon is replacement of the buildings at each site. The condition of the main sorting buildings at each location has not been formally assessed. However, based on site observations and estimated age of the assets, the Ōpōtiki Town building is likely to require replacement first. This has been tentatively scheduled for 2037 but is subject to a structural assessment to be undertaken before this date (which may bring the replacement date forward). Similarly, replacement of the Te Kaha and Waihau Bay buildings are scheduled for 2042 and 2044 and therefore these renewals 'dominate' the overall projected renewals profile.



9.0 Asset Improvements and Disposals

9.1 Asset Improvements

As discussed under renewals section, much of the proposed investment for the activity is renewals driven. However, inherently for some of the assets there is a component of levels of service or improvements to the assets that drive these investments. In many cases this is to maintain the level of service or improve the service in response to regulatory drivers or government legislation. There are no plans to improve assets over and above what has already been allowed for. There are, however, planned improvements to asset management planning processes that will lead to general improvements in delivery of the Solid Waste activity.

Asset Management Policy and Framework

Council has plans to develop an asset management policy to set the Council's asset management framework for managing infrastructure assets in a structured, integrated, cost-effective and sustainable manner. The Policy will cover three waters assets and other infrastructure assets (including Solid Waste). The Asset Management Framework provides a management structure within which requirements, goals, objectives, strategies, and tactics are brought together to enable a balanced and consistent approach to asset management and improvement of infrastructure services provision, including three waters services.

9.2 Asset Disposals

Disposal is the retirement or sale of assets whether surplus or replaced by new or improved systems.

Assets may need to be disposed of for a number of reasons, particularly if they fall under some criteria, including those identified below:

- Underutilisation
- Obsolescence
- Cost inefficiency
- Policy change
- Provision exceeds required Levels of Service
- Service provided by other means (e.g. private sector involvement)
- Potential risk of ownership (financial, environmental, legal, social).

As part of the lifecycle asset management process, Council considers the costs of asset disposal in the long-term financial forecasts. These costs are generally incorporated in the capital cost of level of service increases or asset renewals. While there are assets that fit under one or more of the above criteria, the Local Government Act provides clear instances when assets can be disposed of.

Council has no plans to dispose of any Solid Waste assets other than those that become obsolete as a result of renewal or upgrading works. As the asset data for the activity improves over time with proposed investment in data collection and processes, then asset disposal decisions can be made in a more informed manner.

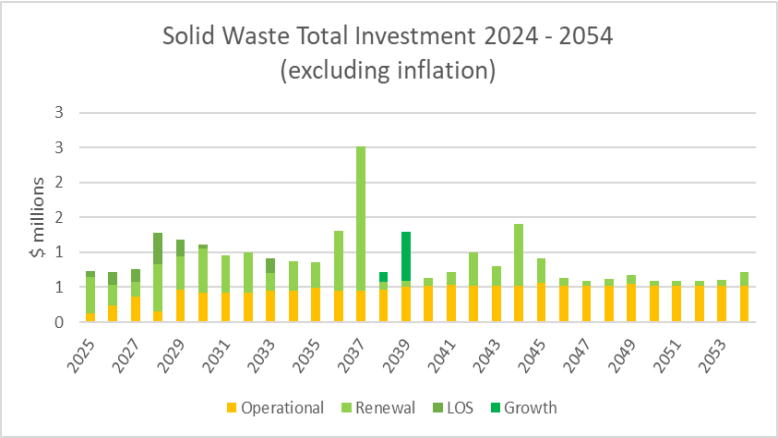
10.0 Investment Forecasts

10.1 Total Investment

Summary of Total Investment (CAPEX + OPEX)

The total investment in the Solid Waste activity for Years 1 to 3 of the LTP is $2.49 million, with the net operational expenditure projected at $1.04 million (net cost of service) and capital expenditure at $1.45 million (total capital spend). On average the operational investment is $347k per year and capital spend is $485k per year for the first 3 years. This budget focusses on what is deliverable and affordable for the activity. We note however that the total investment is significantly above previous spend in the Solid Waste activity. This is not necessarily a result of not being able to deliver this level of capital programme, but more so that a detailed capital programme has not previously been developed and implemented for the activity. The overall Council proposed budgets have targeted previous annual deliverability levels and therefore at an organisation level, the proposed capital spend for Solid Waste is achievable (but will need to be managed within overall Council resource availability).

Detailed tables for each area of spending are included in our LTP.



10.2 Capital Investment

Summary of Capital Investment (CAPEX)

Capital investment is required for the Solid Waste activity to achieve Councils' desired outcomes as highlighted in the Introduction section. The majority of the proposed capital investment supports the following outcomes:

1. Collective responsibility for our resources and where they end up
2. Enabling systems to support the reuse, reduction and recycling of materials

The proposed capital investment is primarily renewals based, in keeping with an aging asset portfolio that has had historic under investment.

The below figure shows the overall capital investment profile being $1.45 million over Years 1 to 3 of the LTP. The estimated investment for the 10-year period out to 2034 is $6 million, averaging approximately $600k per annum.

10.3 Operational Investment

Summary of Operational Investment (OPEX)

The proposed operational investment aims to help better understand our assets, improve our asset management practices and operations, respond to legislation changes and implement waste minimisation initiatives.

The below figure shows a relatively consistent investment in operational projects, with an initial higher upfront investment in Year 1 to better understand our assets, develop better asset management processes, obtain resource consents and undertake much needed waste management and minimisation studies and community initiatives. The operational investment over Years 1 to 3 is $1.04 million with an estimated average investment for the 10-year period of $410k per annum.

11.0 Key Projects

11.1 Key Ōpōtiki Town RRC Projects (including inflation)

##	Project	Primary Driver	Year/s	Costs	Financial Data Confidence	Description and Objectives of the project	Benefits/Justification of the project	Project Stage
1	New bins for organics collection	LOS	2027-2029	$270k	Staff and external consultant estimates	Implement an organics collection service including required bins for the urban kerbside collection area	This project responds to increased LOS requirement signalled in Te Rautaki Para to make kerbside organics collection services available to households in all urban areas by 2030	Planning
2	Ōpōtiki Town - RRC upgrades for resource consent compliance	LOS	2025-2027	$156k	Staff estimates	Site wide upgrades to stormwater and other systems to comply with resource consents	Mandatory requirement to operate the RRC site	Planning
3	Ōpōtiki Town - RRC bailer - tin and can	Renewal	2028	$130k	Recent industry unit rates	Renew aging and key asset	More efficient operation of plant and less maintenance and down time of the asset	Planning
4	Ōpōtiki Town - RRC bailer / compactor	Renewal	2027	$298k	Recent industry unit rates	Renew aging and key asset	More efficient operation of plant and less maintenance and down time of the asset	Planning
5	Ōpōtiki Town - RRC bays (existing)	Renewal	2024-2035	$402k	Staff estimates based on industry unit rates	Renew aging and key asset. Progressive replacement of storage bays over time	The bays are currently in a very poor condition and barely provide the function desired. The benefit will be operational efficiencies from improved site workflow and less contamination of materials between bay areas.	Planning
6	Ōpōtiki Town - RRC hardstand (pavement for existing bays)	Renewal	2024-2032	$653k	Staff estimates based on industry unit rates	Renew aging and key asset. Progressive replacement of hardstand areas over time	The hardstand areas are in a very poor condition with multiple potholes and therefore ponding areas in the work area. Benefits will be operational efficiencies from improved site workflow and general site health and safety improvements.	Planning
7	Ōpōtiki Town - RRC Future Green Waste	Growth	2036-2039	$1,123k	Staff estimates based on industry unit rates	A new dedicated green waste expansion of the current site.	Expansion of green waste collection service as the existing area will become insufficient in the future. Provides an additional revenue collection stream with green waste composting proposed.	Planning

11.2 Key Te Kaha RRC Projects (including inflation)

##	Project	Primary Driver	Year/s	Costs	Financial Data Confidence	Description and Objectives of the project	Benefits/Justification of the project	Project Stage
1	Te Kaha - RRC upgrades for resource consent compliance	LOS	2025-2027	$47k	Staff estimates	Site wide upgrades to stormwater and other systems to comply with resource consents	Mandatory requirement to operate the RRC site	Planning
2	Te Kaha - RRC Loader	LOS	2027	$85k	Recent industry unit rates	A new dedicated loader for moving bins and materials around site	The site currently leases/borrows a loader from a local resident. This is not an ideal long term solution and there is a need for Council to own the asset from a reliability and resilience perspective.	Planning
3	Te Kaha - RRC bays (existing)	Renewals	2024-2027	$98k	Staff estimates based on industry unit rates	Renew aging and key asset. Progressive replacement of storage bays over time	The bays are currently in a very poor condition and barely provide the function desired. The benefit will be operational efficiencies from improved site workflow and less contamination of materials between bay areas.	Planning
4	Te Kaha - RRC hardstand (pavement for existing bays)	Renewals	2024-2035	$134k	Staff estimates based on industry unit rates	Renew aging and key asset. Progressive replacement of storage bays over time	The hardstand areas are in a very poor condition with multiple potholes and therefore ponding areas in the work area. Benefits will be operational efficiencies from improved site workflow and general site health and safety improvements.	Planning
5	Te Kaha - RRC additional glass bins	LOS	2025	$15k	Staff estimates	Additional glass bins to cope with volume of glass material deposited at the RRC	Additional storage capacity leading to less cross material contamination (more reliable product for end user). Health and safety benefits for a more tidy and safe site.	Planning

11.3 Key Waihau Bay RRC Projects (including inflation)

##	Project	Primary Driver	Year/s	Costs	Financial Data Confidence	Description and Objectives of the project	Benefits/Justification of the project	Project Stage
1	Waihau Bay - RRC upgrades for resource consent compliance	LOS	2025-2027	$47k	Staff estimates	Site wide upgrades to stormwater and other systems to comply with resource consents	Mandatory requirement to operate the RRC site	Planning
2	Waihau Bay - Hardstand and building expansion	LOS	2024-2029	$316k	Staff estimates based on industry unit rates	Expansion of the existing building to provide more space for sorting operations and hardstand area for existing portable bins and future storage bays	Better operational workflow and health and safety improvements for staff on site. Better access to portable bins.	Planning
3	Waihau Bay - RRC bays (existing)	Renewal	2024-2029	$95k	Staff estimates based on industry unit rates	Renew aging and key asset. Progressive replacement of storage bays over time	The bays are currently in a very poor condition and barely provide the function desired. The benefit will be operational efficiencies from improved site workflow and less contamination of materials between bay areas.	Planning
4	Waihau Bay - RRC hardstand (pavement for existing bays)	Renewal	2024-2030	$154k	Staff estimates based on industry unit rates	Renew aging and key asset. Progressive replacement of storage bays over time	The hardstand areas are in a very poor condition with multiple potholes and therefore ponding areas in the work area. Benefits will be operational efficiencies from improved site workflow and general site health and safety improvements.	Planning

12.0 All Projects

12.1 Capital Investment (CAPEX) Projects (including inflation)

Key projects and programmes	Total estimated cost	Year 1-3	Year 4-10	Year 11-30
LOS				
New bins for organics collection	$269,613	$-	$269,613	$-
Ōpōtiki Town - RRC improved workstation flow	$81,814	$81,814	$-	$-
Ōpōtiki Town - RRC security system	$38,091	$-	$38,091	$-
Ōpōtiki Town - RRC upgrades for resource consent compliance	$156,355	$103,180	$53,175	$-
Ōpōtiki Town - RRC layout upgrade (existing greenwaste bays)	$123,504	$-	$123,504	$-
Ōpōtiki Town - RRC layout upgrade (existing greenwaste gravel pavement)	$41,271	$30,636	$10,635	$-
Te Kaha - RRC additional glass bins	$15,314	$15,314	$-	$-
Te Kaha - RRC improved workstation flow	$10,319	$10,319	$-	$-
Te Kaha - RRC Loader	$85,080	$-	$85,080	$-
Te Kaha - RRC upgrades for resource consent compliance	$46,908	$30,955	$15,953	$-
Te Kaha - RRC additional hardstand for bays	$93,192	$-	$93,192	$-
Te Kaha - RRC bays (additional)	$87,368	$-	$87,368	$-
Waihau Bay - RRC improved workstation flow	$10,635	$-	$10,635	$-
Waihau Bay - RRC upgrades for resource consent compliance	$46,908	$30,955	$15,953	$-
Waihau Bay - Hardstand and building expansion	$315,790	$153,180	$162,610	$-
Waihau Bay - RRC bays (additional)	$69,894	$-	$69,894	$-
Renewals				
Ōpōtiki Town - RRC bailer - tin and can	$130,128	$-	$130,128	$-
Ōpōtiki Town - RRC bailer / compactor	$297,780	$-	$297,780	$-
Ōpōtiki Town - RRC bays (existing)	$401,587	$91,908	$236,133	$73,546
Ōpōtiki Town - RRC fencing replacement	$251,679	$30,636	$61,039	$160,004
Ōpōtiki Town - RRC hardstand (pavement for existing bays)	$652,670	$30,636	$622,034	$-
Ōpōtiki Town - RRC hoist (glass)	$116,229	$30,621	$-	$85,608
Ōpōtiki Town - RRC renewals	$1,447,263	$107,237	$278,126	$1,061,900
Ōpōtiki Town - RRC bailer / compactor building	$60,737	$-	$60,737	$-
Ōpōtiki Town - RRC building facilities	$110,430	$-	$110,430	$-
Ōpōtiki Town - RRC building replacement	$3,769,149	$-	$-	$3,769,149
Ōpōtiki Town - RRC conveyor/sorter	$53,316	$-	$53,316	$-
Ōpōtiki Town - RRC drainage renewals	$114,473	$-	$114,473	$-
Ōpōtiki Town - RRC hardstand (gravel)	$85,080	$-	$85,080	$-
Ōpōtiki Town - RRC hardstand (pavement for entrance and turning areas)	$647,086	$-	$251,565	$395,521
Ōpōtiki Town - RRC hoist (plastics)	$121,496	$-	$31,905	$89,591
Ōpōtiki Town - RRC replace roller doors x 4	$158,844	$-	$158,844	$-
Ōpōtiki Town - RRC weighbridge renewal	$271,982	$-	$-	$271,982
Te Kaha - RRC hardstand (pavement for existing bays)	$133,862	$30,636	$78,711	$24,515
Te Kaha - RRC renewals	$1,077,823	$122,544	$196,779	$758,500
Te Kaha - RRC bays (existing)	$97,850	$60,627	$37,223	$-
Te Kaha - RRC building facilities	$78,694	$-	$78,694	$-
Te Kaha - RRC building replacement	$1,480,347	$-	$-	$1,480,347
Te Kaha - RRC fencing replacement	$57,250	$-	$57,250	$-
Te Kaha - RRC hardstand (pavement for entrance and turning areas)	$366,293	$-	$366,293	$-
Te Kaha - RRC replace roller doors x 2	$80,150	$-	$80,150	$-
Waihau Bay - RRC fencing replacement	$46,298	$46,298	$-	$-
Waihau Bay - RRC renewals	$619,123	$45,955	$118,068	$455,100
Waihau Bay - RRC bays (existing)	$94,739	$45,955	$48,784	$-
Waihau Bay - RRC building facilities	$56,210	$-	$56,210	$-
Waihau Bay - RRC building replacement	$707,265	$-	$-	$707,265
Waihau Bay - RRC hardstand (pavement for entrance and turning areas)	$255,944	$-	$255,944	$-
Waihau Bay - RRC hardstand (pavement for existing bays)	$153,585	$76,607	$76,978	$-
Waihau Bay - RRC replace roller doors x 2	$78,694	$-	$78,694	$-
Ōpōtiki Town - Resource Consent	$165,311	$165,311	$-	$-
Te Kaha - Resource Consent	$70,207	$70,207	$-	$-
Waihau Bay - Resource Consent	$70,207	$70,207	$-	$-
Growth				
Ōpōtiki Town - RRC Future Green Waste	$1,123,660	$-	$-	$1,123,660

13.0 Continual Improvement

13.1 Asset Management Maturity

In 2022 an asset management maturity assessment was conducted for Three Waters and Transport activities. This assessed these activities to be at a 'Basic to Core' maturity level. Without undertaking a formal assessment for Solid Waste, we estimate that the activity sits at an 'Aware to Basic' level. Therefore, as already recognised, asset management improvements are necessary for the activity to better function. Our aspiration is to have the activity at a 'Basic' asset management maturity level within three years in time for the next 2027 LTP process. To do this there are a variety of improvements and operational asset management investments to be made in the activity.

As noted previously, we particularly lack a complete asset register and associated basic data, as well as any reliable condition information. These are seen as the first improvements required to increasing our asset management maturity.

13.2 Asset Management Plan Improvement Plan

An asset management improvement plan focusses on what Council will be working on over the next 12 to 24 months to continuously improve the Solid Waste activity.

As previously noted, there are many areas within the activity that require improvement projects to better manage the overall service. However, given resource constraints, and our starting asset management maturity level, we have focussed on the very basics to give us a good start on our long-term asset management journey. Below are the key proposed improvement projects:

- **Asset database** – establish an asset register by undertaking a survey of all assets
- **Asset data collection** – improve the understanding of all assets by progressively undertaking condition assessments of the assets starting with the more critical assets such as RRC buildings and the plant and equipment used for sorting and collating rubbish and recycling
- **Processes** – Establish basic level asset management processes (SoPs, periodic inspections of assets and develop reporting formats for recording and capturing data).
- **Audit/Review** - Internal audit processes in place to ensure continuous improvement program is effectively followed. This can utilise more established processes used for the Three Waters activity.

The above improvement plan represents the core improvements desired to start the journey of better management of the Solid Waste activity assets. As data is collected and our assets are better understood, further improvement projects may be required. In this way, the improvement plan is to be periodically reviewed.

Independent Auditor's Report

To the reader:

Independent auditor's report on Ōpōtiki District Council's 2024-2034 Long Term Plan

I am the Auditor-General's appointed auditor for Ōpōtiki District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part of Schedule 10 of the Act.

[SIGNATURE]

[NAME]

Audit New Zealand

On behalf of the Auditor-General, Tauranga, New Zealand.