

REPORT

Date : 13 July 2023

To : Ordinary Council Meeting, 1 August 2023

From : Strategic Development Manager, Katherine Hall

Subject : **LONG TERM PLAN 2024-34**

File ID : A1014870

EXECUTIVE SUMMARY

This report is to outline the purpose of the Long Term Plan, provide an update on the work done to date and to present four documents, which provide a platform for developing the Long Term Plan 2024-34. Each document is attached to this report as an appendix, and has been circulated to councillors prior to the meeting for review and feedback. The documents are:

- **ŌDC Long Term Plan 2024-34 – Workplan.**
- **ŌDC LTP 2024-34 – Roles and Responsibilities.**
- **Environment Scan.**
- **Key Assumptions (draft).**

PURPOSE

The purpose of this report is to outline the purpose of the Long Term Plan and Council's responsibilities for it; provide an update of the work done on the LTP to date and seek approval of the four documents attached to this report.

BACKGROUND

The purpose of local government is outlined in the Local Government Act 2002 (the Act):

10 Purpose of Local Government

- (1) The purpose of local government is –
- (a) to enable the democratic local decision-making and action by, and on behalf of, communities; and
 - (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Arguably, the most important tool any Council has in implementing this purpose is the Long Term Plan. The Act requires every Council to have an LTP in place:

93 Long-term plan

- (1) A local authority must, at all times, have a long-term plan under this section.

The Long Term Plan is the document which sets the budgets and activities for the organisation and the district for the next 10 years. It is reviewed every three years. Councils across Aotearoa New Zealand are now well into the process of drafting, creating and compiling their Long Term Plans. It is an extensive and involved process, it requires lots of different component parts, and for almost every section of the organisation to work together to produce the final document.

Taituarā provides useful guidance for everyone to use to help with understanding the purpose and process of the LTP. In their 'Jigsaw' handbook, they have six "ground rules" everyone should keep in mind when creating the LTP:

1. Long-term planning needs an outward focus: it must be grounded in an understanding of the various social, demographic, environmental, economic and cultural factors of the community, and in the needs and aspirations of the community,
2. Long-term planning means long term: the horizon for the long-term plan is the useful life of the asset, rather than the triennial cycle or the 10-year legislative timeframe,
3. Long term planning strikes a balance: think about balancing levels of service, aspirations and goals of the community, and the community's willingness and ability to pay,
4. Long-term planning tells one integrated story,
5. Long-term planning is grounded in a detailed understanding of the present,
6. Long-term planning requires project management disciplines.

The previous LTP was adopted in June 2021, and the next LTP must be adopted before the end of June 2024.

DISCUSSION AND OPTIONS SECTIONS

There are four documents attached to this report. The purpose of presenting these documents at this stage in the process is to provide a platform for councillors and staff to move forward from, and to provide opportunity for the public to see how the LTP is progressing (including when decisions will be

made). These documents are not required to be included in the LTP, but they are critical for keeping to the six "ground rules" and understanding them is key to creating the LTP.

Appendix One: ŌDC Long Term Plan 2024-34 – Workplan – for Approval

This is a high-level LTP schedule for councillors and staff to follow, based on the Schedule of Meetings. The Workplan has been circulated to councillors via email, and the Executive Leadership Team have also received this document.

At the time of printing the Workplan, a workshop was scheduled for 24 July. At that workshop, the four documents attached to this report were intended to be reviewed and discussed. Various reasons required the workshop to be cancelled so as an alternative to the workshop, the four documents presented in this report were circulated to councillors via email ahead of time and discussion and feedback was sought.

The Workplan shows councillors and staff have moved through the *Strategic analysis and set-up phase*. This was made of two Strategic Priorities sessions (and related tasks before and after the sessions), which were facilitated by Anne Pattillo. The notes from these workshops will be received at the council meeting and released publicly following the standard process.

The 1 August Council meeting marks the organisation moving into the *LTP Development Phase*. This phase will see staff presenting several key documents and policies to councillors for workshopping and review, and approval at the various milestones. The aim of this phase is to prepare a draft LTP for Audit by December 2023.

The *Audit phase* will see Audit reviewing the documents we send to them, which will have been brought together based on the decisions made during the previous two phases.

Finally, the organisation will move into the *Consultation/Adopt phase* where the official consultation processes will be followed. Importantly, staff are already progressing with community engagement on the LTP – particularly on Community Priorities and community wellbeing. Although this is outside of the *Consultation/Adopt phases*, early stage engagement is key for a successful LTP.

The objective of the Workplan is to highlight the milestones the LTP process needs to achieve.

Appendix Two: ŌDC LTP 2024-34 – Roles and Responsibilities

This document is intended to provide councillors and staff with a visual depiction of the various groups within Council, and the roles and responsibilities each group has in creating the LTP. It also includes the Risk & Assurance Committee which is chaired by an Independent Chair.

The chart shows the various teams and the interactions between each of the groups. It also describes the responsibilities each group has. In the case of Council, they are responsible for:

- Actively participating in workshops
- Considering policies/proposals/key documents and making informed decisions
- Encouraging the public to engage with the LTP Process
- Attending hearings and making decisions.

The objective of the Roles and Responsibilities document is to make clear where each group/team sits in the LTP process, and to provide guidance on how the teams work together to create the various LTP parts, and the final LTP document.

Appendix Three: Environment Scan

The Environment Scan relates to ground rule one: *long term planning needs an outward focus*. An LTP does not exist in isolation and the Environment Scan provides an opportunity to take stock of the various environments' council operates in and considers how these could have an effect or influence on our organisation, our communities and our organisation.

The Environment Scan looks at global, national, regional, district, community and user-level factors.

Key items from the Environment Scan are

- Global economic uncertainty, due to conflict in Ukraine and post-COVID effects
- Climate change and severe weather events
- National elections and the current status of national legislative reform (Affordable Waters, RM Reform, potentially Future for Local Government)
- Regional Planning Committees post RM-Reform
- Te Tiriti o Waitangi settlements
- Harbour Transformation Project
- Cost of living and inflation.

The objective of the Environment Scan is to provide a high-level “state of play”, so councillors and staff are able to make informed decisions on the LTP as the process continues on.

Appendix Four: Key Assumptions (draft)

The Act requires every LTP to include a section on the key assumptions upon which council have based their forecasts. The LTP has an outward, long-term focus so it is necessary to make assumptions about the environment, constraints and opportunities the organisation and district could face over time.

It is typical for councils to roll over their planning assumptions from the previous LTP but to edit and update them based on new data information. This information can often come to light through the Environment Scan process, through the Risk and Assurance process and through staff reviewing their key documents.

This document is the first iteration of the Key Assumptions, and more work is required by staff to finalise the assumptions sections. However, the document attached to the report is intended to provide a high-level overview of the starting points of the Key Planning Assumptions which staff will work to, and a snapshot of what councillors can anticipate as we move through the process.

A final version of the Key Planning Assumptions will be presented to council for approval at the October meeting.

SIGNIFICANCE AND ENGAGEMENT ASSESSMENT

Assessment of significance

On every issue requiring a decision, Council is required to determine how significant a decision is to the community, and what the corresponding level of engagement should be.

Council uses the Significance Flowchart in the Significance and Engagement Policy to determine the level of significance.

The level of significance related to the decision in this report is considered to be low. Because the decision is determined to have low significance in accordance with the policy, the corresponding level of engagement required is Inform.

Assessment of engagement

As the level of significance has been determined to be low, the level of engagement required is Inform according to the Engagement Framework of the Significance and Engagement Policy:



Inform

To provide balanced and objective information to assist understanding about something that is going to happen.

The tools that Council will use for the 'Inform' level of engagement include a report in the public agenda of the Council meeting and may include a combination of public notices in the newspaper and/or on Council's social media.

CONSIDERATIONS

Financial/budget considerations

Costs associated to the development of the Long term Plan have been included in the 2023/24 Annual Plan budget.

Policy and planning implications

Council is required to ensure it meets the legislative requirements with regard to creating the Long Term Plan. The contents of this report support this.

Risks

No risks have been identified with the recommendations associated with this report.

Authority

Council has the authority to make the decisions required.

CONCLUSION

This report and the appendices intended to provide a platform for councillors and staff to move forward from and enable informed decision making to create the Long Term Plan 2024-34.

RECOMMENDATIONS:

1. That the report titled "Long Term Plan 2024-34" be received.

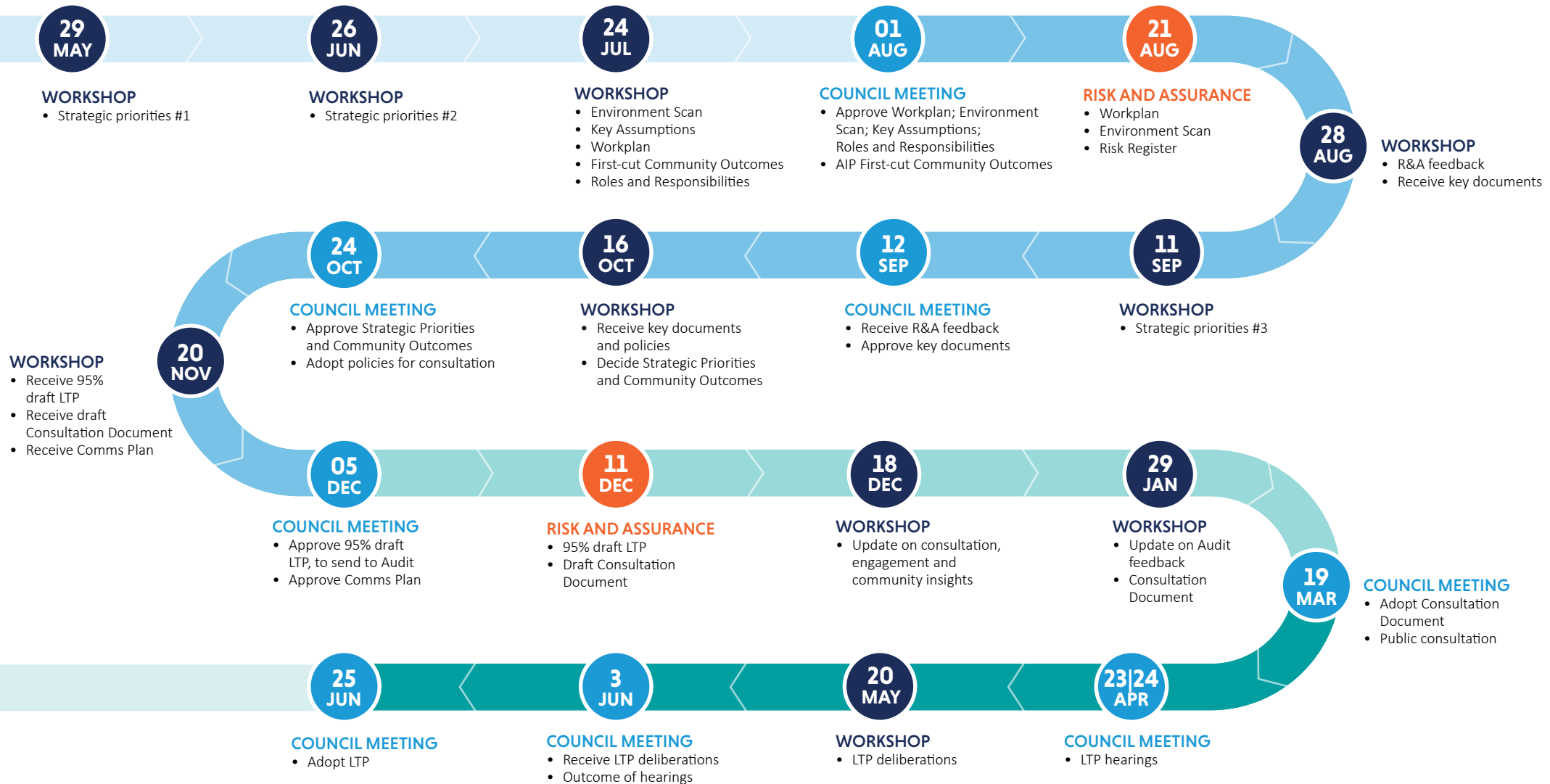
2. That the Council approves Appendix 1: ŌDC Long Term Plan 2024-34 – Workplan.
3. That the Council approves Appendix 2: ŌDC LTP 2024-34 – Roles and Responsibilities.
4. That the Council approves Appendix 3: Environment Scan.
5. That the Council approves Appendix 4: Key Assumptions (draft).

Katherine Hall

STRATEGIC DEVELOPMENT MANAGER

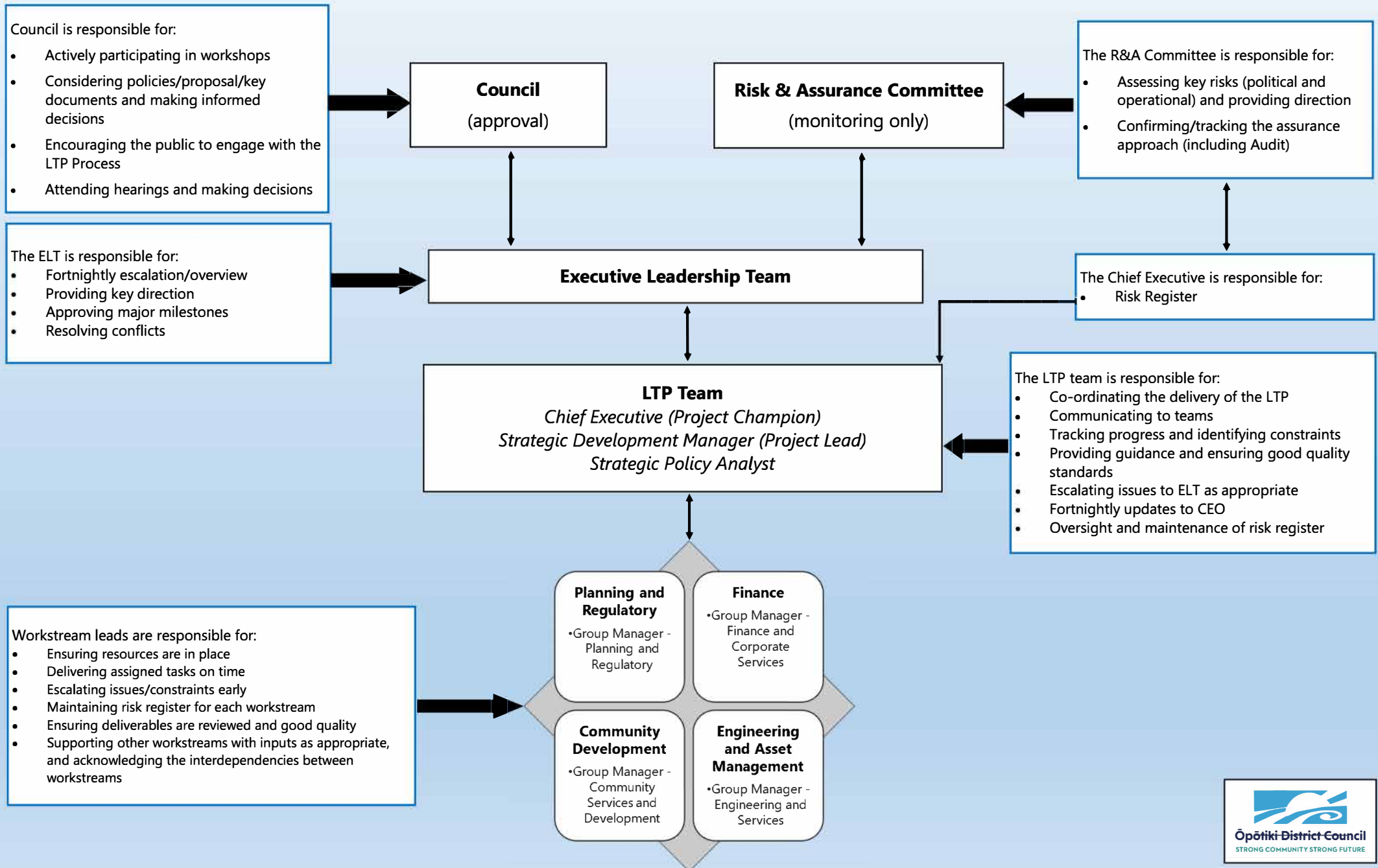
ŌDC Long Term Plan 2024-34 – Workplan

Appendix 1



Appendix 2

ŌDC Long Term Plan 2024-34 — Roles and Responsibilities



Appendix 3

Ōpōtiki District Council Long Term Plan 2024-34

Environment Scan



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Ōpōtiki District Council – Long Term Plan 2024-34

As Ōpōtiki District Council moves into the long term planning cycle, it is important to take stock of the environment within which it operates, and the constraints the organisation must be aware of for the new 2024-34 Long Term Plan (LTP) . An LTP does not exist in isolation, and this Environment Scan provides the opportunity to take stock of the various environments Council operates in.

This Environment Scan is intended to be a “living document”. It should be used to capture the current status of local, national and global factors which could have an effect on our Long Term Plan 2024-34. It should also be updated if new events occur which could have an effect on the LTP. For example, it will be updated following the general election in October . (

This document is structured in a way to refresh our memories on what the previous LTP identified as key issues and takes a brief look at the key trends and issues at each level (global, national, regional, district, community, user) which could influence the 2024-2034 LTP.

Looking back

The 2021-31 Long Term Plan included the following future priorities and direction:

- Harbour Transformation Project
- Wastewater
- Stormwater
- Cycle Way
- Te Tāhuhu o te Rangi library development
- Masterplan for Harbour and Wharf areas
- Land Transport
- Water Supplies.

Over years 1 and 2 of the LTP, approximately 50% of the capital works programme was delivered (see Performance and Delivery Committee 3 July 2023).

Year 3 of the LTP also saw Council adopt the Annual Plan with the largest percentage increase in the general rate for several reasons, much of which was due to inflation and increased costs across the board.

Through the Strategic Analysis phase of the LTP (see ŌDC Long Term Plan 2024-34 – Workplan), councillors have made clear affordability for the community and delivering appropriate (?) levels of service are a bottom line, and these aspects need to be considered at every stage of the LTP development.

The different outlooks

Global outlook

COVID-19

The previous three years saw the globe respond to a pandemic, and the recovery is ongoing. An economic recession forms part of that narrative. The flow-on effects from the pandemic will continue to have an effect on the global economy for the next few years.

International travel patterns will likely return to what they were before the pandemic. Many countries will likely see changes to their immigration and emigration patterns, which will have flow on effects for the labour and job markets.

Conflict in Ukraine

International conflict inevitably has effects of the rest of the globe. The New Zealand Government has committed funds and support to Ukraine, alongside many other nations. The flow-on effects from the conflict and the various global responses are important to be mindful of. Globally, the conflict contributes to increased food and fuel costs. When combined with high interest rates, creates affordability issues at a community and user level.

National outlook

General election

There will be a general election on Saturday 14 October this year. The general election may result in a total change in government or a different format of the current coalition government. At this point in time, and various polls are providing different and indications on how the results will land.

National economic outlook

The Budget Economic and Fiscal Update 2023 notes the economy is slowing, which was anticipated post-global pandemic.¹The update also notes the unemployment rate is to drop further still, and interest rates are likely to stay higher for long to manage inflation pressures.

The Minister for Finance released the Wellbeing Budget 2023 in May 2023. It contained four key themes:

1. supporting New Zealanders with the cost of living
2. delivering the services New Zealanders rely on
3. recovery and resilience
4. fiscal sustainability.

The extreme weather events earlier this year have required an economic and fiscal response, and Budget 2023 recognises this.

¹ The Treasury, 2023, [Budget Economic and Fiscal Update 2023](#)

Climate change

The current government has introduced new climate change legislation as part of its larger reform package, in addition to what legislation already existed. Since Council adopted the 2021 Long Term Plan, the government has introduced climate change legislation focused on adaptation (i.e., National Adaptation Plan) and emissions reduction (i.e., Emissions Reduction Plan). All councils will have to comply with varying legislative requirements with regard to climate change in the future.

Another aspect of climate change is the increasing frequency of extreme weather events and the immediate, medium, and long term effects they create for communities. Flooding events in early 2023 and Cyclone Gabrielle shone a light on the exposure of national infrastructure. It has also generated an important discussion around resilience, adaptation and how communities will need to plan to adapt to this in the future.

Affordable Waters reform

In April this year, the current government announced changes to the three waters reform through a renamed *Affordable Waters* reform package. The water services which are currently run by the 67 councils across New Zealand will be combined into 10 publicly owned specialised water service entities, rather than the four originally proposed.²

It is proposed the new water services entities become operational in a staged approach from 1 July 2024 onward. This will be dependent on which councils and entities are in a position to launch. As part of the water services reform, central government has acknowledged councils will continue to provide and fund water services during the extended establishment period and has allowed for transition arrangements in the legislation which addresses long-term planning, reporting and rate-setting obligations.

The water services transition is administered through National Transition Units (NTUs). NTUs are continuing to work with councils and entities to manage the handover of data and assets, and Council will maintain those relationships as we move through the LTP process.

Resource Management reform

In 2019, the government commissioned Tony Randerson QC to examine and provide advice on the Resource Management Act 1991 (RMA), and the resource management system in New Zealand.

The report found reform of the system was necessary. The government has set out to implement the recommendations of the report and has introduced two new pieces of legislation which will replace the RMA:

- Natural and Built Environments Bill
- Spatial Planning Bill.

² Department of Internal Affairs, 2023, [Water Services Reform Programme](#)

Both bills are making their way through Parliament, and it has been made clear by the government their intention is to implement the new resource management system before the general election.

The two acts will replace the current resource management system with regional planning committees and the requirement to produce spatial plans.

Future for Local Government final report

The Final Report from the Future for Local Government Panel was released in June 2023. It included 17 recommendations, all with the aim of enabling local government to better serve communities across Aotearoa New Zealand and prepare the sector for the next 30 years.

The Panel held extensive consultation around the country during the two years it spent creating the report. The Panel has made clear there are recommendations local government could move forward on right away, and recommendations which would require central government to enact and drive forward in partnership with local government.

The current government has signalled the Panel's recommendations would be an item to consider after the general election.

Regional outlook

Regional Planning Committees

As part of the resource management reform package mentioned earlier, the government has signalled planning will be incorporated into a regional planning committee, on which every territorial authority will have a seat alongside regional representatives, iwi and hapū, and technical experts.

It appears the new system will still require consenting and monitoring functions at the district level, but there will be a higher degree of interaction required at the regional level in the resource management space.

Regional Climate Change Risk Assessment

Bay of Plenty Regional Council commissioned Tonkin & Taylor to create a region-wide risk assessment to highlight the climate change risks which are prevalent in each district in the region. The risk assessment provides each territorial authority in the Bay of Plenty with a platform to move forward from, while being able to understand the climate change risks which affect other parts of the region.

The Risk Assessment was presented to the Mayoral Forum in April 2023, and will be presented again in August 2023.

District outlook

Te Tiriti o Waitangi settlements

There are three iwi in Ōpōtiki district, and all are at varying stages of their Treaty of Waitangi settlements. Each settlement will place different requirements on Council to act as a treaty partner in order to give effect to the settlements.

Council's role in enacting treaty settlements will be different to other settlement arrangements around the country, and the way council operates as a partner will be different for each iwi in the district.

Toirāwhiti

As part of the national health reforms, Te Whatu Ora and Te Aka Whai Ora implemented health localities. The objective of the localities is to lead and shape the delivery of health services in Aotearoa at the community level. The Eastern Bay of Plenty was one of the first localities in the country and it has been named Toirāwhiti.

A Toirāwhiti Locality Partnership has been formed across the three iwi partners Whakatōhea, Ngāi Tai and Te Whānau-ā-Apanui, and includes Te Moana ā Toi Iwi Māori Partnership Board members within our region, Eastern Bay Primary Health Alliance and Hauora a Toi Bay of Plenty, Te Whatu Ora and Te Aka Whai Ora.³

Ōpōtiki District Council is a partner of the locality, and the Toirāwhiti Locality Plan is set to be released later this year.

Ōpōtiki Harbour Transformation Project

This has been a key project for the organisation, the community and the district for decades. Funding was announced in 2020, and the harbour is on schedule to open later in 2023. The purported benefits which were outlined in the business case for the harbour are beginning to show in the form of population growth and jobs filled.⁴

The aquaculture business case also speaks to the development of a marina in the Marine Industrial Zone. The marina is a key piece of infrastructure which will enable the aquaculture industry to scale up. Unfortunately, the marina is experiencing consenting delays which will result in delays to the build and operation of the project.⁵ Council has already taken measures to investigate what infrastructure it can provide for the aquaculture industry in light of the delays.⁶

However, there are likely going to be wider implication of the delay to the marina and it could have an effect on the 2024-34 LTP. The wider implications relate to the uncertainty of the time gap between the council's allocated budget to fund the harbour operation and the aquaculture industry scaling up to a point where a viable revenue flow exists.

³ Toirāwhiti, 2023, [East Coast Rural Locality](#)

⁴ Ōpōtiki District Council, 2023, [Te Ara Moana a Toi Initial Benefits Assessment](#)

⁵ Ōpōtiki News, 2023, [A 'bitter blow' to marina hopes, 29 June 2023, p. 3](#)

⁶ Ōpōtiki District Council, 2023, [Ōpōtiki harbour wharf masterplan – further engagement](#)

Community outlook

Housing and impact of growth

There are significant housing needs across the district. The current resident population of the district is 10,500, and the population has an increasing trend. Since 2014, There has been an average population increase of approximately 2.0% each year, with 2020 seeing the largest increase to date of 3.0%.⁷

There were already pervasive housing issues in the district, such as homelessness, overcrowding and severe shortage in housing typologies to cater for various user groups (e.g., larger families, aged population). There are hapū and iwi-led housing schemes moving forward along the Coast which are driven by those on the ground. In addition, central government agency Kainga Ora has also committed to working toward addressing the housing need of the district, and is building several residential developments in the district.

The demand for growth, and the subsequent effects of growth, will provide many challenges for the district. Understanding growth and timing of growth will be key in ensuring Council invest in the right items at the right time.

User outlook

Cost of living

As mentioned earlier, The Treasury has forecast the economy continuing to slow, and for interest rates to remain higher to manage inflation. As the recovery from COVID continues, the cost of living and inflation will have an effect on the user and their day-to-day living costs. At a community level, the existing housing needs across the district combined with the user-level cost of living challenges will continue to be an issue in the district.

⁷ Infometrics, 2023, [Regional Economic Profile](#)

Appendix 4

Ōpōtiki District Council Long Term Plan 2024-34

Key Assumptions (draft)



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Key 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, councils are required to state the reason for the uncertainty and provide an estimate of the potential effects on financial forecasts. However, it is good practice for every key assumption to include narrative and reasoning.

Key assumptions work alongside the environmental scan and are updated with current data and information as much as is practicable.

The purpose of this document is to remind us of the assumptions of the Long Term Plan 2021-31 and introduce some draft assumptions for the 2024-34 Long Term Plan.

2021-31 Long Term Plan – Key planning assumptions

No:	Assumption	Level of Uncertainty:	Impact on Integrity of LTP:
1.	Covid-19	Medium	Low
2.	Recovery	Low	High
3.	Three Waters Reform	High	Medium
4.	Effects of Growth	Medium	Low
5.	Housing	Low	Medium
6.	Future Price Changes – Rate of Inflation	Low	Medium
7.	Future Treasury Changes	Low	Low
8.	New Zealand Land Transport Agency Subsidy Rates	High	Medium
9.	Revaluation of Infrastructural Assets	Low	Low
10.	Useful Lives of Infrastructural Assets and Depreciation Rates	Low	Low
11.	Form of governance	Low	Low
12.	Central government policy Direction	Medium	Low
13.	Climate Change and Emissions Trading Scheme	Medium	Low
14.	Population Structure and Growth /Building & Residential development	Medium	Medium
15.	Rating Unit Growth	Medium	Medium
16.	Development of commercial aquaculture industry and a navigable harbour entrance at Ōpōtiki	Medium	High

No:	Assumption	Level of Uncertainty:	Impact on Integrity of LTP:
17.	Treaty of Waitangi Settlement	Low	Medium
18.	Funding of Ōpōtiki Harbour development	Medium	High
19.	Biosecurity Incursions	Low	Low
20.	Availability of Staff/Contractors	Low	Low
21.	Ōpōtiki Wastewater Replacement	Low	Low
22.	Sources of Funds for Future Asset Replacement	Low	Low
23.	Resource Consents	Low	Low
24.	Natural Hazards/Disaster	Medium	Low
25.	Insurance	Low	Low
26.	LGFA Borrower Notes	Low	Low
27.	CIP Projects	Low	Low
28.	Doability	High	Low
29.	Affordability	Low	Low
30.	Hukutaia Growth External Funding	High	Medium
31.	National Policy Statement on Urban Development	Low	Low

The assumptions listed above were all included in 2021-31 Long Term Plan and formed the basis of the financial forecasting for the ten year period.

2024-34 Long Term Plan –Key planning assumptions (draft)

It is typical for councils to roll over their planning assumptions each LTP, and to update or amend the assumptions based on new data and information.

The list below describes potential key assumptions for the 2024-34 LTP which have been identified through the environmental scan. As we move through the long term plan process, newly identified assumptions will be investigated and included in the long term plan where appropriate.

Ultimately, a combination of existing and new assumptions will inform the 2024-34 LTP and will be included as part of the consultation document and draft LTP for community consultation.

No:	Assumption
1.	Affordable Waters reform
2.	Operation of the Ōpōtiki Harbour
3.	Resource Management reform
4.	Growth and population demographics (building and residential development)
5.	NZTA – Subsidy Rates
6.	Future for Local Government
7.	Climate change legislation
8.	Natural hazards/disasters
9.	Future Price Changes – Rate of Inflation
10.	Future Treasury Changes
11.	Revaluation of Infrastructural Assets
12.	Useful Lives of Infrastructural Assets and Depreciation Rates
13.	Rating Unit Growth
14.	Treaty of Waitangi Settlements
15.	Ability to deliver/"do-ability"
16.	Capacity of industry
17.	Availability of Staff/Contractors
18.	Ōpōtiki Wastewater Replacement
19.	Sources of Funds for Future Asset Replacement
20.	Insurance
21.	LGFA Borrower Notes
22.	Affordability

As council moves through the LTP process, we will determine the level of uncertainty and the potential impact these assumptions may have on the LTP. The list may also change with new or different assumptions added.

Two key assumptions

The following two assumptions have been identified as key for the integrity of the LTP, and supporting narrative is provided.

Affordable Waters

In the 2021-31 Long Term Plan, *Three Waters Reform* was identified as a key assumption:

Assumption: The three Waters reform will be confined over the term of this LTP, but ownership of the assets will remain with Council for the first three years of the LTP.

Uncertainty: High

Impact on the integrity of the LTP: Medium.

Since the 2021-31 LTP was adopted, the government has repackaged its water services policy.

The package is now called *Affordable Waters* and requires the establishment of ten publicly owned water services entities (as opposed to the original four).¹ The ten entities will be based on regional boundaries; regional representative groups will be established and include representation from every territorial authority, and there will be a staggered approach for commencement with all entities to “go live” between 1 July 2024 and 1 July 2026.

Government has noted councils will continue to provide and fund water service during the extended establishment period for the entities, including transitional arrangements to be included in local government legislation to address long-term planning, reporting and rate setting obligations over this period.

When read alongside the Environment Scan, it is important to consider this year’s general election has the potential to further change the status of Affordable Waters, but it is noteworthy the parallels between Affordable Waters entities and regional planning committees proposed in RM Reform legislation which is also progressing through parliament.

At this stage, a draft planning assumption for the 2024-34 LTP is:

Affordable Waters reform

Assumption: Affordable Waters reform will be confined over the term of this LTP; ownership of the assets will transfer to the Entity C (Bay of Plenty) within the first three years of the LTP.

Uncertainty: TBC

Impact on integrity of the LTP: TBC

Operation of the Ōpōtiki Harbour

In the 2021-31 Long Term Plan, *Ōpōtiki Harbour Redevelopment* was identified as a key assumption:

Assumption: The Ōpōtiki Harbour Transformation Project is fully externally funded

Uncertainty: Low

Impact on integrity of the LTP: High

¹ Department of Internal Affairs, 2023, [Water Services Reform Programme](#)

Additional Assumptions The LTP assumes Crown ownership of the harbour training walls but once completed it will be operated by Ōpōtiki District Council under terms to be agreed with the government before July 2024. It is assumed that a revenue flow from the existing mussel farm, and other land based beneficiaries will fund the ongoing operation of the harbour.

This key assumption and additional assumption included a \$5.4 million loan funded opex budget, which is 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.

The aquaculture business case (Te Ara Moana a Toi) speaks to the development of a marina in the Marine Industrial Zone. The marina is a key piece of infrastructure which will enable the aquaculture industry to scale up.

Currently, the harbour entrance and the processing factory are on time. However, the marina is experiencing consenting delays which will result in delays to the build and operation of the marina.³ Council has already taken measures to investigate what infrastructure it can provide for the aquaculture industry in light of the delays.⁴

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.

At this stage, a draft planning assumption for the LTP is:

Operation of the Ōpōtiki Harbour

Assumption: Ōpōtiki District Council will operate the harbour under terms to be researched and agreed upon with the Government within the life of this LTP.

Uncertainty: TBC

Impact on integrity of the LTP: TBC

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

³ Ōpōtiki News, 2023, [A 'bitter blow' to marina hopes, 29 June 2023, p. 3](#)

⁴ Ōpōtiki District Council, 2023, [Ōpōtiki harbour wharf masterplan – further engagement](#)