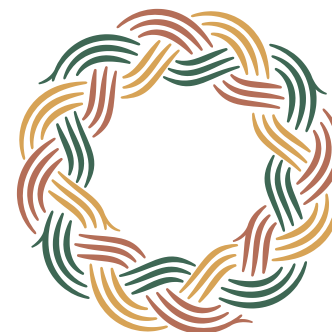


KIA MAU TĀTOU KI TE ARA STEADY AS SHE GOES

CONSULTATION DOCUMENT



LONG TERM PLAN

ŌTOROHANGA
DISTRICT COUNCIL

2024-2034



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly

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FROM THE MAYOR AND COUNCILLORS

This has been a really difficult Long Term Plan to put together as we have struggled like you with facing up to the cost of living (inflation) and dealing with a range of other things that are outside our control.

These things include:

- not being sure whether the three waters (drinking water, wastewater and stormwater) are 'in' or 'out'
- Government changes around roading and the Resource Management Act
- changing weather patterns which will have an impact on how we plan, maintain and build things
- and of course the increased costs for things we need to buy (some of which have inflated 30-50% more since we wrote our last Long Term Plan in 2021).

However, even though we have these challenges, the Mayor/councillors, community board members and leadership team have listened closely to what you have had to say over the past year about what you value and the progress you want to see.

You have pretty much told us that what we have been doing in the last three years has been noticed and appreciated and that you are keen that we continue to do more of the same.

Overall, the message we heard was “keep to the path you are on currently – nothing flashy or fancy - stay connected to our communities, do the basics well and ensure we are prepared for the future”.

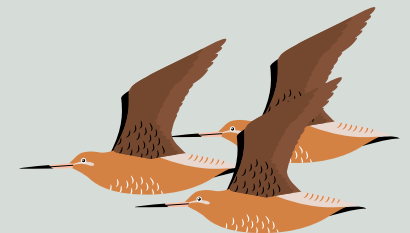
Through this Long Term Plan process we are committing to making continued improvements with our mahi. Not exactly full steam ahead but rather kia mau tātou ki te ara... steady as she goes.

“Your kōrero provided us with some clarity about how to prioritise our spending over the next ten years.”

MAYOR MAX BAXTER



KIA MAU TĀTOU
KI TE ARA
**STEADY AS
SHE GOES**



KIA MAU' IS TO HOLD FAST OR FIRMLY. WE ARE REAFFIRMING TO OUR COMMUNITIES THAT WE ALL (TĀTOU) HOLD STEADFAST TO OUR PATHWAY (ARA).

Even though we would like to be doing more, we know that being careful with your money is very important at this time.

When we started considering costs in October 2023 to prepare this Long Term Plan process, the overall rates requirement started at 18% - pretty much in the mid-range of the other Waikato councils who are also experiencing the same cost pressures we are.

This 18% was not to do anything new – instead this figure was simply to keep pace with increased costs.

However, since then we worked hard to find ways to do things differently, ensuring that we continue at least a little bit of our forward momentum, and still keep rates increases as low as possible.

Even so, we are still proposing a 9.96% overall rates increase for next year.

More on this and the rates increases for the following years is explained starting on [page 23](#).

And while we welcome any of your feedback on our Consultation Document, we are especially keen to hear from you about three things ([see pages 40-42](#)) to either support our preferred options, or to tell us why we need to reconsider our decision.

HAVE YOUR SAY



There are three specific things we want your feedback on

1. **redirecting some savings (funding depreciation)** - [page 40](#)
2. **increasing Council's presence in your communities** - [page 41](#)
3. **changing the way we fund our seawalls** - [page 42](#)



FEEDBACK WILL CLOSE
ON 6 MAY 2024.

“We, your Council and community leaders, are confident that this 2024-34 proposed Long Term Plan keeps us on a steady path of progress with care and consideration - building on the good work already being delivered, and also doing what is affordable to ensure our district is not only the best place to live now but long into the future.

Nurturing our community and our environment is at the heart of everything we do. It has been very intentional that our focus remains on People, Place and Partnerships, because when things get tough, like they are now, it is those three areas that will see us come through it stronger and more united. By listening and working with you, we will continue to weave the future, together.”

MAYOR MAX BAXTER



A SNAPSHOT OF PROGRESS SINCE 2021

COMMUNITY



MADE POSITIVE CONNECTIONS

between the Council and your communities eg trial council 'pop-ups', the concept planning work, relationship with Ōtorohanga College and Te Nehenehenui



CLOSER RELATIONSHIPS

with iwi/Māori developed and we've invested more time in community partnerships

\$1.6 million

invested into Ōtorohanga College through a successful grant application to government

FUNDING EXPO



hosted to enable community groups to get knowledge and access to more and different funding opportunities

281

JOB PLACEMENTS



achieved since 2020 through the Ōtorohanga Employment Hub

PLANNING



- Ōtorohanga Town Concept Plan finished and we've started making things happen
- Kāwhia, Aotea, Ōpārau and Rural concept plans worked on with you
- Economic Wellbeing Strategy drafted

ENVIRONMENT

TE ARA A WAIWAIA

Riparian Planting project completed on the Waipā River



IN HOUSE

- realigned the organisation
- information systems and processes invested in
- Council performance lifted through a CouncilMARK programme
- refurbished the main office



INFRASTRUCTURE + DEVELOPMENT

Removed asbestos from the Kāwhia Water Treatment Plant

**KĀWHIA
WATER METERS
INSTALLED**



128 LOT

subdivision enabled through partnership with Ōtorohanga Timber Company

KIWI HOUSE UPGRADE SUPPORTED AS ONE OF OUR KEY TOURIST ATTRACTIONS

500m³ water reservoir constructed on Mountain View Road

184km
RESEALED ROAD



163km
RE-METALLED ROAD

2.2km
of footpath renewed

130
culverts replaced

7km
of water mains installed

ŌTOROHANGA CEMETERY EXPANDED

2.8km of new pipes laid for the Tihiroa Rural Water Scheme



AND MUCH MORE...

THROUGH THIS LONG TERM PLAN PROCESS WE ARE COMMITTING TO MAKING CONTINUED IMPROVEMENTS WITH OUR MAHI. NOT EXACTLY FULL STEAM AHEAD BUT RATHER KIA MAU TĀTOU KI TE ARA...STEADY AS SHE GOES.

WHAT WE HAVE HEARD FROM YOU SO FAR...

Make Ōtorohanga district an even better place to live

Be careful with our money

Grow relationships with iwi and external partners

Connect the Council with the community even more

Make sure our roads are maintained, accessible and safe

Help our communities be more prepared to deal with climate risks and other external challenges

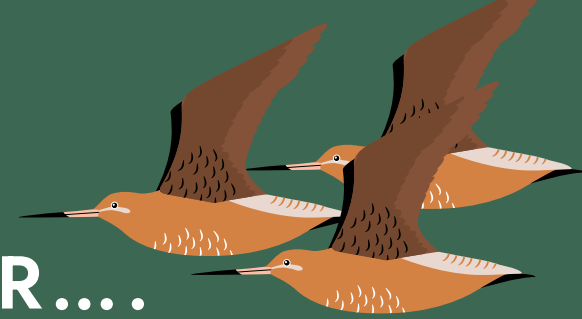
Ensure our facilities are fit for the future

Be more environmentally focused

Continue to improve delivery, services and response times

Listen to us

KIA MAU TĀTOU KI TE ARA STEADY AS SHE GOES WILL DELIVER....



COMMUNITY

**A CONTINUATION OF
'POP-UP' COUNCILS**
ACROSS THE DISTRICT
(12 PER YEAR)



THE MĀORI ENGAGEMENT FRAMEWORK
IMPLEMENTATION

CONTINUED INVESTIGATIONS FOR
A MULTI-PURPOSE COMMUNITY
FACILITY



**LIBRARIES TAKEN TO THE
PEOPLE**

**COUNCIL MEETINGS AT A
PLACE NEAR YOU**



FIRST STEPS TOWARDS OUR FUTURE ARTS,
CULTURE AND HERITAGE STRATEGY

**CONNECTING YOUNG PEOPLE TO LOCAL
EMPLOYMENT** through the Mayors Taskforce
for Jobs (depending on ongoing funding support)

INFRASTRUCTURE + DEVELOPMENT

40kms⁺ OF ROAD RESEALED
PER YEAR



**FOOTPATHS RENEWED AT A
STEADY RATE**

IMPROVEMENTS TO THE
ŌTOROHANGA POOL



**THE KĀWHIA PUBLIC
TOILET UPGRADE**

CULVERTS STRENGTHENED TO WITHSTAND
MORE EXTREME WEATHER EVENTS

BERM EXTENSIONS AND PATHWAYS
ADDED FOR THE CEMETERIES

**THE HUIPŪTEA RESERVE AND
ISLAND RESERVE DEVELOPMENTS**

THE OLDER PERSON'S HOUSING REVIEW

ENVIRONMENT

**WASTE REDUCTION
AND DIVERSION FROM
LANDFILL**



**A CLIMATE CHANGE
RESPONSE PLAN**

SERVICES

RESOURCES REALLOCATED INTO
MONITORING, ENFORCEMENT
AND COMPLIANCE



ONLINE BUILDING CONSENTS

CONTINUED
MANAGEMENT
of our parks
and reserves,
playgrounds and
sports fields



**NOISE CONTROL
SERVICES
AVAILABLE 24/7**
around Ōtorohanga
township

WHAT IS THE LONG TERM PLAN?

Ōtorohanga District Council is here to serve our people and our communities and to meet the future needs of the district.

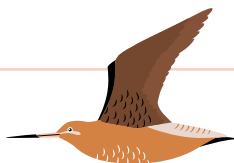
Every three years we produce a Long Term Plan that says:

- what we intend to do over the next ten years
- how we intend to pay for it
- what we need to build or maintain (infrastructure and community facilities)
- projects and activities (the things we do/deliver for our communities)

It also contains detailed information about our finance and infrastructure plans and the services and activities we provide (including how we measure our performance.)

“The things we say we will do and deliver for you are co-created with you through public engagement sessions, conversations and surveys”

CATHY PRENDERGAST
COUNCILLOR - WHAREPUNGA WARD



“Kia mau tātou ki te ara – steady as she goes”

Our Consultation Document provides a summary on what makes up our Long Term Plan, and explains the choices and decisions we have already made.

It also tells you the impact of our decisions on rates and other income and invites you to give us feedback on specific issues.

HAVE YOUR SAY



Your feedback is warmly welcomed because your feedback helps us to know whether we are on the right track or not.

Once we have considered all the feedback and listened to what you have to say, we will complete our final 2024-34 Long Term Plan by June 2024.



**FEEDBACK WILL CLOSE
ON 6 MAY 2024.**

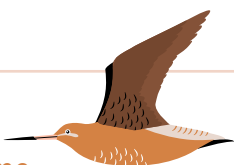


ABOUT US

Across Ōtorohanga district...we have a strong sense of community and we want our towns and rural villages to reflect the vibrancy and individuality of the people within them.

“Ōtorohanga is a fabulous district and we want to ensure that everyone who calls this place home is nurtured and enabled to be their best. We also want to be ready for a changing future and able to meet and respond to new challenges.”

KATRINA CHRISTISON, COUNCILLOR - ŌTOROHANGA WARD



Our district is home to the Kīngitanga movement with Kāwhia holding special significance to iwi as the resting place for the Tainui waka.

Ōtorohanga district falls within the rohe of a number of iwi – Maniapoto, Raukawa and Ngāti Hikairo. There are also prominent iwi and hapū including Ngāti Apakura, Ngāti Mahuta, Ngāti Te Wehi and Te Patupō, with at least 17 marae located in different parts of the district.

“It is important to Council that we continue to strengthen our authentic relationship with mana whenua so that together we can work to improve the wellbeing of all.”

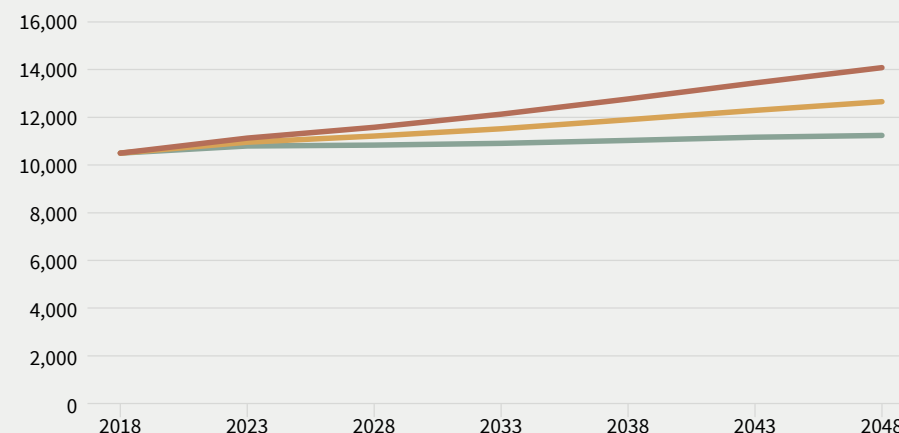
JAIMEE TAMAKI, COUNCILLOR - RANGIATEA MĀORI WARD

Most people (70%) live in the rural areas outside Ōtorohanga township and the Kāwhia and Aotea villages. There are 10,900 residents across the district with possibly 1000 to 1500 more people living here in the next 20 years. Ōtorohanga district also has one of the most youthful populations in the Waikato.

Councils assumptions and planning are based on the medium growth forecast. To learn more about how our infrastructure is sustainable for the predicted growth, see Infrastructure Strategy on [page 44](#).

ŌTOROHANGA DISTRICT POPULATION PROJECTIONS

● District high growth ● District medium growth ● District low growth



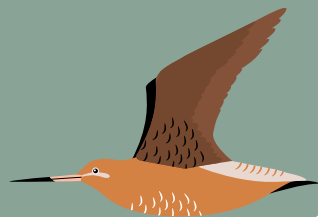
Source: Waikato Regional Council Technical Report 2021/22, 2018-base Population, Family and Household, and Labour Force Projections for the Waikato Region, 2018-2068

OVER THE PAST THREE YEARS, WE HAVE LISTENED CLOSELY TO WHAT YOU HAVE TOLD US MATTERS TO YOU FOR OUR DISTRICT AND OUR COUNCIL. AND NOW, TOGETHER, WE ARE WEAVING OUR FUTURE....

WEAVING THE FUTURE, TOGETHER - YOUR COMMUNITY OUTCOMES

“Throughout the course of this Long Term Plan, we will continue to build stronger connections and understanding between the Council and iwi/hapū and marae.”

ROY WILLISON, COUNCILLOR - RANGIATEA MĀORI WARD



THINGS OUTSIDE OUR CONTROL...

...EXTERNAL CONSIDERATIONS FOR OUR LONG TERM PLAN

INFLATION AND THE COST OF LIVING

As we all know, inflation has had a major impact on the pricing of goods and services.

For councils, the costs have been magnified, because inflation impacts are much higher for many of the things we need to buy such as building materials, roading, fuel, concrete.

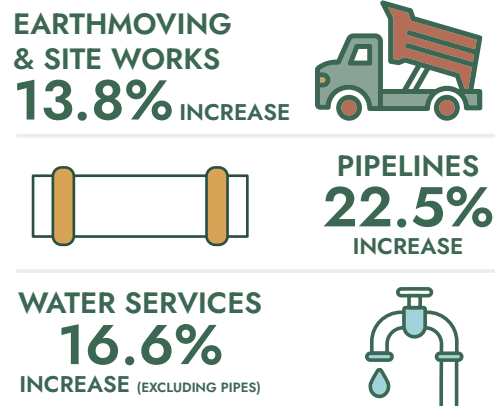
Any of the contractors who do construction, maintenance and road works have to pay more in material costs, fuel and wages which we then need to pay for also.

BETWEEN JUNE 2021 AND JUNE 2023, THE FOLLOWING INFLATION OCCURRED

HOUSEHOLD



COUNCIL



We also have major projects like roading, water and community facilities that must be completed and which cannot be put off eg replacement of a culvert, buying gravel to upgrade a damaged road, or installing new water pipes.

INFLATION HAS BEEN

6.1%

higher than we expected over
the last 3 years

INTEREST RATES WERE

3%

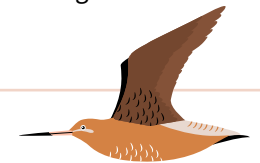
higher than we expected over
the last 3 years

We are effectively **HAVING** to spend more, to get less.

The good news for households is that inflation is expected to reduce over the next two years. Whether this reduction will also apply to the things that councils buy – is still not known.

“In 2021, 1,000 litres of bitumen cost around \$495, while in 2024 it is \$996, an increase of 101%. In 2021 bitumen was mainly produced in NZ and the price was stable. Now, bitumen has to be imported from overseas and then blended in NZ, which means pricing is more volatile.”

RODNEY DOW, COUNCILLOR - KORAKONUI WARD



GOVERNMENT POLICIES

For this Long Term Plan process, there are a number of things we do not have clear information about – nor do other councils across Aotearoa New Zealand.

THREE WATERS

Water supply, wastewater, and stormwater are called the Three Waters.

We started this Long Term Plan process expecting that our assets for the Three Waters would be transferred by July 2026 to one of the 10 water entities legislated for by the previous government.

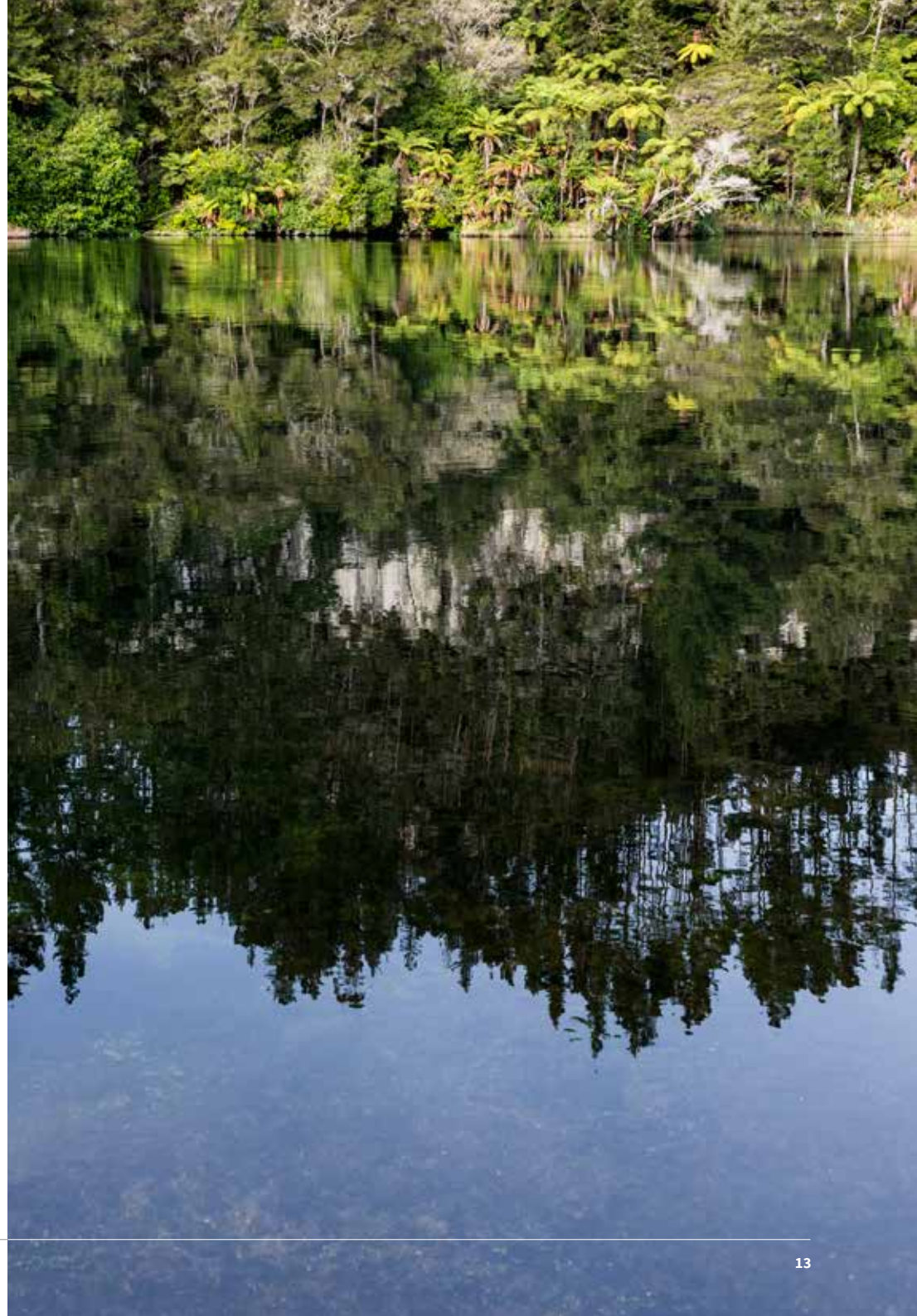
In late 2023 the incoming National/Act/NZ First government signalled that the Three Waters legislation would be repealed and replaced by a new regime – Local Water Done Well.

Details of the new regime are still being worked on. To date we have been told that:

- drinking water, stormwater and wastewater will remain in local control
- there will be stricter rules for water quality and investment in infrastructure (pipes, treatment plants etc)
- councils will need to ringfence money for looking after their own water infrastructure
- new or replacement water infrastructure will need to be loan funded and paid back from either rates or user charges.

Until we have more detail about Local Water Done Well, it is difficult to determine Council's future role in water management. However, once these details are made public, we will participate in the discussions on your behalf to help ensure that the government's proposals are workable at the local level.

Roading is our backbone and water is our lifeblood - we know these things don't come cheaply. We expect that as the environmental and health standards for the delivery of quality water services continue to rise so too will the cost to customers. Finding efficient, affordable ways for delivery of water services is an issue we share with our neighbours and we will be encouraging ongoing regional conversations around making improvements. This may mean joining with others to get better economies of scale in the delivery of services.



LOCAL GOVERNMENT CHANGES

Over the past three years there has been a Panel looking at how local government might be improved. A number of the Panel's recommendations – which are available here www.dia.govt.nz/Future-for-Local-Government-Review – may or may not be picked up by the current government.

“We just don't know at this stage what these changes, if any, may mean for our district. We are watching this carefully with a focus on what impact it may have for our district and people.”

ANNETTE WILLIAMS, DEPUTY MAYOR, COUNCILLOR - KĀWHIA/TIHIROA WARD

RESOURCE MANAGEMENT ACT (RMA)/BUILDING ACT CHANGES

The current government repealed the previous government's RMA reforms in December 2023. This means that we continue operating under the existing RMA as we have been. There are future changes signalled but we don't yet know what these are.

The government has announced intended changes to the Building Act. The ones we know about are: you won't need a building consent for granny flats up to 60m² and new homes may not need them either (as long as there is a specific type of builders' insurance in place).

These are only statements of intention from government so we don't yet know the details or funding impacts.

CLIMATE CHANGE

It is clear that we need to think quite carefully about the places we live and ability of our district to cope with increasing storms, cyclone activity and sea level rise due to climate change. Weather events (wet and dry) are likely to become regular and more extreme. We do not know how much and how quickly climate change will impact our beautiful coastal communities, our farms, our environment and our businesses.

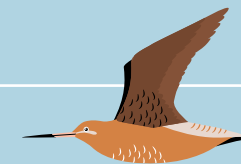
In particular, the west coast is very exposed to increased flooding (from both land and sea) due to predicted sea level rise.

This draft Long Term Plan focuses on continuing to prepare our district for severe weather and other climate change impacts on:

- delivery of services and infrastructure - waste disposal, roads, parks, culverts
- public health, safety and accessibility.

In this Long Term Plan, we have put funding in place in 2024/25 to work on the development of a Climate Change Response Plan. Further information on the plan can be found on [page 31](#).

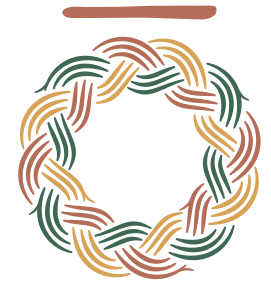
Part of being prepared to adapt to climate change is ensuring we have sufficient money available to enable us to act when we need to. While not fully funding the depreciation on some assets for the first few years of this Plan ([see page 19](#)), we have more room within our debt limits to borrow funds for any work needed to help deal with these changes.



“Now, more than ever, community, council, and central government have to work together as we face the impacts of climate change.”

GEOFF GOOD, KĀWHIA COMMUNITY BOARD





LONG TERM PLAN

ŌTOROHANGA
DISTRICT COUNCIL

2024-2034

THE MONEY- GO-ROUND



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly

THE MONEY-GO-ROUND

YOU COLLECTIVELY OWN (THROUGH THE COUNCIL) ABOUT \$395 MILLION IN ASSETS – THAT’S YOUR ROADS, PIPES, WHARVES, STREETLIGHTS, BUILDINGS, PLAYGROUNDS....

These assets differ from your personal assets like a home or a car because:

- (a) they’re not really something we can sell
- (b) we don’t have a choice about whether to have them or not
- (c) we have to ensure they are kept in good shape for the future – not for just the people who live here today.

Overall, it costs about \$7.8 million each year to look after these assets (maintenance) and to keep them working well (operations).

We generally use rates money for maintenance and operations, plus we receive some money from the government for roading maintenance ([see page 20 – Waka Kotahi Funding](#)).

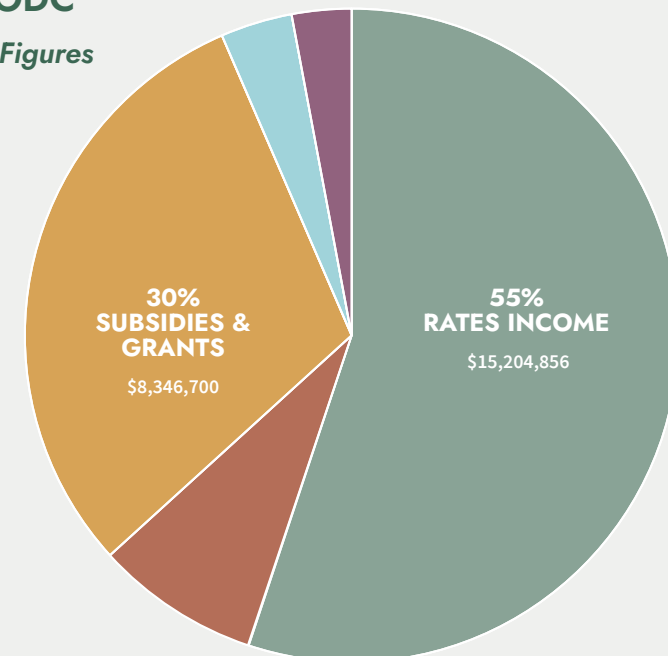
Assets that are old or need replacing are funded through a mix of:

- rates (see below)
- savings (see ‘funding depreciation’ below)
- borrowing (see ‘debt’ below).

Where we can, we look to get grants and subsidies (external funding) to support our work.

DIFFERENT TYPES OF FUNDING/INCOME FOR ŌDC

Year 1 Figures



- **Water by Volume Rates** 8% | \$2,238,000
- **Other Income** 4% | \$980,000
- **Fees & Charges** 3% | \$813,205
- **Development Contributions** <1% | \$10,000

Chart is for year 1 of LTP. Further information can be found in the Draft Financial Strategy engage.otodc.govt.nz/84721/widgets/408739/documents

THE MONEY-GO-ROUND RATES

WE CURRENTLY COLLECT
AROUND

\$14 million
per year in rates.

A 1% RATES INCREASE
PROVIDES

\$140,000*
in income.

WHICH IS ENOUGH TO RUN
101 DAYS
OF OUR LIBRARY SERVICES

*This is an average – the amount will be more or less depending on which ward you are in.



RATES/VALUATIONS/USER FEES

Many people think that rates are a charge for services provided by their council. They are not.

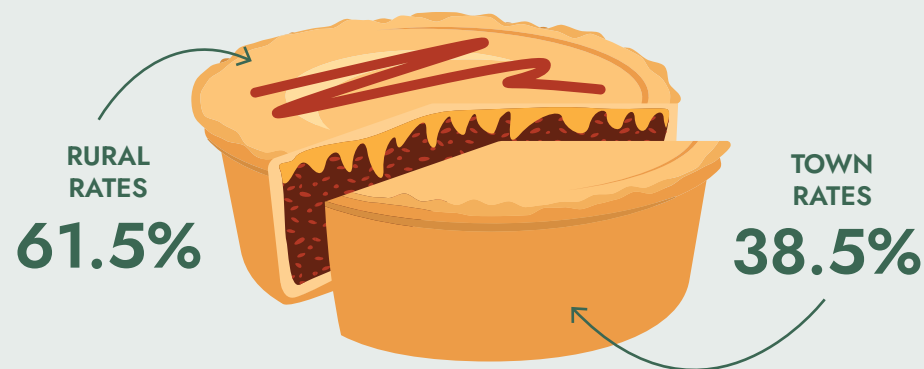
Rates are a tax on the value of your property and while it is property owners that pay them, people who rent also contribute to rates by paying through their rent.

Valuations of property are not done by councils but by independent valuers. When the valuations are completed every three years, this usually affects what portion of rates will be paid by which property owners. For example, the last valuations completed for Ōtorohanga district showed that town properties increased in value more than rural properties. So the share of the rating 'pie' will for now be higher for town property owners. Portions can change each time the valuations are done. (The previous time, it was rural properties that paid a higher portion.)

Where a council decides to collect charges for services, these are called user fees eg building consent processing, dog registration, transfer station.

OVERALL RATES COLLECTED THIS YEAR 2023/24

\$14 million



RATES INCREASES 2014 TO 2023

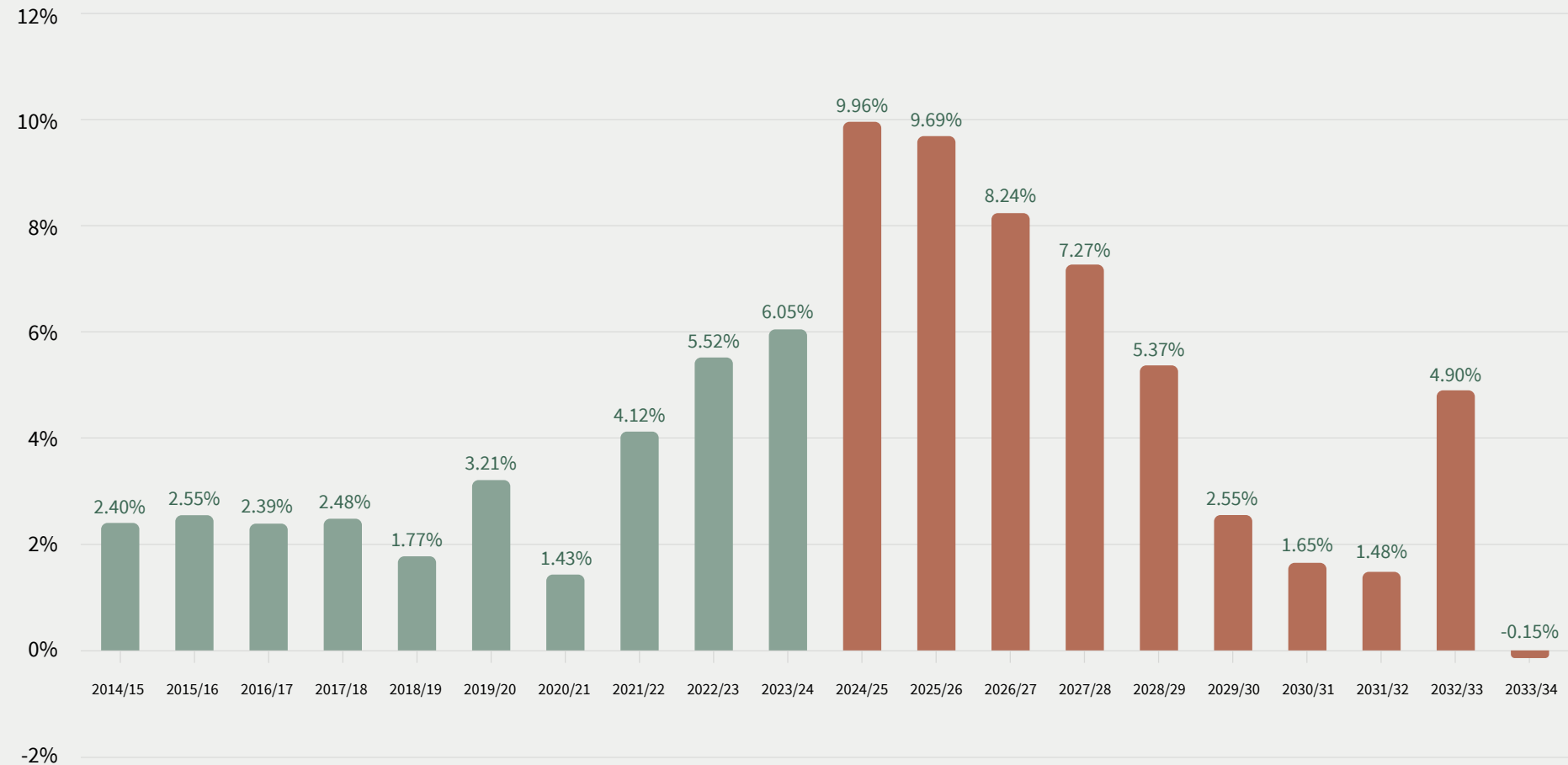
Our average general rates increases were very modest from 2014-2021 at between 1.5% and 3.2% per year. Then rates started to trend up (still relatively modestly) for the last three years as inflation started to rise.

Proposed increases to rates over the next three years are a result of a combination

of factors.... increased costs (this is the main reason), less construction activity, changes in government policies (requiring us to do more or do things differently), building relationships and addressing climate change.

More detail on rates changes is on [page 23](#) onwards.

● Past rates increases ● Proposed increases



THE MONEY-GO-ROUND FUNDING DEPRECIATION

We set aside a certain amount of rates money every year so that when assets need to be replaced due to being worn out (“depreciated”), we have some money saved to do so.

This would be like setting aside \$100 a month into a special account, so you can use this to replace your house roof in ten years’ time. A house roof will not last forever, and if you don’t replace it in time, more and more issues can arise with keeping the house safe and dry.

By putting aside the money over the life of the roof, you should have enough to pay for its replacement when needed. If you don’t put this money aside, then you may need to borrow to cover the cost of replacing the roof.

At the moment we collect and set aside (save) \$3-4.5 million per year from rates for funding the future replacement of assets.

However, for the next three years (July 2024 - June 2027), we have decided to reduce the amount of rates we set aside for depreciation on assets which are not going to be replaced in the short term such as newer wastewater and stormwater pipes and Council owned buildings. This means that when we replace these assets this reduction won’t have a big impact on our ability to pay for them. From July 2027 onwards, we will fully fund our depreciation as we were before 2024.

The upside here is that you will benefit in the short term by savings made in the average rates requirement during these tough times. The downside is that our depreciation fund will be reduced by between \$2 and \$3 million by 2027. This could mean we may have to borrow money to enable us to pay for any unexpected renewal work needed, as opposed to having the money already put aside from funding the depreciation. Needing to borrow could lead to higher rate increases in future years to cover the interest on those loans.

HAVE YOUR SAY



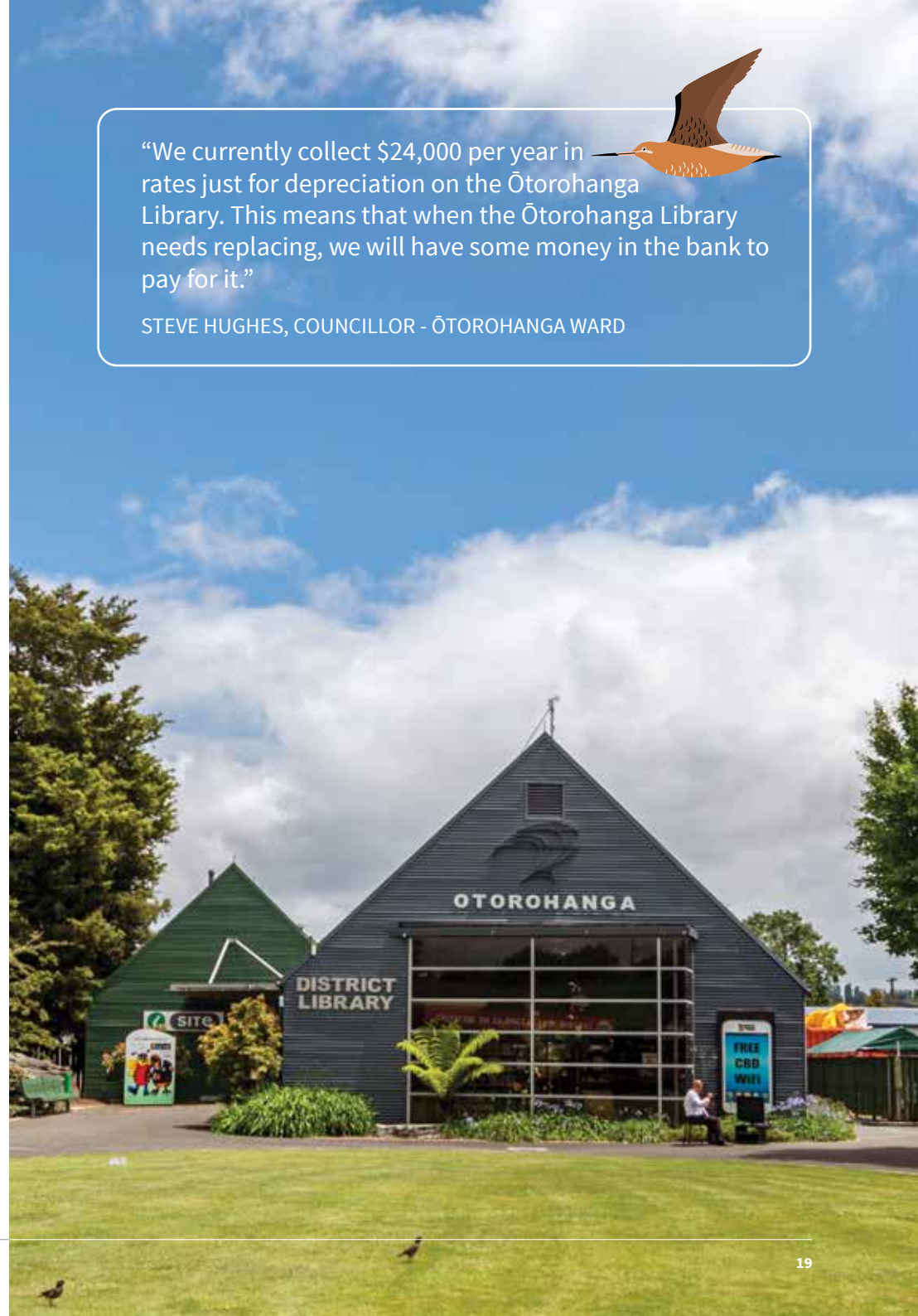
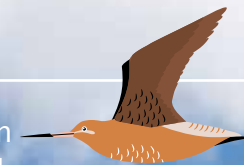
We are asking for your feedback on this to see if you agree with our approach ([see page 40](#)).



**FEEDBACK WILL CLOSE
ON 6 MAY 2024.**

“We currently collect \$24,000 per year in rates just for depreciation on the Ōtorohanga Library. This means that when the Ōtorohanga Library needs replacing, we will have some money in the bank to pay for it.”

STEVE HUGHES, COUNCILLOR - ŌTOROHANGA WARD



THE MONEY-GO-ROUND WAKA KŌTAHI FUNDING

Ōtorohanga receives a funding assistance rate (FAR) of 63% from the National Land Transport Fund (NLTF) to subsidise road maintenance and improvements (*not including depreciation or interest costs*).

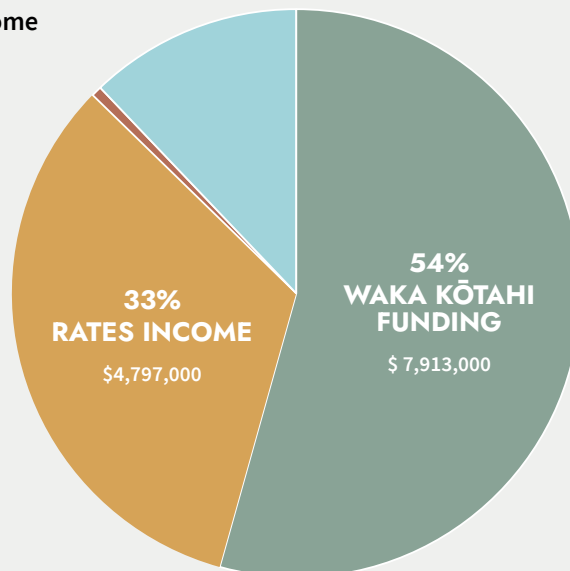
To get this we submit our work programme and costs to Waka Kōtahi every three years. This will be decided in May 2024 and, until the process is completed, our funding is not confirmed.

We already know that Waka Kōtahi is working on different land transport priorities and demands – especially when we take into account the ongoing work needed to recover from cyclones Hale and Gabrielle. Therefore, there is a possibility that we may not receive the same funding amount from government this year.

ROADING FUNDING 2024/2025

● Depreciation Reserves
12% | \$1,765,000

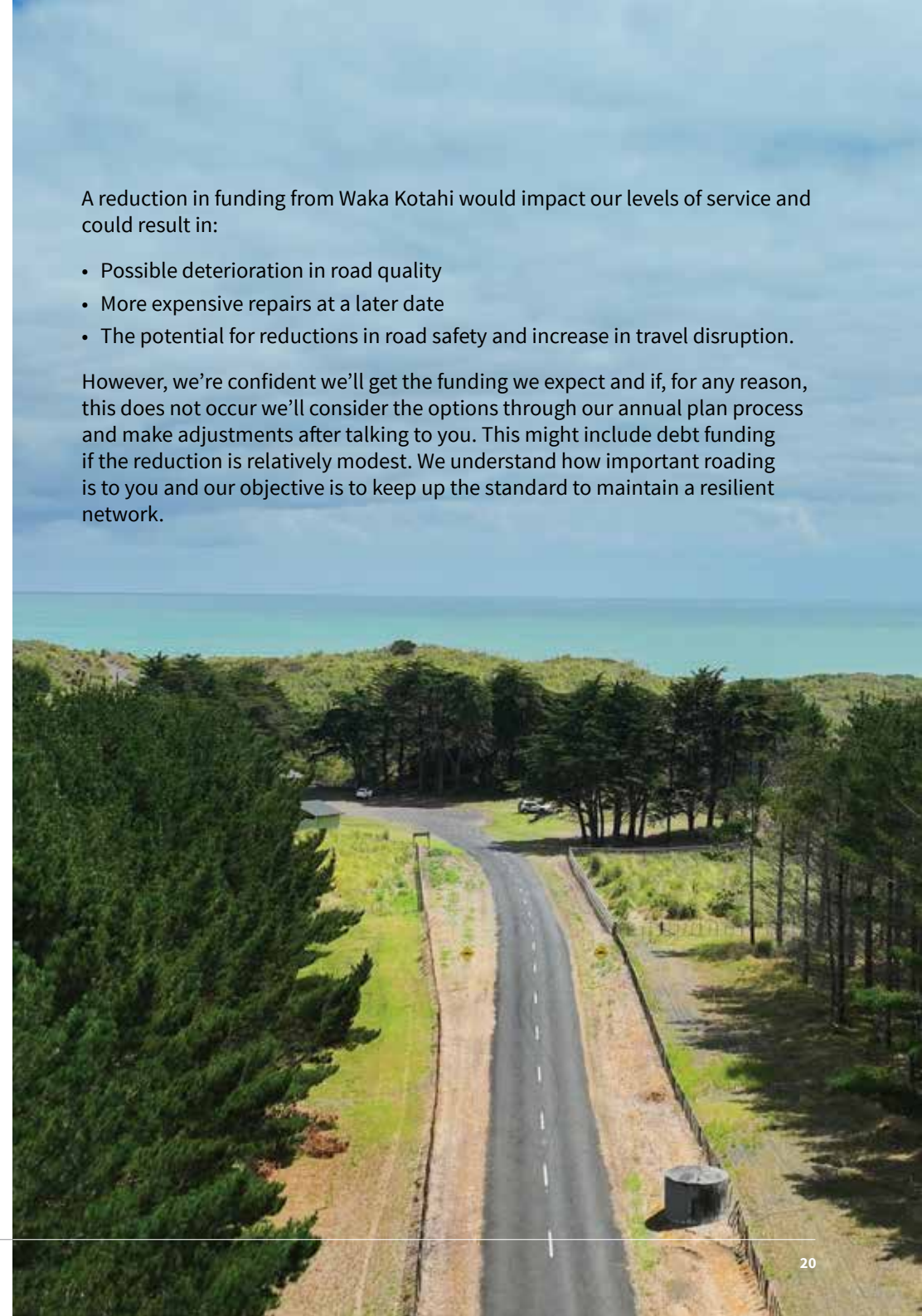
● Other Income
1% | \$86,000



A reduction in funding from Waka Kōtahi would impact our levels of service and could result in:

- Possible deterioration in road quality
- More expensive repairs at a later date
- The potential for reductions in road safety and increase in travel disruption.

However, we're confident we'll get the funding we expect and if, for any reason, this does not occur we'll consider the options through our annual plan process and make adjustments after talking to you. This might include debt funding if the reduction is relatively modest. We understand how important roading is to you and our objective is to keep up the standard to maintain a resilient network.

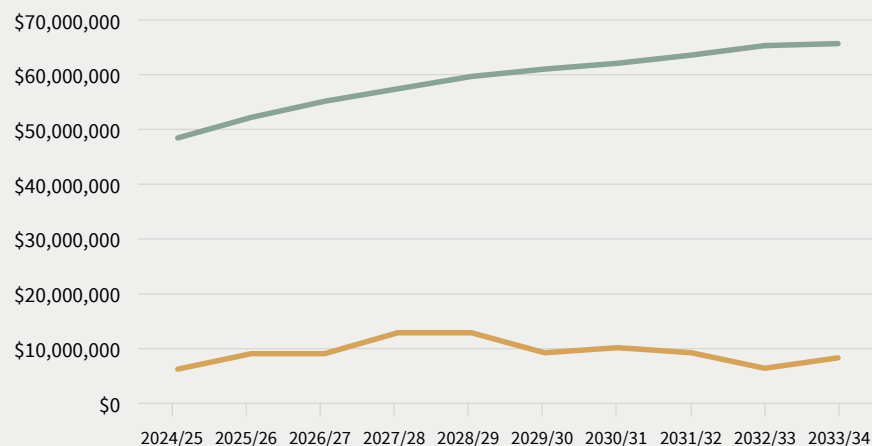


THE MONEY-GO-ROUND DEBT

All councils are given a debt limit (how much they can borrow) based on their ability to pay it back.

ŌTOROHANGA DISTRICT COUNCIL DEBT

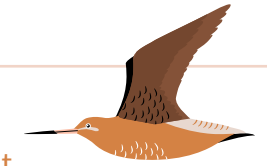
● Debt limit ● Projected debt



Our debt limit is \$48 million for the first year and then increases over time (this is like your credit card having a limit of \$10,000).

Because we have low debt, we are able to borrow to fix something if it breaks eg a bridge gets wiped out in a storm. Not all councils have low debt (some councils are nearly at their debt limit) and so they do not have our flexibility to borrow if they need to.

We are proposing to keep our debt low for now but to keep the idea of borrowing if we need to, as a future option. To read more about our borrowing and financial strategy see [pages 43 and 44](#).



“Not all debt is bad. Sometimes it is better to borrow money and spread the costs of paying it back over time rather than trying to pay for something in cash. A good example of this would be a bridge – or a house.”

ROY JOHNSON, COUNCILLOR - WAIPĀ WARD

THE MONEY-GO-ROUND FEES AND CHARGES

We get 3% of our income from fees and charges
([see page 16](#))

For the 2024-2034 Long Term Plan, we are changing our fees and charges on a range of activities. We are increasing our fees for:

- Land Information Memorandum (LIM)
- Traffic Management Plans
- District Plan Change Deposits
- Pound Fees

We are introducing new charges for:

- Hall hire
- Staff charge out rates
- Vehicle overweight permits

The impact for ratepayers of these changes in fees is minor, as these fees do not make a large portion of our income.

You can find the full list of fees and charge changes engage.otodc.govt.nz/84721/widgets/408739/documents



THINGS WE HAVE TAKEN OUT OF THIS PROPOSED LONG TERM PLAN

As we have prepared this Long Term Plan, we have taken things out or moved them until later on.

This was to make savings to reduce the average proposed rates increase for the first three years of the Plan (including a reduction from 18% to 10.78% for 2024-2025). This has largely been achieved by thoroughly reviewing all our budgets and

- Not fully funding depreciation on some assets in the short term
- Applying savings made from previous years
- Loan funding new assets which benefit future residents and spreads the cost

Some of the things we considered, but decided not to fund include:

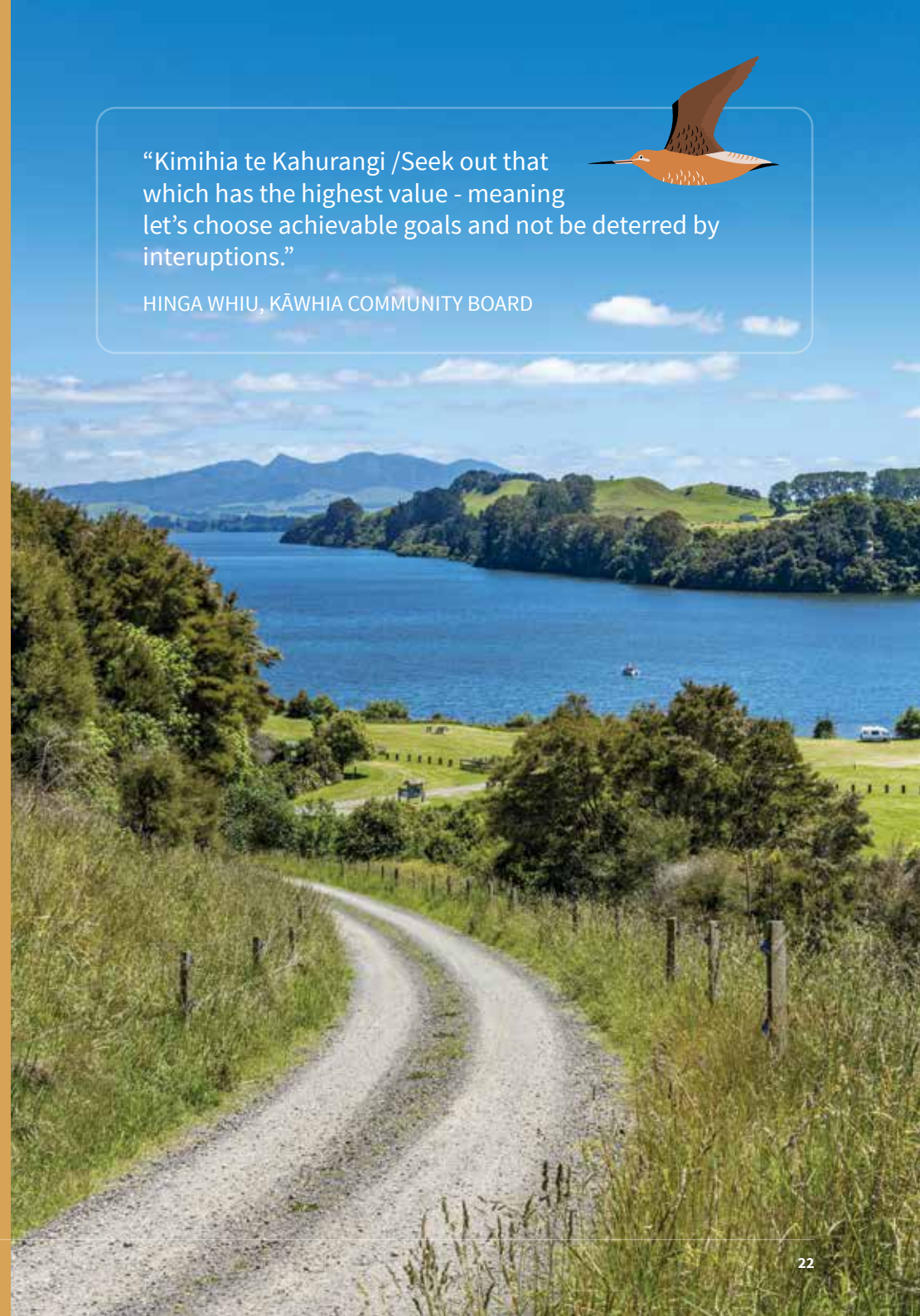
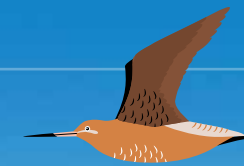
- Digital billboards
- A multi-purpose van for in person delivery of Council services and support ([see page 41](#))
- Waikato Screen funding
- The Kāwhia wastewater treatment plant ([see page 34](#))
- Seal extensions
- CCTV for Ōtorohanga township

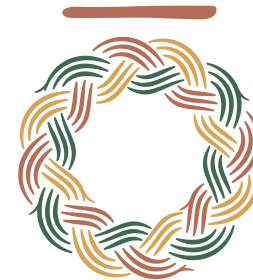
Some of the things we are SLOWING DOWN but will still be delivering

- The District Plan review will still begin in 2024 but the bulk of the project will now be undertaken from 2025 onwards
- The completion of an Arts, Culture and Heritage Strategy is being delayed which also means a delay in the appointment of a part time arts co-ordinator
- The Kāwhia toilet upgrade has moved from 2024 to 2025

“Kimihiā te Kahurangi / Seek out that which has the highest value - meaning let's choose achievable goals and not be deterred by interruptions.”

HINGA WHIU, KĀWHIA COMMUNITY BOARD





LONG TERM PLAN

ŌTOROHANGA
DISTRICT COUNCIL

2024-2034

RATES INCREASES AND HOW THEY AFFECT YOU



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly

THE DISTRICT HAS THREE DIFFERENT RATING AREAS

RATING AREA

KĀWHIA AOTEA



EXAMPLE PROPERTY

\$621,000 coastal property
connected to services (water, rubbish)

Proposed increase for 2024/25

\$528.42 (16.70%)

Average annual increase for the next ten years

\$161.76 (4.40%)

RATING AREA

ŌTOROHANGA



EXAMPLE PROPERTY

\$585,000 town property
connected to services (water, wastewater, rubbish)

Proposed increase for 2024/25

\$357.18 (12.90%)

Average annual increase for the next ten years

\$145.47 (4.60%)

RATING AREA

RURAL



EXAMPLE PROPERTY

\$2,300,000 rural property
not connected to services

Proposed increase for 2024/25

\$309.88 (7.20%)

Average annual increase for the next ten years

\$202.00 (4.40%)

ŌTOROHANGA DISTRICT

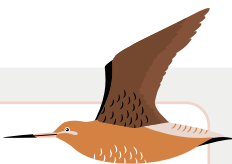
KĀWHIA AOTEA

ŌTOROHANGA

RURAL

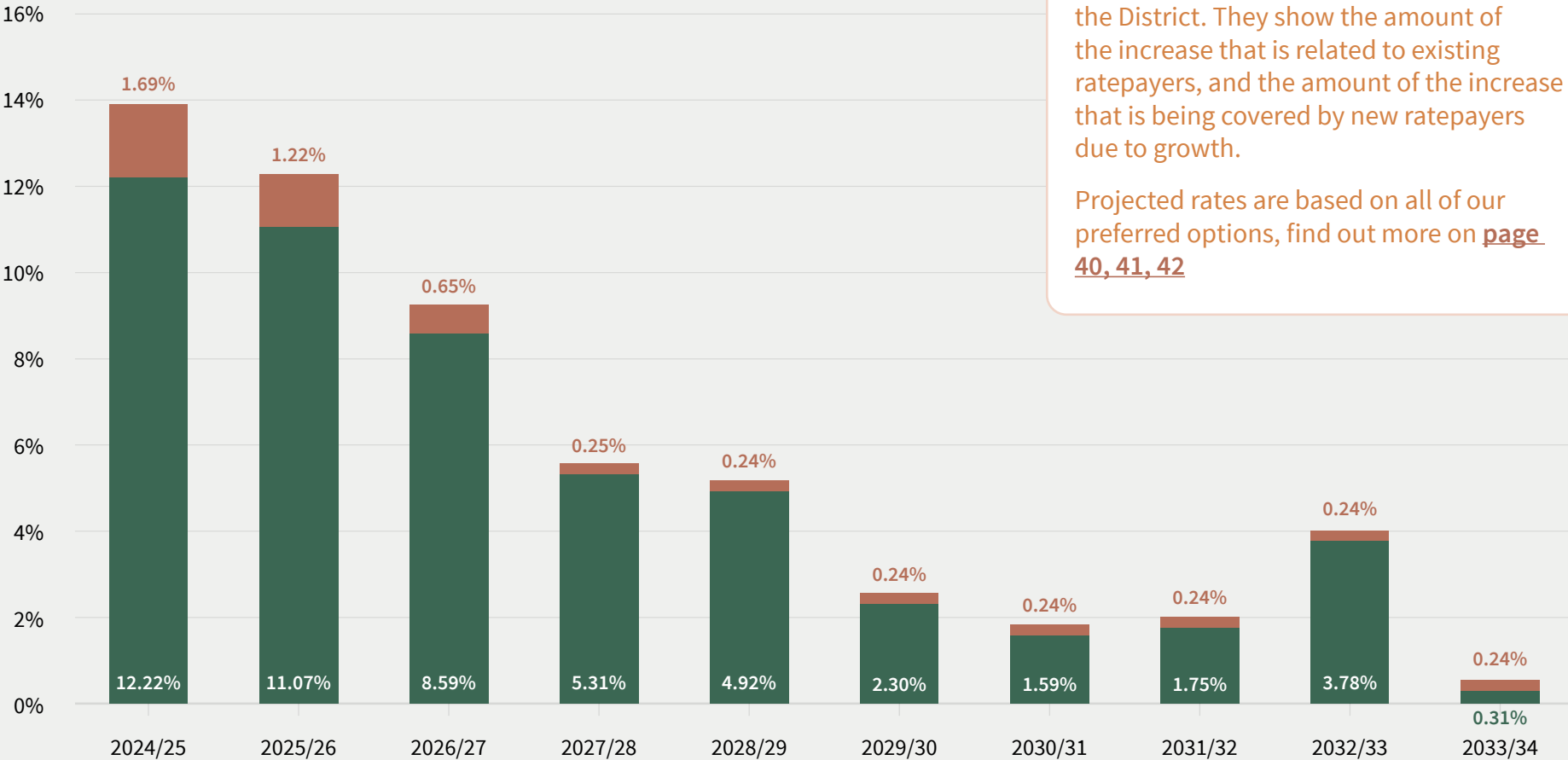
These examples are based on all of our preferred options, and will differ for individual properties. Find out more about our preferred options on [page 40, 41, 42](#)

PROJECTED RATES OVER THE NEXT 10 YEARS



RATES MOVEMENTS - ŌTOROHANGA

● Existing Ratepayers Increase ● Growth Related Increase

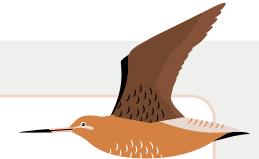


The following three graphs show the projected rates increases for each of the three rating communities in the District. They show the amount of the increase that is related to existing ratepayers, and the amount of the increase that is being covered by new ratepayers due to growth.

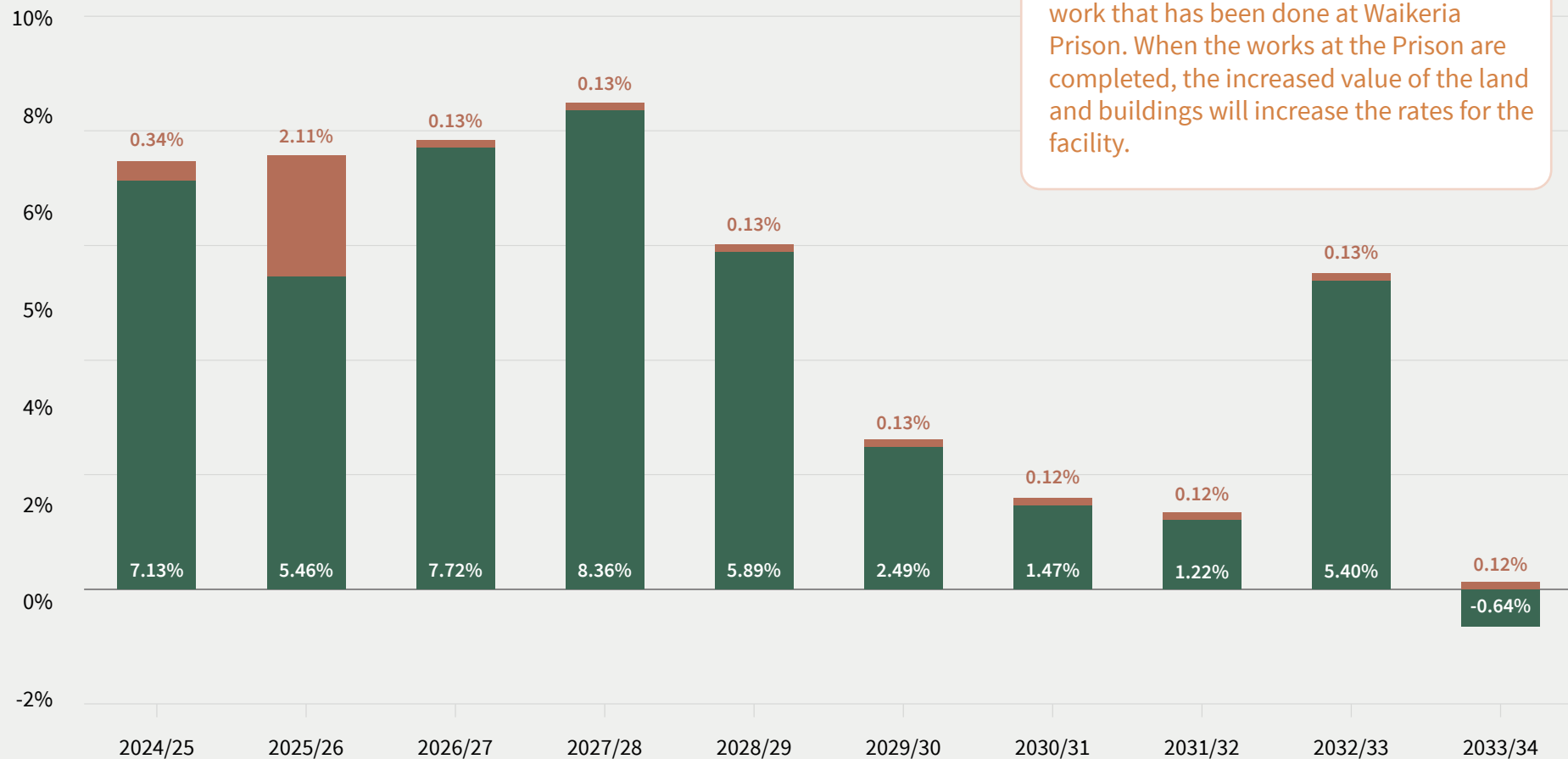
Projected rates are based on all of our preferred options, find out more on [page 40, 41, 42](#)

RATES MOVEMENTS - RURAL

● Existing Ratepayers Increase ● Growth Related Increase

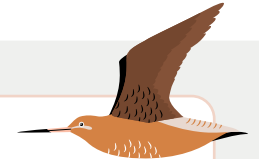


The growth-related increase in the rural rates for 2025/26 is related to the work that has been done at Waikeria Prison. When the works at the Prison are completed, the increased value of the land and buildings will increase the rates for the facility.

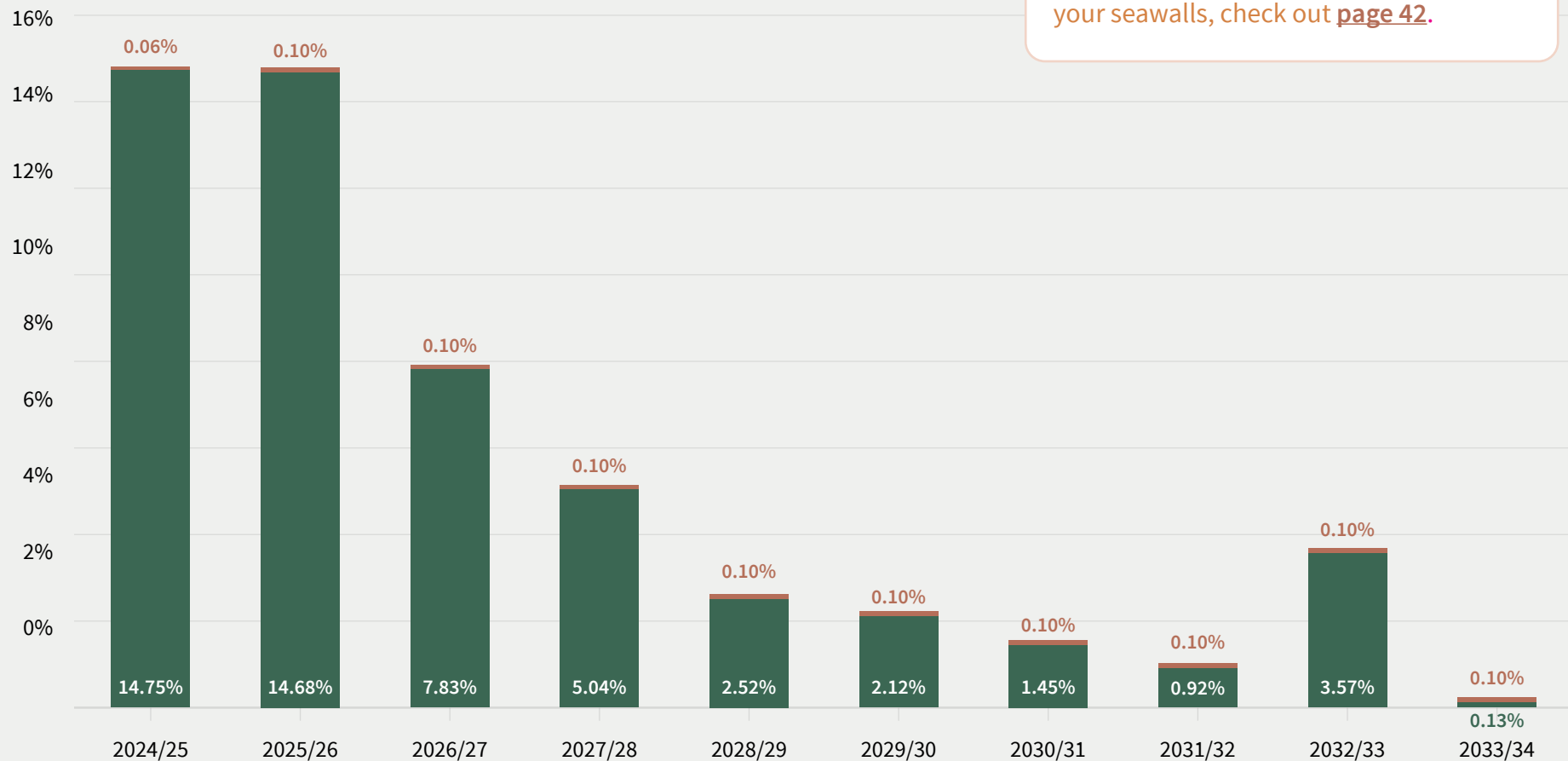


RATES MOVEMENTS - KĀWHIA AOTEA

● Existing Ratepayers Increase ● Growth Related Increase



Kia ora Kāwhia and Aotea – we are proposing we change the way we fund your seawalls, check out [page 42](#).



WHAT WE DO



LONG TERM PLAN

ŌTOROHANGA
DISTRICT COUNCIL

2024-2034



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly

WHAT WE DO



OUR WORK PROGRAMME IS BALANCED ACROSS SIX AREAS.

8% OF TOTAL COUNCIL SPEND

TRUSTED LEADERSHIP

- Providing leadership and governance
- Listening to communities
- Building Tiriti-based partnerships
- Providing clear and timely communication
- Ensuring great performance and service delivery by Council

69% OF TOTAL COUNCIL SPEND

RESILIENT INFRASTRUCTURE

- Roading/footpaths, road safety
- Collecting, treating and getting rid of wastewater
- Taking, treating, storing and distributing water
- Collecting and disposing of stormwater
- Maintaining and operating flood protection works including seawalls
- Climate change work

6% OF TOTAL COUNCIL SPEND

STRONG COMMUNITIES

- Libraries
- Civil Defence
- Enabling communities to take collective action on issues important to them
- Providing funding and other support to organisations and community groups
- Art and culture
- Promoting the District and supporting local businesses

9% OF TOTAL COUNCIL SPEND

VIBRANT PLACES & SPACES

- Facilities and public spaces, such as halls, parks and reserves
- Cemeteries
- Public toilets
- Ōtorohanga swimming pool

2% OF TOTAL COUNCIL SPEND

RESPONSIBLE WASTE MANAGEMENT

- Kerbside rubbish and recycling services
- Transfer stations/recycling depots
- Waste minimisation planning and delivery
- Education

6% OF TOTAL COUNCIL SPEND

SUSTAINABLE DEVELOPMENT & PUBLIC SAFETY

- Providing planning and regulatory services to manage the natural and physical resources of the district
- Environmental health and animal management services

WHAT WE DO

COMMUNITY CONNECTIONS AND STRENGTHENING LOCAL DEMOCRACY

TRUSTED LEADERSHIP



Over the last three years we have invested strongly in finding ways to increase our connections to different communities – including iwi/Māori, young people, business people, people who live rurally, and those who own property here but don't live here.

We call this our enhanced community connections approach.

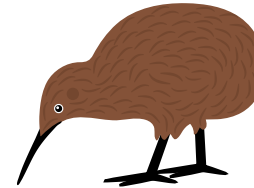
BUILDING TE TIRITI BASED PARTNERSHIPS

When our Māori Engagement Framework is completed this year, we have ensured there is funding for our Kaitakewaenga (Iwi Relations Advisor) to oversee the framework and support us as an organisation to continue our mahi in this space.

This proposed Long Term Plan is keeping this enhanced community connections approach through:

- Council meetings at places near you, including marae
- 'pop-up' council activities where we can
- continued conversations with iwi/Māori leading to some formalised partnership agreements
- continued improvements to our communication
- civics education.

However, we could do even more connecting if you really wanted us to....



For example, we considered purchasing a multi-purpose van that could be used for providing:

- the library could increase their outreach to include taking books selections into remote communities
- improved in-place opportunities for people to have their say and connect with Council
- that during an emergency event Council could provide satellite WIFI connection and a diesel generator for charging devices.

The initial cost for this van was estimated at \$120,000 plus another \$33,000 each year to run.

And while this van would have had multiple benefits - providing a visible presence connecting the Council with your community - we felt that now is not the time to make this investment and instead propose to maintain the current enhanced community connections approach outlined above.

HAVE YOUR SAY



We are asking for your feedback on our decision. [\(see page 41\).](#)



FEEDBACK WILL CLOSE
ON 6 MAY 2024.



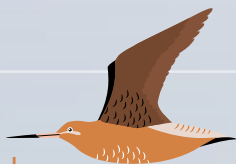
“Bringing our services to the people in Kāwhia with weekend “pop-up council” has built stronger connections and improved our relationships with the community.”

DAVE WALSH, KĀWHIA COMMUNITY BOARD



“Climate change is undeniable and how we respond to that as a council and community needs to be carefully planned to protect our future generations.”

JO BUTCHER, ŌTOROHANGA COMMUNITY BOARD



WHAT WE DO CLIMATE RESPONSE PLAN

RESILIENT INFRASTRUCTURE



TRUSTED LEADERSHIP



When we did the Ōtorohanga Town Concept Plan 2023 one of the main actions identified was the need for a plan to guide our district on responding to climate change.

This Climate Response Plan will provide the pathway we need to:

- ensure our assets (town, community and infrastructure) are able to better cope with extreme weather events
- help our communities plan for and respond to climate change
- reduce our own climate change impacts.

We have budgeted \$50k for each of the next three years to work with you to deliver the Climate Response Plan.

WHAT WE DO

ROADING AND TRANSPORT

RESILIENT INFRASTRUCTURE



As a small rural district, land transport (roads and road management/safety) is the largest area of expenditure we have at \$19.6 million per year (capital and operating expenses). This is 36.1% of our total budget.

You have also told us that roading is your top priority.

In this proposed Long Term Plan, we are going to deliver what we do now – even though costs have increased (between 30 and 50%). And if our funding from government goes down, we will consider our options and seek your feedback (see Waka Kotahi subsidy [page 20](#)).

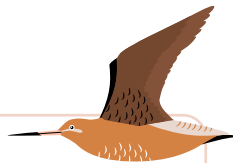
Our “steady as she goes” approach (which means we do what needs to be done, when we can and to the highest standard possible) will cost a total of \$59 million for the next three years.

ROADING AND TRANSPORT

- maintenance of gravel roads (35% of our roads are unsealed)
- resealing and fixing sealed roads
- road improvements
- maintaining 134 bridges
- footpaths
- road marking
- road safety awareness and education
- traffic services
- speed management activity.

“Its rewarding for us as elected members to work closely with our communities and develop our plans together.”

RICHARD HARPUR, KĀWHIA COMMUNITY BOARD



WE ALSO LOOK AFTER:

- 5,686 culverts
- 81 road underpasses
- 2,800 road signs
- 550 street lights

For this proposed Long Term Plan, we intend to reseal a minimum of 43kms of road per year and aiming to do 48kms per year for the first five years. We are focusing on looking after what we have as well as ensuring our existing roads and bridges are best equipped to survive major storms and weather events.

CULVERTS

When culverts come up for renewal, we will be replacing the existing pipes with larger ones.

This means that when there is an extreme weather event, more rainfall can be directed into streams and rivers and there will be less flood or land slip damage to homes, roads and farmland.

Our approach means we are upgrading culverts at the rate of 444m/year which works out to be an average of 30 culverts per year

FOOTPATHS

Across our district we have 24kms of footpaths. Maintenance and renewals of footpaths are paid for through a mix of rates and the Waka Kōtahi subsidy.

Our approach is to make sure we renew those footpaths that are in poorest condition as a priority – and aim to do the entire footpath rather than just patches of it. This is much more efficient and will ensure better quality footpaths over a longer period of time.

WHAT WE DO WASTE MANAGEMENT

RESPONSIBLE WASTE MANAGEMENT



One of the things we heard matters to you is how we manage waste.

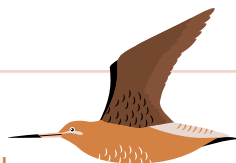
Last year, the government released the National Waste Strategy and, as a result of this, there are changes coming to the way communities will need to reduce waste and the ways waste is managed. For example, in three years it will be a requirement that Ōtorohanga township has a food waste collection in place.

These changes and the impact they have on our district's Waste Management and Minimisation Plan, will mean an (as yet unknown) increase in waste management costs from 2027.

Next year we will be following up an earlier commitment we made to investigate the establishment of a resource recovery centre in Ōtorohanga and employing a part-time waste minimisation person (jointly funded through a waste levy from the Ministry for the Environment and rates).

"It is imperative to improve the way we think about rubbish and move to low waste sustainable models."

KAT BROWN-MERRIN, ŌTOROHANGA COMMUNITY BOARD



WHAT WE DO

WATER SUPPLY, WASTEWATER AND STORMWATER

RESILIENT INFRASTRUCTURE



ŌTOROHANGA DISTRICT WATER SUPPLIES

WATER SUPPLY

We have two urban and four rural water supply schemes.

Over the last three years, significant additional work has been undertaken (above “normal” maintenance requirements) in Ōtorohanga and Kāwhia to:

- increase storage for water
- make sure the pipes and treatment plants can cope with stress like extreme weather events
- meet consenting requirements.

This approach will continue until 2025 when we will be moving into a conservative ‘steady as she goes’ maintenance programme.

We will also be improving the office and staff facilities at the Ōtorohanga Water Treatment Plant next year.

KĀWHIA WASTEWATER UPDATE

An investigation for putting in a community wastewater system at Kāwhia is nearing completion.

While we already recognise that such a system would be of great benefit, the cost involved will be far too much for one small community to afford. Estimated at \$15 million in 2020, we believe such a system will only be possible with significant external (eg government) funding.

Note: there is no budget allowance in this Long Term Plan for a Kāwhia wastewater system.

STORMWATER CONSENTS

Stormwater is rain water that comes off roads, roofs, driveways, concrete and ends up going down drains directly into streams and rivers.

We have submitted applications for a new comprehensive stormwater consent for Ōtorohanga and Kāwhia and it is currently being reviewed by Waikato Regional Council.

Until such time as the new consent is granted we continue to operate under existing consent conditions.

WHAT WE DO FLOOD CONTROL

RESILIENT INFRASTRUCTURE



ŌTOROHANGA STOPBANKS

The maintenance around the Te Ara a Waiwaia I O-Rahiri (Ōtorohanga Stopbank Pathway) is going to be fully funded by us from June this year.

When it was mainly only used as a stopbank, the maintenance was covered by the Waikato Regional Council as part of its flood control work.

Now, as a community asset, it requires a much higher level of mowing, fertilising and care and so this responsibility becomes ours.

KĀWHIA/AOTEA SEAWALLS

A resource consent application has been lodged for the Aotea seawall and an application for the Kāwhia seawalls consent* will need to be lodged before 2029 (when the current one runs out).

This will mean assessments will need to be completed, including consideration given to their suitability (against potential severe storm events) and their long term maintenance.

We will also be doing assessments of the condition of the Kāwhia wharf and boat ramp.

* Government funding of \$730k is contributing towards work on the Kāwhia seawall. We are currently investigating whether this funding can also be applied to the Aotea seawall.

HAVE YOUR SAY



We are proposing we change the way we rate for Kāwhia and Aotea seawalls. Instead of property owners in Kāwhia and Aotea paying separately for the upkeep of their seawalls, we are now proposing to apply a single targeted rate for all three walls across both communities.

We are asking for your feedback on our decision ([see page 42](#)).



**FEEDBACK WILL CLOSE
ON 6 MAY 2024.**

WHAT WE DO

BUILDING CONSENT INCOME

SUSTAINABLE DEVELOPMENT & PUBLIC SAFETY



There has been a downturn in building and construction – largely due to the increased costs associated with materials (inflation).

We charge a fee to process building consents (for specialist staff time and technical investigation to ensure the consent meets all requirements). In our last Long Term Plan (2021-31) we expected to get \$800,000 per year in consent fees – which cover 70% of the costs of doing this work (with the other 30% being covered by rates). However, with the dramatic and unexpected downturn in building and construction we only collected \$457,000 in fees.

So, in this Long Term Plan process we are forecasting that the amount we will recover in fees will reduce from 70% of the expected costs of this service to 45% (see below).

AVERAGE RATES CONTRIBUTION TOWARD BUILDING CONSENT SERVICES PER YEAR

	Three years up to 30 June, 2024	Three years from 1 July, 2024
Fees	\$800,000 per year	\$500,000 per year
Rates	\$306,000 per year	\$606,000 per year

In the short term, we think that this is a more realistic estimation of likely income and we don't anticipate that this lower level of revenue will continue as building activity is likely to recover relatively quickly - particularly if the government introduces their proposed housing incentives package. So we need to be ready for when that occurs.

We will be covering this shortfall in fees with rates for the next three years and then we will review our decision.

This change is contributing 2.14% to the first three years rates increase.

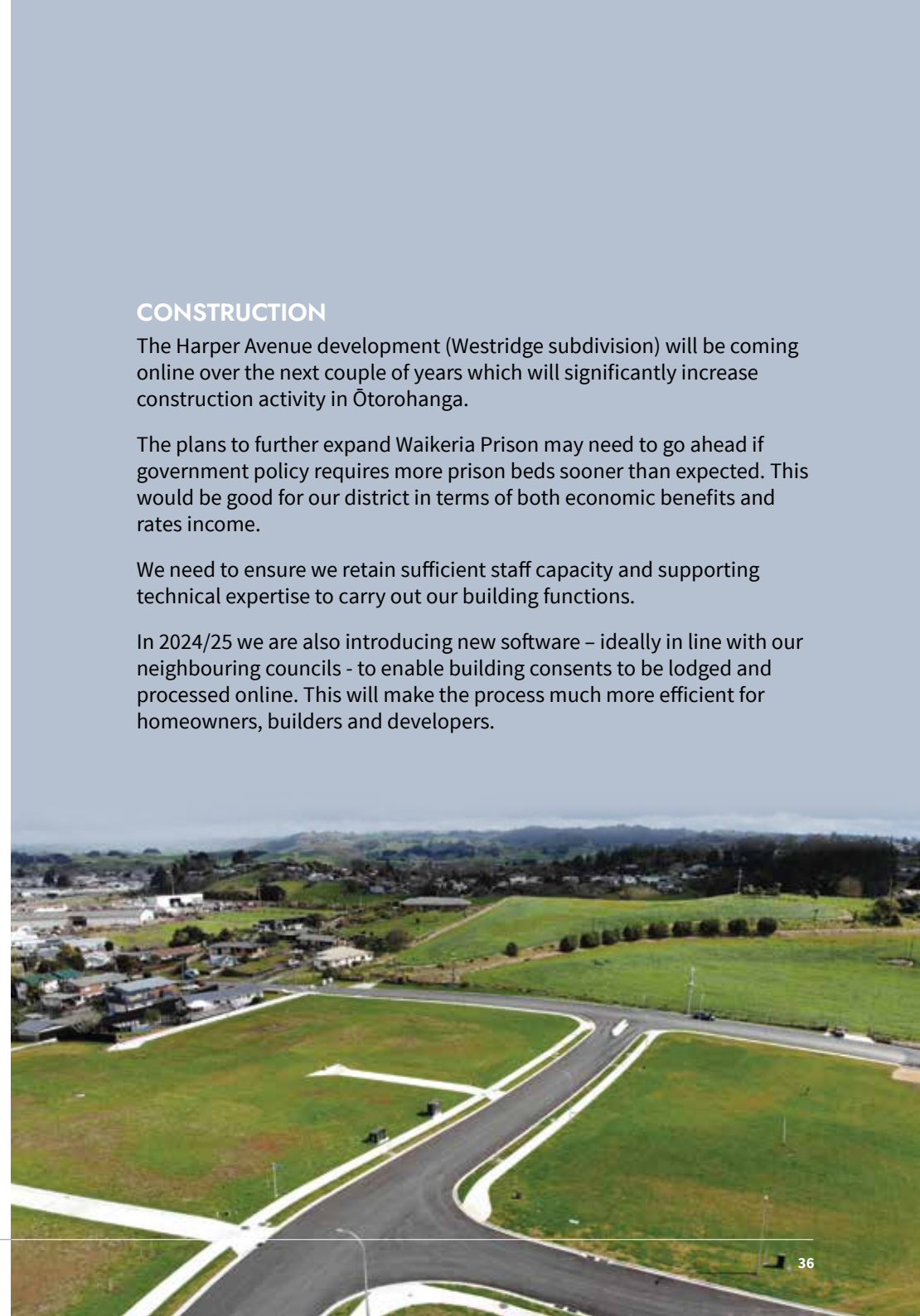
CONSTRUCTION

The Harper Avenue development (Westridge subdivision) will be coming online over the next couple of years which will significantly increase construction activity in Ōtorohanga.

The plans to further expand Waikeria Prison may need to go ahead if government policy requires more prison beds sooner than expected. This would be good for our district in terms of both economic benefits and rates income.

We need to ensure we retain sufficient staff capacity and supporting technical expertise to carry out our building functions.

In 2024/25 we are also introducing new software – ideally in line with our neighbouring councils - to enable building consents to be lodged and processed online. This will make the process much more efficient for homeowners, builders and developers.



WHAT WE DO LIBRARIES

STRONG COMMUNITIES



In this proposed Long Term Plan, we are introducing “Makerspace” into the Ōtorohanga library. Makerspace is an area where people can explore, design, experiment and create using resources like sewing machines and 3D printers.

As well as Makerspace we will:

- increase our te reo Māori collection
- extend our library learning programmes to teenagers and adults (currently just for under-fives and children)
- investigate expanding our collection of books by sharing with other councils
- bring library services out to you through schools, marae and community centres
- add a covered mobility scooter parking area at the Ōtorohanga library.

We are also going to join Fines Free Public Libraries Aotearoa which means we won't charge a fee for overdue books. It has been proven that a Fines Free service encourages people to come back to the library with their books – even if they are ‘late’ – and to continue using library services.

MULTI-PURPOSE FACILITY UPDATE

A feasibility study has been undertaken on developing a multi-purpose community hub in Ōtorohanga to look at providing better spaces for community, arts and cultural activities, meeting social needs of residents and hosting events. This process involved discussions with and seeking feedback from partners, community organisations and stakeholders, as well as the wider community.

Council is considering a preferred option based on developing existing facilities. However, no final decisions will be made until the details around the preferred option (designs, cost, funding, etc) have been established and the community and stakeholders have had the opportunity to consider and provide feedback on the proposal(s). We will let you know more later in 2024.

WHAT WE DO THE ŌTOROHANGA POOL

VIBRANT PLACES & SPACES



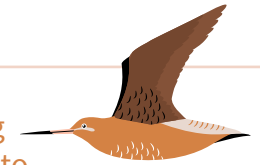
It has been 25 years since the Ōtorohanga Memorial Pool Complex had a makeover and we want to make a plan with you to:

- do a basic upgrade to the building, including the bathroom and changing rooms
- address weather tightness issues
- improve the seating areas and shade structures/landscaping to make the area more inviting
- reline the outdoor pool.

We have allowed \$455,000 over the next five years to do this work but, before we begin, we will be inviting you to give us your ideas. We will let you know more about this and invite your input later in 2024.

“Evolving our library services with the changing world ensures our community stays connected to opportunities for life long learning.”

TORI KOROHEKE, ŌTOROHANGA COMMUNITY BOARD



WHAT WE DO HOUSING

STRONG COMMUNITIES

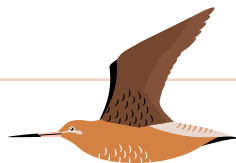


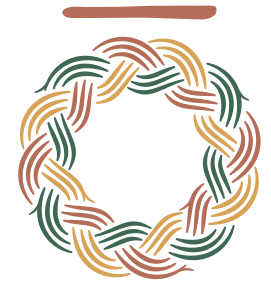
A warm, safe and secure place to call home is a basic need for everyone. Working with the Ōtorohanga District Housing Group we will be continuing to invest in the Maru Energy Trust home insulation programme (\$30,000 per year) and starting three new projects:

1. as part of the district plan review we will consider how to make it easier to put extra homes on one title eg secondary dwellings/tiny homes/papakāinga
2. a review of our Elder Person's housing
3. when reviewing our development contributions policy in 2024/25 we'll look at including financial contributions to encourage affordable housing.

“Safe, secure and healthy homes are the foundation of wellbeing. We are proud to be partnering with the local housing group and playing our part in working together for the people in our community.”

KIT JEFFRIES, COUNCILLOR - KĀWHIA/TIHIROA WARD





LONG TERM PLAN

ŌTOROHANGA
DISTRICT COUNCIL

2024-2034

HAVE YOUR SAY



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly

HAVE YOUR SAY

WHAT WE WOULD LIKE YOUR FEEDBACK ON....



FEEDBACK WILL CLOSE
ON 6 MAY 2024.



Have
your say on
page 46

FUNDING DEPRECIATION



For the next three years (2024-2027), we are proposing to reduce the amount of rates we set aside for funding depreciation on assets. This does not impact upon our level of service.

The result of this is that savings of 7.4% will be made in the average rates requirement and our depreciation fund will be reduced by between \$2 and \$3 million by 2027.

We have explained funding depreciation in more detail on [page 19](#)

BORROWING

Under option 1, Council's borrowing for the first three years of the plan will be higher by \$1m in year 1, \$1.7m by year 2 and \$2.1m by year 3.

If Option 2 is selected, borrowing would be lower by \$2.1m by year 3 of the plan, but rates would increase by approx 7.4% in year 1, an additional 5% in year 2 and an additional 2.8% in year 3.

The table shows the impact on example properties if option two is selected. The percentage movements vary over the years for each area because of the different rating requirements and the level of rates required if depreciation is fully funded.

OPTIONS

OUR PREFERRED OPTION

- 1 Reduce the amount we set aside for funding depreciation of assets by \$2.1 million total over 3 years.
- 2 Continue to collect \$2.1 million total over 3 years in rates to fund depreciation of assets. The additional rates required are \$1.06M in 2024/25, \$698k in 2025/26 and \$393k in 2026/27.

TABLE OF RATES IMPACTS - FUNDING DEPRECIATION

Example Property Value		OPTION 2					
		2024/25		2025/26		2026/27	
		\$ change	% change	\$ change	% change	\$ change	% change
Rural	\$2,300,000	\$198.61	4.30%	\$195.79	4.00%	\$222.11	4.20%
Ōtorohanga	\$585,000	\$266.68	8.50%	\$180.93	5.20%	\$96.77	2.60%
Kāwhia	\$621,000	\$262.30	7.10%	-\$26.18	-0.60%	-\$89.35	-1.90%

HAVE YOUR SAY

WHAT WE WOULD LIKE YOUR FEEDBACK ON....



FEEDBACK WILL CLOSE
ON 6 MAY 2024.



Have
your say on
page 46

COMMUNITY PRESENCE



You've told us that the work we started in the 2021/31 Long Term Plan to better engage with you has made a difference, and you would like this to continue and for us to do more. In this long term plan process we've included a range of activities for enhanced outreach so that all our communities can benefit from improved connectedness with Council.

To be even more visible, we considered purchasing a multi-purpose van to get out and about across the district connecting even further.

Having the van would mean:

- the library could increase their outreach to include taking books selections into remote communities
- improved in-place opportunities for people to have their say and connect with Council
- that during an emergency event Council could provide satellite WIFI connection and a diesel generator for charging devices.

We are proposing to not purchase the van and continue instead with our enhanced community connections approach. Our preferred option doesn't impact on our debt or current level of service.

The initial cost for this van was estimated at \$120,000 plus another \$33,000 each year to run. If included this change would add a 0.23% increase in the year the van is purchased, with that increased cost carrying on for the life of the van.

We have explained our community presence in more detail on [page 30](#).

OPTIONS

OUR PREFERRED OPTION

1 Don't buy the van.

2 Buy the van.

TABLE OF RATES IMPACTS - COMMUNITY PRESENCE

Year 1 Rates		OPTION 2	
Example Property Value		Year 1	% change
Rural	\$2,300,000	\$12	0.3%
Ōtorohanga	\$585,000	\$5	0.2%
Kāwhia	\$621,000	\$5	0.2%

*increased rates required in year 1 for Option 2: Buy the van.

HAVE YOUR SAY

WHAT WE WOULD LIKE YOUR FEEDBACK ON....



FEEDBACK WILL CLOSE
ON 6 MAY 2024.



Have
your say on
page 46

KĀWHIA AND AOTEA SEAWALL RATES



We are proposing we change the way we rate for Kāwhia and Aotea seawalls. Instead of property owners in Kāwhia and Aotea paying separately for the upkeep of their seawalls, we are now proposing to apply a single targeted rate for all three walls across both communities.

This proposed change makes the costs for seawalls clearer, more explicit and shares the burden of maintaining the seawalls across a greater number of ratepayers, reducing the impact on individual properties in Aotea.

Our reasons for continuing to invest in our seawalls include:

- Economic - maintaining the attractiveness and desirability of public and private property in both harbours has benefits for the entire area and not just the individual communities
- Community unity - protecting where people live helps to keep communities strong and together
- Environmental - well-maintained seawalls provide crucial protection against coastal erosion and flooding, preserving the natural environment. These walls also protect two of our most notable trees, Te Papa o Karewa and Tangi te Korowhiti. By investing in the upkeep of these walls, the communities of Kāwhia and Aotea show their commitment to safeguarding our coast for future generations.

OPTIONS

OUR PREFERRED OPTION

1 Apply a single targeted rate for all three seawalls across both communities.

2 Each community continues to pay for their own seawalls.

Note: Neither option impacts upon our debt or level of service, both options are based upon our expected level of maintenance continuing.

TABLE OF RATES IMPACTS - KĀWHIA AND AOTEA SEAWALL RATES

Community	OPTION 1 - PREFERRED		OPTION 2	
	Aotea	Kāwhia	Aotea	Kāwhia
2023/24	\$206.71	\$24.27	\$206.71	\$24.27
2024/25	\$63.03	\$63.03	\$214.90	\$24.87
2025/26	\$195.22	\$195.22	\$612.95	\$25.39
2026/27	\$168.15	\$168.15	\$520.67	\$25.97

FINANCIAL STRATEGY

Our Financial Strategy sets out information to help you assess the impact of our decisions on your community. It goes hand in hand with our Infrastructure Strategy and includes a forecast of things that could have a financial effect on us such as building a new asset like a water treatment plant or changes in population or land use creating the need for additional services. Also included in the Strategy are the financial limits in which we intend to operate within for rate increases and borrowing.

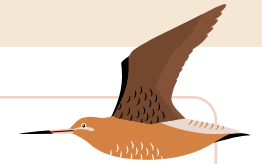
OUR APPROACH FOR 2024-34

We have three goals in our Strategy:

- Deliver value for current and future residents
- Use debt as a tool for intergenerational equity and retain borrowing headroom
- Be good custodians of community assets

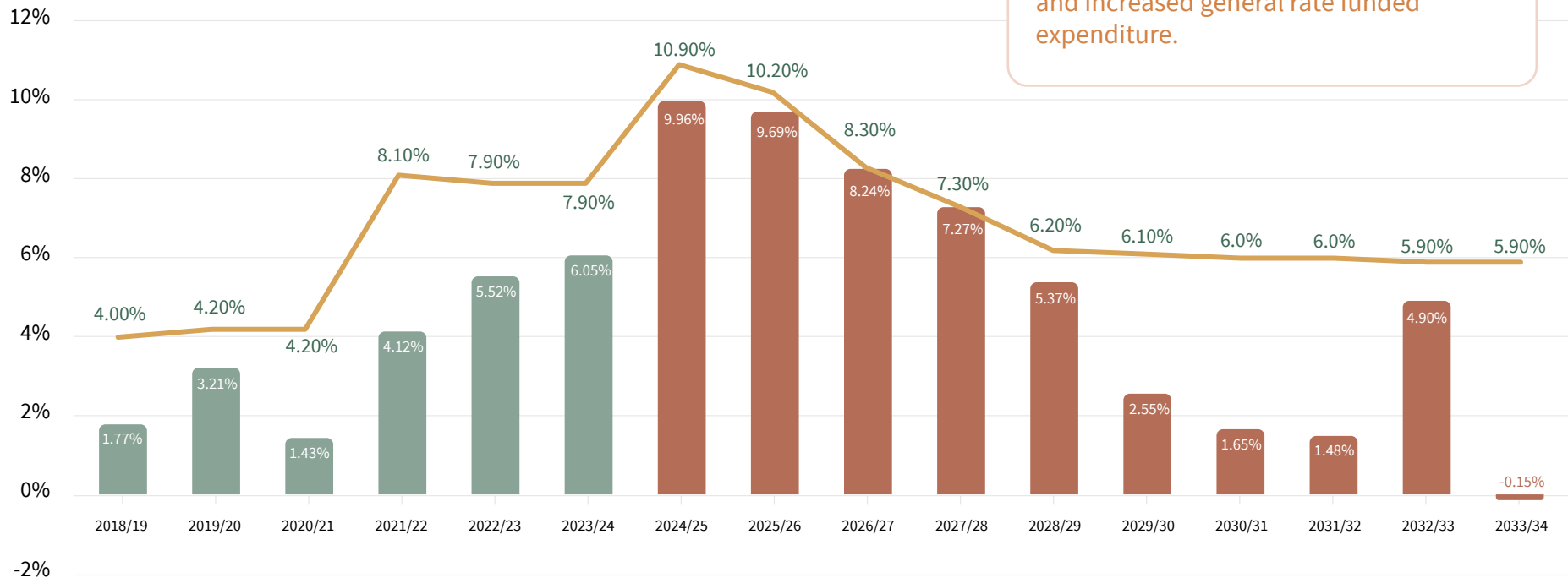
RATES INCREASE LIMIT

Rates are the main source of income for our activities, but we also try to maximise funding from other sources including the government. We are proposing that our rates revenue be capped at the following levels over the ten years of the Long Term Plan:



PROJECTED RATES INCREASES AND RATES LIMITS

● Past rates Increase ● Projected rates Increase ● Limit on Rates Increases



The increase in 2032/33 relates to projected increases in roading spending and increased general rate funded expenditure.

BORROWING LIMITS

We're not planning to change our borrowing limits in this plan. Our limits will continue to be calculated as 175% of total income each year. This means that in 2024/25, the cap will be approximately \$48 million, increasing over the ten years of the plan to \$66 million in 2033/34.

Remember, as we said earlier, we are proposing to keep our debt low but have capacity to borrow if we need it ([see page 21](#)).

A full copy of our Financial Strategy is on our website engage.otodc.govt.nz/84721/widgets/408739/documents.

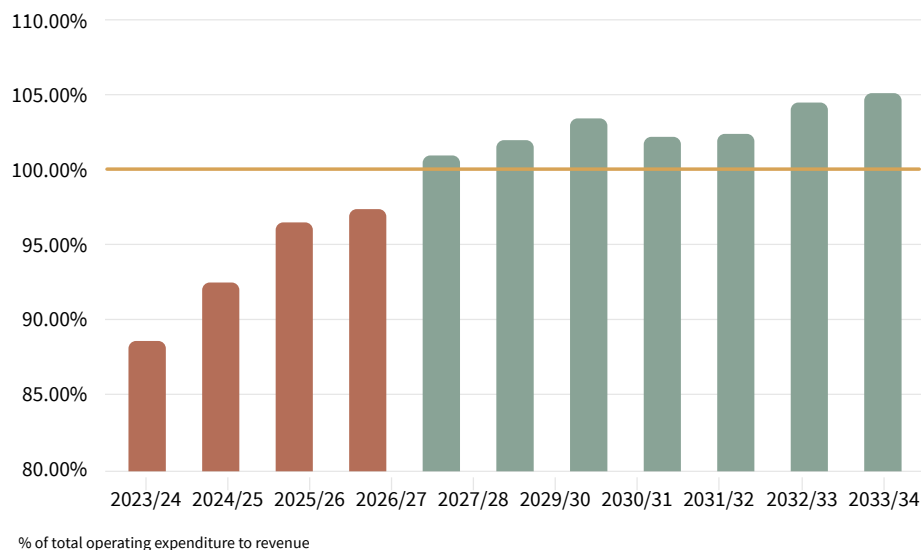
BALANCED BUDGET

A 'balanced budget' is when your income matches what you spend. We are proposing not to have a balanced budget in the first few years of our plan.

This is because we're proposing not to fully fund depreciation in the short term ([see page 40](#)). By taking this approach we won't affect our levels of service. We're in a good financial position and still have the ability to borrow should anything unexpected occur such as needing to replace an asset.

BALANCED BUDGET

● Benchmark ● Benchmark met ● Benchmark not met



INFRASTRUCTURE STRATEGY

Our Infrastructure Strategy sets out the approach we're taking to providing water, wastewater, stormwater, flood protection, roads and footpaths over the next 30 years. At this stage it doesn't include our community facilities such as halls, toilets, swimming pools and other property but this is something we're working on.

OUR APPROACH ... AND WHAT IT MEANS FOR 2024/34

In our last long term plan we changed our approach to infrastructure management by shifting from a 'do minimum' to a 'sound management' approach which means making the best decisions in the long-term interests of our communities. At the time, our reasons for making this change were:

1. After several decades of static or declining population, we'd moved into a period of growth and our infrastructure services needed to be expanded.
2. We'd commissioned an independent assessment (CouncilMARK) of our organisation and the assessors described Council's water services infrastructure as a key risk requiring significant investment over the next ten to 15 years.

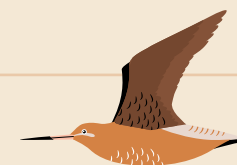
We have made good progress since 2021 to address these risks and we're committed to pressing forward with making Ōtorohanga an even better place to live by continuing to apply a 'sound management' approach. Our priority is creating resilience to place the district in the best possible position for future challenges.

A full copy of our Strategy is on our website engage.otodc.govt.nz/84721/widgets/408739/documents.

Our priority is creating resilience to place the district in the best possible position for the future.

"Our districts's uniqueness and our communities passion is what truly sets us apart"

PETER COVENTRY, ŌTOROHANGA COMMUNITY BOARD



INFRASTRUCTURE STRATEGY CONTINUED...

OUR CHALLENGES

Two big challenges that we see for the future are climate change and the cost of compliance.

Climate Change

Climate change and other extreme weather events are front of mind in our asset planning.

- In our roading work, we're focussing on the areas that have potential for slips and drop-outs to minimise any significant disruption to access for communities.
- We are working on improvements to our coastal structures to be more resilient from the effects of inundation ([see page 35](#)).
- We're keeping up to date with maintenance on our flood protection assets.
- To look after our available water resources, we limit what we take and what we discharge. We also keep on top of our network maintenance and repairing water leaks.

Increased Cost of Compliance

We're finding it's becoming more expensive to comply with rules and regulations for things like drinking water and resource consents. This is hard on our communities where there are a small number of users but big costs to meet the conditions set by central government and the regional council. Compliance processes that we are currently working through or soon to come up include:

- Stormwater consents (Ōtorohanga and Kāwhia, [see page 34](#))
- Resource consents for coastal structures (Aotea and Kāwhia [see page 35](#))
- Water supply (Tihiroa Rural Water Scheme and Ōtorohanga Water Treatment Plant - discharge consents for water).
- Rural water schemes (compliance with new drinking water quality assurance rules).

Budget provision has been made for these compliance processes and, in some instances, money has also been set aside for any additional maintenance should it be required. If big changes are needed, we'll be talking to those affected and factoring these costs into future long term plans.

OUR PRIORITIES

Key documents underpinning our Infrastructure Strategy are our asset management plans (AMPs). These documents bring together financial, engineering and technical information about our assets to help us prioritise our work.

Based on the information we have in hand, our priorities are to continue to invest in our existing infrastructure. While the district has and will continue to experience some growth, the accelerated work programme for the three waters (Ōtorohanga and Kāwhia) we began in 2020 has enabled us to accommodate any additional demand for service both now and into the medium term. Similarly, with roading and footpaths, maintenance and keeping up with our renewals are the priorities for the district. In doing so we are also ensuring that we are building in network resilience to cater for extreme weather events.

OUR ASSETS

ASSET TYPE	CONDITION
Roading	Our road assets are generally in a good condition and we need to continue to invest in them as not maintaining current levels of service will be costly in the long run. Major assets, such as bridges, are not expected to be renewed for another 40 – 60 years as long as regular maintenance is continued.
Three Waters	<p>Like many other growing rural communities around the 1900's, most of our very old assets have been through one renewal cycle and are currently undergoing a second cycle.</p> <p>Assets constructed or renewed around the 1950's and 60's will be reaching end of useful life over the next 10 to 30 years. We have been consistently renewing these assets and have recently funded through the 2021/31 Long Term Plan an \$8 million (approx.) accelerated programme for water and wastewater. We're continuing with this steady programme of renewals and prioritising assets for replacement based on condition.</p> <p>Our rural water schemes are a lot younger than our urban schemes and significant network renewals are not expected for another 50 years, although plant upgrades will be required sooner.</p>
Flood Protection	Ōtorohanga flood protection assets are in good condition due to the significant investment in the last 5 years on pumps and pipe renewals. Over the next three years maintenance work will be undertaken on the exterior of the pump station buildings.
Coastal structures	Due to the inhospitable environment, coastal structures deteriorate at a faster rate than those on land. We have a maintenance programme planned for the Kāwhia /Aotea Seawalls (see page 35). A condition assessment is also planned for the Kāwhia wharf to determine whether maintenance work is required.

HAVE YOUR SAY

TELL US WHAT YOU THINK



FEEDBACK WILL CLOSE
ON 6 MAY 2024.

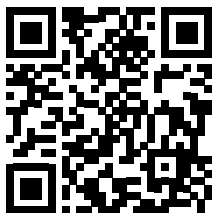


Now that you've read our consultation document, we would love to hear your feedback! Public consultation on our proposed Long Term Plan is open from 5 April through to 6 May 2024.

HAVE YOUR SAY BY USING ONE OF THE FOLLOWING:

- **Online** – go to engage.otodc.govt.nz/ltp
- **Hard copy** – use the submission form included in this document and drop it off to our council office or one of our libraries
- **Visit** – one of our Open Days. See details in the green box on the right.

Submissions close at 9am, 6 May 2024.



SCAN THE QR
CODE TO HAVE
YOUR SAY ONLINE



WHAT HAPPENS NEXT?

5 April to 6 May 2024 - You tell us what you think. You can submit your feedback to us during this time.

Week of 27 May- You can present your submission to us (optional)

The Council meets to listen to people who want to present their submission in person.

31 May - We consider your feedback

The Council meets to consider all of the submissions received and discuss changes to the proposed budgets and projects.

25 June - We make final decisions and adopt the Long Term Plan 2024 - 2034

The Council meets to formally approve the LTP 2024 - 2034 – including changes made as a result of the submissions received. Once adopted, the document will be available on our website, at libraries and Council offices.

WANT TO KNOW MORE? LET'S TALK!

Come along to one of our Open Days, here you will get the opportunity to talk to our Elected Members and staff in person about the things that matter to you and your community, as well as anything you would like more information on:

ŌTOROHANGA

The Village Green, Maniapoto Street,
Ōtorohanga
Saturday, 13 April 2024, 11am – 2pm

AROHENA

Arohena Hall, 18 Pukewhau Road,
Wharepapa South
Thursday, 18 April 2024, 10.30am – 12.30pm

KĀWHIA

Kāwhia Hall, 141 Jervois St, Kāwhia
Saturday, 20 April 2024, 11am – 2pm



HAVE YOUR SAY

SUBMISSION FORM

Full Name:

Organisation: (if applicable)

Address:

Email:

Do you want to speak to your submission?

☐

Yes

☐

No

If you would like to speak to councillors about your submission, please provide your phone number so we can contact you with the date and time.

Phone:

What do you think about our plans for our other projects and activities?

What do you think about our plan for finances, including our proposed limits on rates and debt?

Is there anything else you would like us to know?

DO YOU AGREE WITH OUR PREFERRED OPTION OR DO YOU SUPPORT ANOTHER OPTION?

FUNDING DEPRECIATION

Learn more on page 40

☐

OPTION 1:

OUR PREFERRED OPTION

Reduce the amount we set aside for funding depreciation of assets by \$2.1 million total over 3 years.

☐

OPTION 2: Continue to collect \$2.1 million total over 3 years in rates to fund depreciation of assets.

COMMUNITY PRESENCE

Learn more on page 41

☐

OPTION 1:

OUR PREFERRED OPTION

Don't buy the van.

☐

OPTION 2:

Buy the van.

KĀWHIA AND AOTEA SEAWALL RATES

Learn more on page 42

☐

OPTION 1:

OUR PREFERRED OPTION

Apply a single targeted rate for all three seawalls across both communities.

☐

OPTION 2:

Each community continues to pay for their own seawalls.

Take note: For your submission to be valid, you must include your full name, a postal address or email address. All submissions (including your name, address and contact details) are provided to Council staff and Elected Members for the purpose of analysing feedback. Your personal information will also be used for the administration of the engagement and decision-making process. Submissions (with the individual's name and organisation only) will be available online. If requested, submitter details may be released under the Local Government Official Information and Meetings Act 1987 unless there are grounds to withhold this information. If there are good reasons why your name and/or submission should be kept confidential please contact us by emailing info@otodc.govt.nz.



To the reader:

**Independent auditor's report on Ōtorohanga District Council's
consultation document for its proposed 2024-34 Long-Term Plan**

I am the Auditor-General's appointed auditor for Ōtorohanga District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Deloitte Limited. We completed our report on 4 April 2024.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2024-34 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:



- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.

Matt Laing

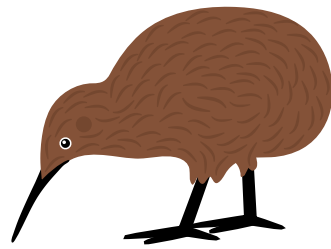
for Deloitte Limited

On behalf of the Auditor-General, Hamilton, New Zealand



THE HIHI

One of Aotearoa's rarest birds, the Hihi/ Stitchbird is a master weaver. The Hihi symbolises our rare and unique qualities from which we draw strength, as we weave the individual threads of our future district into one connected nest.



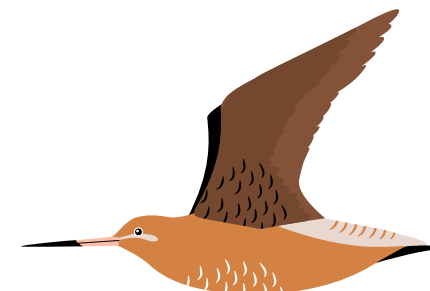
THE KIWI

Our national bird with special ties to our district through the Ōtorohanga Kiwi House, the Kiwi bird symbolises our Kotahitanga (togetherness) in our identity as Ōtorohanga District, as we work together with our partners and community while facing local, national and global challenges.



THE TŪI

Boisterous and vocal in nature, the Tūi bird symbolises our commitment to korero and inclusiveness, with the inquisitive and relentless approach needed to tackle the big issues. Nimble in character, Tūi represent our ability to adapt to our ever changing world, ensuring our district and people thrive.



THE KUAKA

The Kuaka – Bar-Tailed Godwit is a migratory bird known for traversing vast distances across the open waters of Te Moana-nui-a-Kiwa. Travelling in their multitudes, the Kuaka seeks shelter in the many bays along the western coasts of the Ōtorohanga district and wider Aotearoa.

The Kuaka brings forth the essence of “kia mau tātou ki te ara” through their unity in flight and shared destination as a collective. It is our aspiration that the Kuaka inspires this notion of holding fast to the pathway ahead as a community.

**WOULD YOU LIKE TO KNOW MORE ABOUT OUR MANU/BIRDS AND OUR BRANDING?
HEAD TO [ENGAGE.OTODC.GOV.T.NZ/WEAVING-THE-FUTURE-TOGETHER-BRANDING](https://engage.otodc.govt.nz/weaving-the-future-together-branding)**



WEAVING THE FUTURE, TOGETHER KOTAHITANGA



Te Kaunihera ā-Rohe o
Ōtorohanga
District Council
Where kiwi can fly