

An investment in progress

We all know that the Opotiki District is a great place to live, but the fact of the matter is that ours is also one of the most economically deprived areas in the country.

Compared to New Zealand as a whole, Opotiki has:

- ▶ Relatively high unemployment
- ▶ Low household income levels
- ▶ Less people with educational qualifications
- ▶ Difficulties with access to transport and communication tools
- ▶ Issues with home ownership and housing quality.

As the graph below shows, those factors mean that close to 60% of our population fall into the “most deprived” category in a nationally calculated Index of Deprivation.

While that situation means the Opotiki District, and for that matter the wider Eastern Bay of Plenty region, face some significant challenges, we also have some major opportunities.

Over the past decade, Opotiki has been positioning itself for economic growth and has put in place an efficient

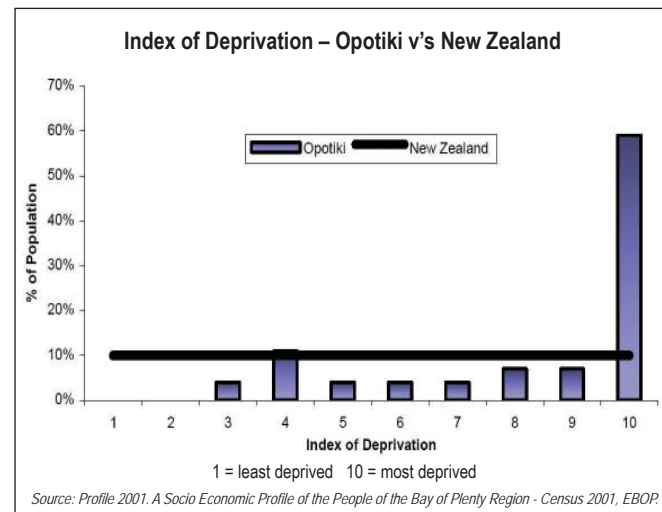


Photo: Sunlight at Opotiki Wharf © Katerina Adams

infrastructure capable of accommodating significant development (for example, our water and wastewater systems are significantly underutilised). A number of opportunities have been identified, centred around the development and protection of our natural environment. Foremost amongst these is the aquacultural venture proposed by Eastern Sea Farms Limited, a company in which the Whakatohea Maori Trust Board has a majority shareholding. Late last year, Eastern Seafarms was granted a permit to develop a 3,800-hectare mussel farm (the country’s largest) 6 kilometres off the coast from Opotiki township.

To capture the greatest possible benefit from this venture, which has the potential to transform our economy and our community, it is essential that the onshore servicing and mussel processing facilities it requires be based in Opotiki. Which is where the harbour development project fits in.

The following items examine the benefits that will flow from these projects and provide up-to-date information on the progress, timing, cost and possible funding of the planned harbour development.



Why develop the harbour?

If it is to become the base for an aquaculture industry, Opotiki must have safe, all-weather access through the Waioeka River mouth to the harbour. The planned redevelopment will also open up other opportunities such as commercial fishing, bulk commodity barging and tourism ventures related to a marina and charter boat operations.

Currently, the sandbar outside the river mouth means that only boats drawing less than 0.5 metres can enter and exit the harbour and even then, the channel is generally inoperable two hours either side of low tide. Weather and/or bar conditions mean that the channel cannot be used safely for approximately 20% of the year. This has potential marine safety implications, as illustrated by a recent situation where the Opotiki Coastguard vessel could not cross the bar to bring a rescued kayaker back to shore.

The Opotiki Harbour Development project has been instigated to address those access issues and ensure that the planned mussel farm and associated processing plant are located here.

The reasons are compelling, as the results of a Social and Economic Impact Evaluation commissioned by the Opotiki District Council show. Major findings were that the harbour development, in conjunction with the mussel farm and processing plant and the other economic activity they would stimulate, would transform our community by:



Mayor John Forbes and ODC CEO Vaughan Payne at the Harbour

- ▶ **Creating more than 900 full-time jobs**
- ▶ **Adding more than \$34 million to the District's economy each year**
- ▶ **Increasing average household income across the District**

Experience elsewhere indicates that significant social benefits would also be experienced as a result of improved economic conditions and higher employment and household income levels.

Without a reliable harbour entrance, those benefits will not be realised for Opotiki or the wider Eastern Bay of Plenty. It is also reasonable to expect that there will be opportunities for more aquaculture ventures to be established in the future and the Opotiki District needs to be ready for those opportunities.

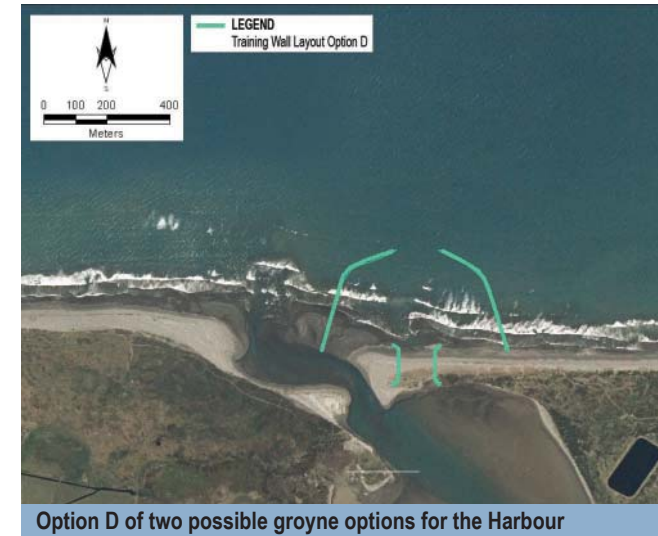
The project so far

The harbour development project has involved intensive studies by engineering experts to identify the most effective and affordable way of "training" the Waioeka River mouth so that a minimum channel depth of 3.4 metres is maintained at all times.

Initial possibilities studied included "sand fluidisation" (creating conditions which allow sediment to be washed away by natural tidal and river flows), dredging, and the construction of training walls (groynes). It quickly became obvious that the most viable long-term solution was to construct two groynes

that would minimise sediment build-up between the river and the sea and utilise the natural tidal and river discharge actions to flush out the channel and keep it open.

Analysis of those options has included studies of the "wave climate" and coastal sediment drift in the area of the river mouth; river flows and flood release requirements; river sediment discharges and delta formation issues; scouring of the entrance channel which could undermine training structures; and coastal impacts and erosion.



Option D of two possible groyne options for the Harbour

Six possible training structures, or groynes, were initially identified which would meet the channel maintenance objectives, without creating any increased risk of flooding in Opotiki township. These possibilities have since been narrowed down to two (pictured above) for a detailed modelling study and costing, which will determine the selection of the preferred option.



Option F

The training groyne options concerned are: parallel structures cutting through the existing sandspit to provide a more direct, 120-metre wide channel to deeper water; and symmetrical structures which would incorporate an outer basin between the existing shoreline and the breakwater entrance. The outer basin would provide more space for vessels entering and leaving the river to manoeuvre and allow vessels to better align themselves to the prevailing wave direction.

Where to from here?

Work is continuing on a number of fronts with the aim of progressing the Opotiki Harbour Development project. These are:

- ▶ **Modelling and design of groyne structures by DHI Water & Environment, an engineering consultancy group with extensive international experience in this field**
- ▶ **Preparation of Resource Consents**
- ▶ **Eastern Seafarms Limited's aquaculture proposal**
- ▶ **Seeking further funding commitments to support the project**

Council is expecting DHI's final modeling report and summary of preliminary design and cost factors by late-

November. Public consultation meetings will then be held to fully brief all stakeholders and gain feedback on the project proposal.

Environmental impact assessments will then be refined in the light of the final modelling report and the groyne design selected, with a view to lodging resource consent applications with Environment BoP in early-2008.

Sealord, Whakatohea Maori Trust Board's partner in Eastern Seafarms Limited, is progressing mussel farm consents and is considering the installation of initial lines.

Opotiki District Council is working with potential funding partners to secure financial support for the project (see the item overleaf).

Our project partners

Opotiki District Council is working closely with a number of partners to progress this vital economic and social development project.

We have a Memorandum of Undertaking in place with the Whakatohea Maori Trust Board, which sets out our joint intent to work together to bring the harbour development project to fruition and establish a base for mussel farming and processing in Opotiki. A similar agreement is in place with Eastern Seafarms Limited.

The feasibility study, which led to this project, was jointly funded by the New Zealand ministries of Economic Development and Social Development, BayTrust and the Opotiki District Council.

We are now nearing the end of Stage Two, with funding and support coming from Horizon Energy (providing both financial assistance and technical support in the development



Children fishing off the Opotiki Wharf

of the business case to be made to the Government for the final design and construction phase), BayTrust (a financial contribution of \$200,000 from the Trust's Community Development Fund), Environment BoP and Council.

We will be seeking further support to help fund the estimated \$0.5 million cost of obtaining Resource Consent Approvals.

The New Zealand Government will be asked to substantially underwrite the project's construction phase (initially estimated at \$13 million). Completion of the project work currently underway will identify a single design and allow a revised cost estimate to be produced. One of the Government's regional development priorities is to promote economic transformation and there is a strong case supporting investment in the harbour project because of the increased tax revenue (business and personal tax, plus GST from increased economic activity), reduced social welfare costs arising from higher employment and the reduced social costs which will result from it. The Opotiki District Council will also be a substantial investor, with further contributions to be sought from commercial entities and regional funding agencies.



Opotiki Township from the air

Contact information



This is the first in a series of newsletters to keep you up-to-date with progress on the Opotiki Harbour Development Project. If you would prefer to receive the newsletter by email, please contact: info@odc.govt.nz and type "Electronic Version of Update Please" into the message line.

Update will be distributed to all Opotiki District ratepayers and other project stakeholders. If you know of anyone else who should receive the newsletter, please let us know, by email: info@odc.govt.nz, or telephone Opotiki District Council, 07 315 6167.