



Opotiki District Council
STRONG COMMUNITY STRONG FUTURE

OPŌTIKI DISTRICT COUNCIL

2019 Pre-Election Report

Providing information to encourage informed debate ahead of the
2019 Local Government Elections



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Working towards our vision of a strong community with a strong future.

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Message from the Chief Executive Aileen Lawrie

The Ōpōtiki District is poised for change with a number of projects underway or on the cusp of getting underway. Our sewer reticulation performance is improving by the day thanks to ongoing works to rehabilitate it. Considerable thinking went into developing the chosen solution, which is cost effective and future proofed. The project's success has proven the effectiveness of investment in moving to a data driven asset management approach. Future councils will face decisions around storm water management and reticulation extension that will be ably assisted by data and analytics developed over the last six years or so.

A decision on the harbour will mean a number of growth projects can be commenced, such as an upgrade of the wharf and surrounds, and the sewer reticulation of Hikutaia. Other projects may need reshaping, such as our planned CBD upgrade.

The incoming council will face a high work load with almost three times the usual capital works programme in place and a number of projects in planning or delivery stages. We have already started a move to working digitally and this will be rolled out to councillors post election. The Government's Provincial Growth Fund presents a time constrained opportunity that the Council is currently working hard to access, directly through its own projects, and indirectly through other Eastern Bay of Plenty projects.

This report is a snapshot of ODC's priorities, financial position, and some of



the opportunities and challenges heading our way over the next three years and will be of interest to candidates considering running in the October elections. For more detailed information please read our 10 year plan. It is an important document that has been developed considering every council activity, financial modelling and audit, as well as extensive community consultation. It is the blueprint for our work programme and will be due for review in 2021, to set the programme for the following three years.

Finally, I encourage anybody with a passion for this place and a vision for its future to consider running for council or the Coast Community Board. Spread the word and help us encourage a higher voter turn-out, as we work hard to meet our potential as a rural New Zealand leader.

INTRODUCTION

The preparation and timing of this report is a mandatory requirement of the Local Government Act 2002. This report has been prepared by the chief executive and has not had any input from elected members.

The goal of the report is to provide information that will enable the community and prospective candidates to have informed debate around the issues and opportunities facing the Council in the lead up to the local government elections on 12 October 2019.

We draw your attention to the key issues over the coming years, the current council's performance against the adopted financial strategy, and the forecast financial position

for the incoming council. In effect, this report is an update of the medium term forecasts in the 2018-28 Long Term Plan (LTP) and a summary of performance over the last three years.

This is not a "stand-alone" document. If you are interested in the basis for the forecasts contained in this report, refer to the 2018-2028 LTP and the 2019/20 Annual Plan. Additional information on past performance is contained in the annual reports. These documents are available on our website at www.odc.govt.nz

BASIS FOR PREPARATION

This pre-election report brings together information published in the Council's LTP, annual plans, annual reports, and associated summaries. It reflects the policies and strategies contained in the 2018-28 LTP and service level decisions of the current council at that time.

The financial information has been compiled from the following sources:

- Financial information for 2017 and 2018 has been extracted from the 2016/17 and 2017/18 annual reports, which have been audited by the Auditor General.
- Financial information for the 2019 year and from 2021 onwards has been extracted from the 2018-2028 LTP which has been audited by the Auditor General.

- Financial information for the year 2020 is extracted from the 2019/20 Annual Plan, which has been reviewed by the Auditor General for compliance with the Local Government Act and applicable New Zealand Accounting Standards.

There is no requirement for the pre-election report to be separately audited. However, the majority of the information in this report has already been audited as disclosed above. Any major changes to the direction of the Council that may be approved in the next LTP (scheduled for June 2021) may alter the forecasts in this report.

STRATEGIC DIRECTION

Assets

Over the last two trienniums, the Council has been moving towards a more robust approach to managing its assets. We have made a large investment of time and money in better understanding the things we own, like roads and underground pipes. Our replacement decisions have become better informed and more proactive, rather than reactive when things fail. In part, this has been driven by central government requirements but it makes sense for decision making to consider the cost of the asset over its life. We now hold better information, which means we can more easily strike the balance between cheap fixes that need earlier replacement and more expensive options that last longer. In conjunction with this, we are also using debt to ensure we balance

the cost of long terms assets between current and future generations. Much of the work we have done has not been particularly visible to ratepayers but it should result in fewer unanticipated failures of services and better financial management.

It has become apparent through our move to better asset management and through feedback from the community that the Council has underinvested in the past in a number of asset classes. This is most obvious with our wastewater and our parks and reserves. Currently we are undertaking three times our usual capital works programme so that we can catch up as well as improve our facilities. As we do this, our information on our assets is also being improved to ensure we can best manage costs over the long term.



Grant funding

To help improve affordability for ratepayers, council has always focussed on accessing grant funding where possible. Changes in government, fund criteria changes, and increased standards for funding applications create challenges for us, and the uncertainties make accurate work programs and budgeting difficult. Our harbour, library, and cycleway have all been delayed because of grant

funding requirements beyond our control, and the council component of the funding has had to be carried forward. The cycleway and harbour are in process for a decision on government funding, and council is about to consult the community on the options for the library after being turned down three times for grant funding.

IT strategy

The way people like to communicate is changing and Council has been adapting to the new ways while retaining the old ways.

Our initiatives include purchasing shares in Evolution Networks to assist with the roll out of internet provision in the community (especially in the more

remote eastern parts of the district), building IT capability, better systems, online transactions, and we are purposely heading towards moving our information to the Cloud, for cost management and resilience purposes.



Harbour

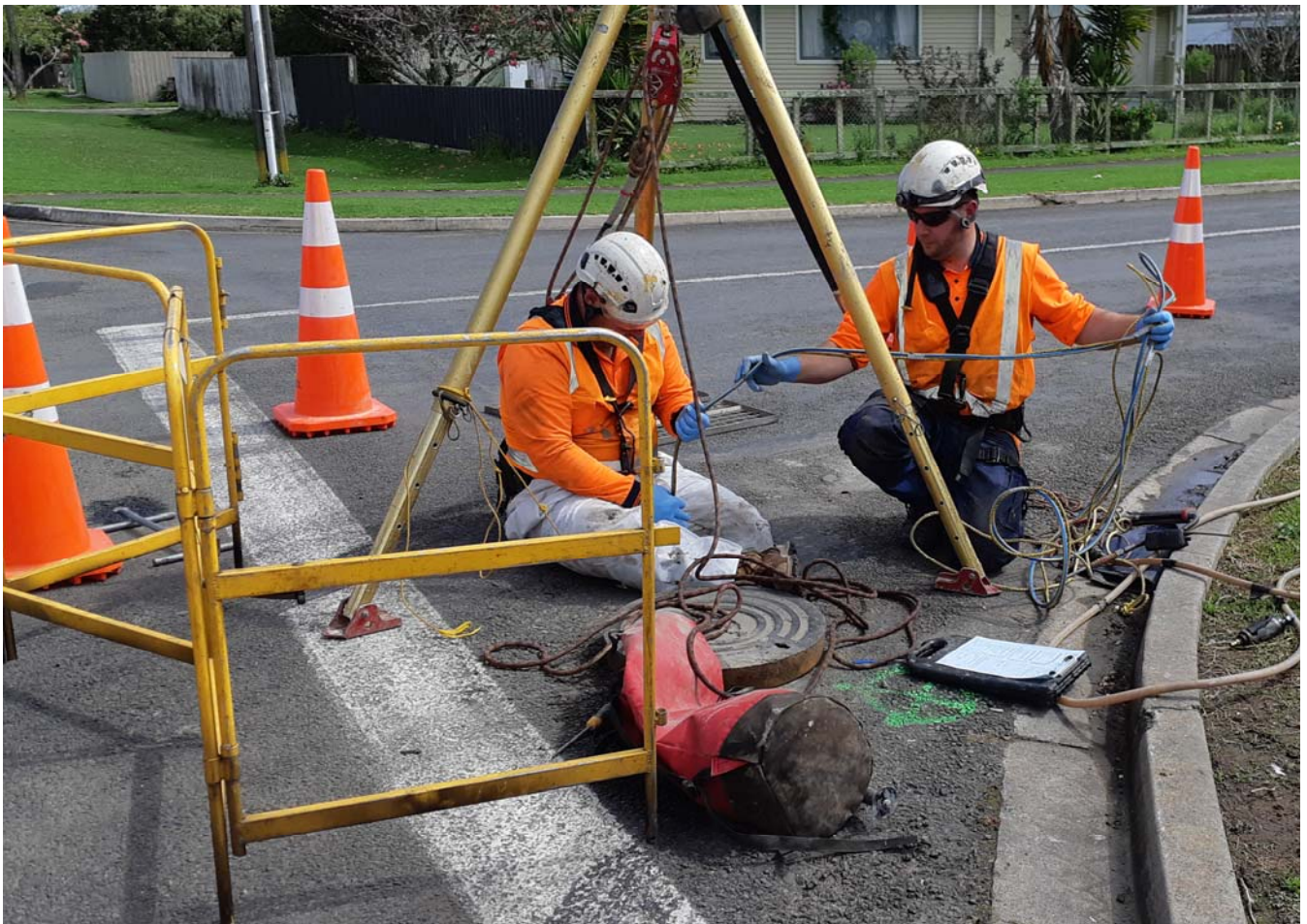
Council has prepared four business cases for the harbour, each time successful in gaining further funding. The project has been developed and managed mostly with external grant funding and a project team outside of council, to minimise drain on business as usual functions. The first business case established the project in the 2012 LTP. The second business case secured a pledge of \$20M from Bay of Plenty Regional Council and the third and fourth businesses cases secured a total of \$5M from central

government for their additional due diligence. Government's emphasis at the moment is to support the commercial operations to stimulate immediate demand on a harbour solution. Work is underway to advance commercial activity via the existing operating company, Whakatōhea Mussels Ōpōtiki Limited and through Whakatōhea Fisheries Company. In parallel, work is underway to reduce the cost of the harbour.

Growth

With delays in the harbour project, Council has been able to put itself in the best possible place to be ready for growth. We have a good, solid base of personnel and we have thought about and planned a number of growth projects. The last business case for government was based around planning for growth. A district plan change has provided for Marine Industrial, Marine (wharf) and Industrial land.

Water, sewer, transport, wharf, gas, and a range of other potential constraints have been assessed and relevant action taken. The LTP provides for projects such as the reticulation of Hikutaia, and redevelopment of the public wharf area. The key challenge now is getting the timing right to start these projects, when there is sufficient confidence that the harbour and resulting growth will go ahead.



Future challenges for council

Provincial Growth Fund (PGF)

The next 12 months is an important period for the district to take maximum advantage of the Provincial Growth Fund. There are many worthy projects and ideas but the window of opportunity is limited and meeting the due diligence tests is a challenge for all. The Ministry of Business, Innovation and Employment (MBIE) has recognised this and has funded a programme management position that is being administered from Ōpōtiki District Council on behalf of the Eastern Bay of Plenty. The councils of the Eastern Bay of Plenty have worked together to prepare a collective view of the opportunities in the East. Four catalytic programmes were identified – Putauaki industrial development, Whakatāne waterfront development, Ōpōtiki harbour development, and East Coast kiwifruit/horticulture. A number of commercial projects, mostly iwi/hapū or Māori trust led, depend on each of these four projects. This was put to government ministers in August 2018 and has resulted in a number of funding

announcements to advance projects to a position where they can be funded for implementation. In the coming months, managing capability and capacity and getting community agreement will determine how successful we are as a district and sub-region.

As we collectively advance the four programmes, there are a number of cross cutting constraints that will challenge our communities. Ōpōtiki District Council has been in partnership with a number of agencies for the last five years on workforce development. As the workforce programme grew and gained funding, it has become an Eastern Bay of Plenty initiative sitting with Toi-EDA. A similar approach to housing is needed to ensure the sub-region can meet the demands of future workers. Work is also needed around transport networks to ensure we can get our goods to market most efficiently.



Climate change

Climate change is a global challenge and Council will need to grapple with its responses in mitigation, adaptation, and reduction. Considering climate change is built into business as usual in many ways – floor levels, pipe sizing, and other practical decision making uses the most recently available predictions to ensure best available information is factored into decision making. The challenge for council will come in the more strategic decision making areas such as

in the next round of river scheme and district plan review and in making long term asset decisions. Maintaining community resilience in the face of more frequent extreme weather events is an ongoing challenge we are facing collectively with our fellow councils through Emergency Management Bay of Plenty. In the area of reducing emissions, the ability to pay is a very real consideration alongside potentially greener but more expensive options.



Increasing Expectations

Council is under pressure from both the government and community to provide more professional and more responsive services. Central government is requiring more skilled and higher qualified people to perform certain jobs and we have a range of challenges in retaining skilled local professionals. There are a number of roles in council that we have been unable to recruit for. Where we can, we are sharing services with other councils or contracting services. Another approach is to train staff into roles but this can take some time, can be expensive, and difficult for sole charge roles to train “on the job”. More standardised IT allows for work to be carried out remotely and in the future we can expect some roles to be undertaken from other places or other councils.

As well as personnel challenges, increasing legislative standards and risk management from government is bringing costs to our community, through the requirement for increased standards in the regulatory area and higher tests for various functions. In light of limited ratepayer ability to pay, we face prioritisation decisions on a daily basis.

We have two Treaty of Waitangi settlements in process, both of which are likely to deliver some sort of co-governance functions. These will undoubtedly change the way we work, both operationally and in governance, and will likely have cost implications to resource any new committees or structures and potentially to carry out new activities.

Disruptive technology/robots

The future undoubtedly brings challenges to our community from technology, automation, and potentially even robots that are cheaper and more productive than people doing the same job. We are already seeing growing online transactions

threatening retail shops and automated services replacing real jobs. This is a global challenge and one we will all need to face and adapt to.



Waste

The Council is in the early stages of implementing our new urban waste collection system. Challenges will be bedding the new system in, and managing the increasing costs of waste collection, waste sorting, waste transport, and ultimately waste disposal at the landfill. There is greater emphasis on producing less waste e.g. less packaging, sorting in the household, composting and recycling are areas for future focus but take resourcing.



Debt Capacity

Council has set out in the LTP the intended use of debt to fund assets. The use of debt means that cost is spread between current and future generations. Debt capacity has been set aside for fixing the Ōpōtiki Wastewater system, sewerage reticulation at Hikutaia and climate change mitigation projects. Some debt capacity has been allocated to the harbour, the library redevelopment, and the Motu trails extension.

Major projects



Harbour Development Project

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

Whakatōhea created a commercial company in 2014 for a marine farm in 3,800 ha of water space offshore from Ōpōtiki. The farm now has 174 lines in the water and it owns and operates two large mussel harvesting vessels. Continued growth of the aquaculture business, and realisation of the potential value to the community of the product being processed in Ōpōtiki, is reliant on the vessels that service the farm having access to the harbour. The Ōpōtiki Harbour Development Project aims to provide access for larger boats by creating an entrance that is navigable in all but the worst conditions.

There has been huge support from the local community and wider region for these two interrelated projects. An independent assessment of the social and community benefits that would come from these projects points to increased employment and increased household income as well as reduced welfare dependency within the Ōpōtiki District. It states other benefits that may flow from the projects are increased home ownership, reduced overcrowding, reduction in criminal offending, the revitalisation of Iwi, population growth, and an increased rating base.

Ōpōtiki District Council has worked with a range of partners in advancing this project and has identified the Bay of Plenty Regional Council and central government as key stakeholders and funding partners in the physical redevelopment of the harbour. Council has sought funding assistance for the project from these partners.

As well as planning for the harbour project, Council has had to ensure essential infrastructure is in place and we are capable of meeting the needs of the community as it transforms and grows with the aquaculture industry and all of the changes that is likely to bring about. As interest in the harbour and the industries it enables grows, so does demand on Council services and infrastructure – particularly regulatory services, potable water, and sewerage.



Wastewater

In 2017, Council decided on a rehabilitation option to fix issues with infiltration and inflow and budgeted \$4.1 M for the 2017-18 year. The earlier years of the 2018-2028 LTP period will see the completion of that work, and in the later years we make provision for further growth of the town in the Woodlands/Hikutaia area. While detailed investigation is yet to occur, financial capacity is provided for that extension to the wastewater system.



Stormwater

Council has been looking into the state of the storm water system in the Ōpōtiki township, including carrying out modelling about the future impacts of climate change. Studies show that significant impacts can be expected in the town from rainfall alone. We have a number of projects planned in the course of our 2018-2028 LTP, and further out, to help deal with those expected impacts.

The Ōpōtiki Township Stormwater scheme does not work well when we have high rainfall. There is a lack of capacity in critical assets - things like pumps and pipes. We plan to improve this by increasing storage area, so water can drain away from homes and businesses quicker, and by upgrading main pipes and pump stations. This should aid transport and removal of the storm water in the upper catchments. As these works are completed and we learn more about future weather and the effects of climate change, we will fine tune our plans and make further ones for critical assets. Less critical assets will be replaced when they reach the end of their useful lives and will be designed to be fit for purpose.



Other key projects

Cycleway

Over the term of the 2018-2028 LTP new trails are planned. The vision is to link Motu Trails, the Dunes Trail west to Ōhiwa - enhancing the experience and growing a multi-day ride. Looking further afield we are working with neighbouring councils to develop an integrated Eastern Bay of Plenty trail – linking Ōpōtiki to Ōhope and beyond.

Library Redevelopment—Te Tāhuhu o Te Rangi

The redevelopment of the Ōpōtiki Library is a long time aspiration of the community and has been consulted on in various LTPs and annual plans. The project was scheduled for years 2 and 3 of the LTP and we are proposing to move away from reliance on grant funding to debt funding. That proposal is currently in consultation with the community.

Wharfage

Council has recently demolished part of the public wharf because it had become unsafe. Toward the end of the harbour build, we propose to construct a new wharf.

Water Supplies

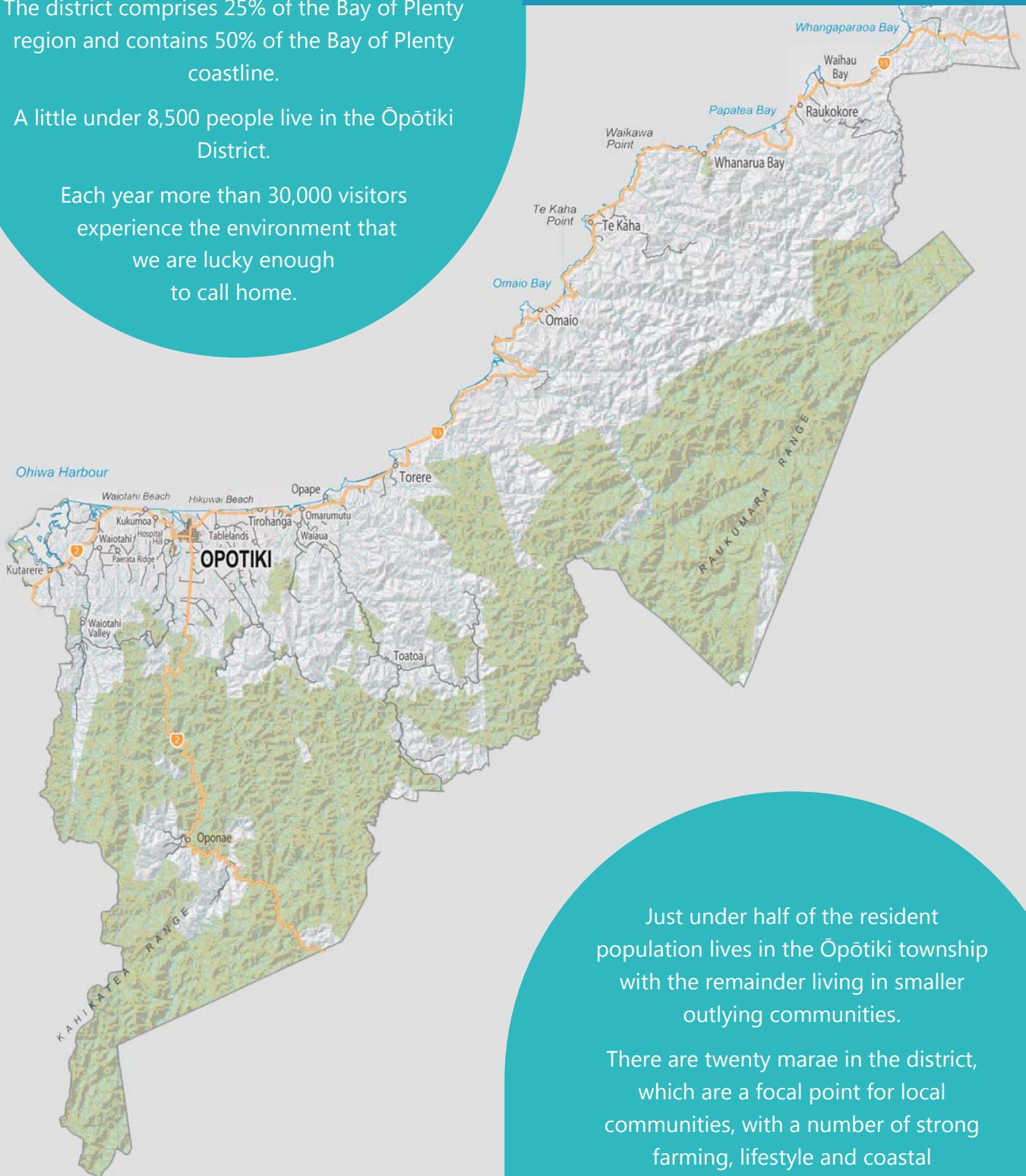
Planned projects for the Ōpōtiki township will address issues of resilience. The Otara Road trunk main and raw water line are the most vulnerable so are the most critical. There is no back-up for the Otara Road trunk main if it fails and the raw water line is not able to fully restore reservoir recovery. In the event of a disaster, this presents a high risk to delivery of service, so upgrades to these assets have been planned for year 1 of the LTP. The Hikutaia reticulation is nearing the end of its useful life. It will require partial replacement within the term of the LTP. The Te Kaha scheme has recently undergone consideration for expansion in response to public consultation and Coast Community Board interest. A northern extension to the Kereru River and a southern extension to Hariki Beach have been worked on over the last few years.

Our district

With miles and miles of open sea, 160 kilometres of coastline, 13 clean, fast flowing rivers and 11,200 hectares of native bush and scrubland, Ōpōtiki is the perfect place for communities that appreciate and enjoy outdoor activities and a natural environment. The district comprises 25% of the Bay of Plenty region and contains 50% of the Bay of Plenty coastline.

A little under 8,500 people live in the Ōpōtiki District.

Each year more than 30,000 visitors experience the environment that we are lucky enough to call home.



Just under half of the resident population lives in the Ōpōtiki township with the remainder living in smaller outlying communities.

There are twenty marae in the district, which are a focal point for local communities, with a number of strong farming, lifestyle and coastal settlements.

The economy is driven primarily by agriculture with over 400 farms and orchards amounting to a total area of 75,660 hectares.

The heart of who we are and what we do

Our vision:

Strong Community, Strong Future

Our values:

Ngakau- tapatahi me te Pononga Kaore matou a marie i a matou uaratanga a, ka mahi i roto i te huatanga matatika i nga wa katoa.	Integrity and honesty We will not compromise our values and will act in a trustworthy manner at all times.
Manakuratanga Ka kakama matou i roto i nga take e pa ana ki to tatou iwi whanui ma te whakahaere tikanga, ma te kanohi, kai tautoko arahitanga me te whakaaro.	Leadership We will take an active role in issues that affect our community by providing governance, representation, advocacy, guidance and opinion.
Mahorahora me nga Herenga Ka whakahaeretia a matou mahi i roto i te aria kia kitea ai e te iwi whanui a, kia mohiotia a matou mahinga me nga tutukitanga me te whakaae ano mo aua kawenga.	Openness and accountability We will conduct our affairs in a way that allows the community to see and understand our actions and achievements, and we will accept responsibility for them.
Tokeke me te Ture o te Tika Ka mahi matou ia hua ai ka orite te whiwhi mea angitu o te katoa me te noho tokeke i roto i iaga whakatinanatanga o uga kaupapa.	Fairness and equity We will act to ensure that all have equal opportunities and we will be unbiased in the implementation of policies.
Whakatutukitanga Whakawaiatanga Ka whiwhi hua i roto i te auaha me te ngawaritanga.	Achievements orientated We will gain results in a timely, innovative and economic manner.
Tikanga Tutohungatanga Ka manako matou i te wahi motuhake o te Tangata Whenua i roto i te iwi whanui a me te whakarite ano i nga kitenga rereketanga, me nga uaratanga o to tatou iwi whanui.	Relationships We will acknowledge the special place of Tangata Whenua in our community, and respect the different views and values of our community.
Tumanako Manawareka Ka ahei tonu matou kia mohio ki nga tumanako o to tatou iwi kainga me te whakamatau kia taea te tairanga teitei o te whakanatanga o te iwi whanui.	Satisfying expectations We will always look to understand our community's expectations and try to achieve a high level of community satisfaction.

Our community outcomes

We have seven clear goals that, when combined, create a picture of how the community wants our district to be in the year 2028 and beyond. The outcomes embrace all aspects of life in Ōpōtiki and they align with the four well-being areas that were defined by the Local Government Act and with our District Strategy.



Development and protection of the natural environment



Services and facilities meet our needs



Fair and efficient Leadership



Strong and effective community spirit



Purposeful work and learning opportunities



Development supports the community



History and culture is treasured

Our district strategy

Our district strategy identifies the most important projects, including those that will take the district forward and create long term sustainability. These are the areas Council will focus on for at least the next three years; these are the priorities for Council action.

Focus area: Economic Growth

- Ōpōtiki harbour development
- Provide visitor and business investment information and support and infrastructure that supports investment
- Support the aspirations of Māori to develop their land
- Support local and regional business growth and workforce development
- Promote facilities and activities to increase visitors, including historic precinct development and Motu Trails cycleway.

Focus area: Quality of life

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

Focus area: Environmental Quality

- Complete the District Plan review and implementation
- Maintain and enhance parks and reserves
- Partner with community groups, iwi and hapū, BOPRC and DOC to undertake environmental restoration projects
- Continue to work with partners to maintain, enhance and grow the Motu Trails cycleway.

Focus area: Strong community spirit

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



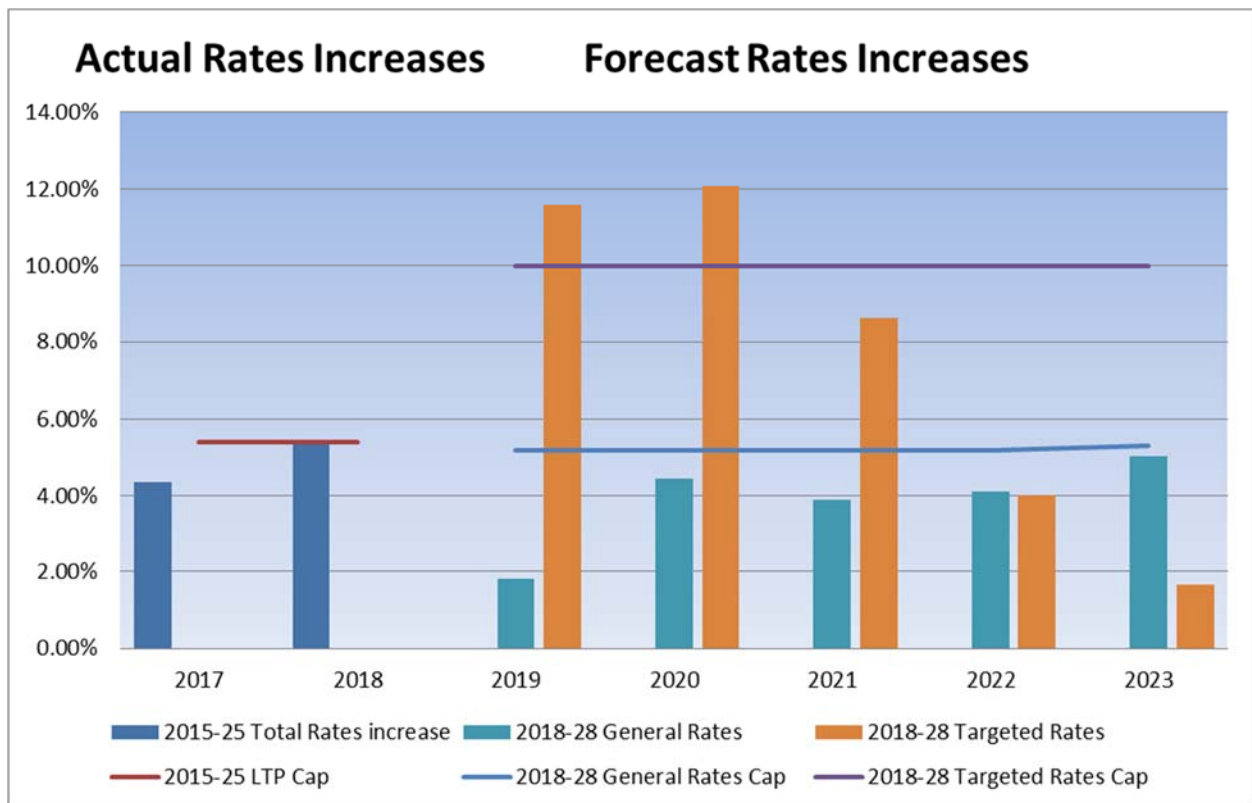
Financial strategy

Council proposes to capitalise on its strategy of consolidation and preparedness to invest in growth supporting opportunities over the life of the 2018-2028 LTP.

Council plans to take advantage of that opportunity through investment in the harbour development project and the wastewater reticulation network within the life of the LTP. Council would like to see the wastewater reticulation issues resolved and the harbour project completed by the end of the current LTP period to achieve an increase in population, employment, and the number of rateable assessments, along with all the other benefits that come with such growth.

It is important that growth is achieved in a way that maintains financial sustainability over time.

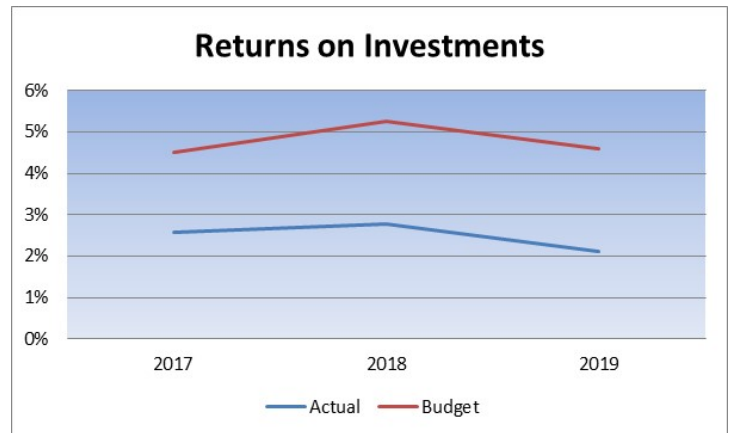
Council wants to ensure that the capacity created will provide long lasting benefits. This means investing wisely, monitoring financial performance closely, and establishing meaningful parameters around debt and rate funding to ensure that the right investment decisions are made today so they do not create a burden for the residents and ratepayers of tomorrow.





Returns on investments

The graph shows our actual returns on investments against budgeted targets. Our results have been lower than budgeted for a number of reasons. Firstly Council, through internal borrowing, uses available cash as much as possible before any new debt is raised. Secondly, interest rates have remained at historic lows over recent years, in contrast to advice from economists who predicted interest rate increases.

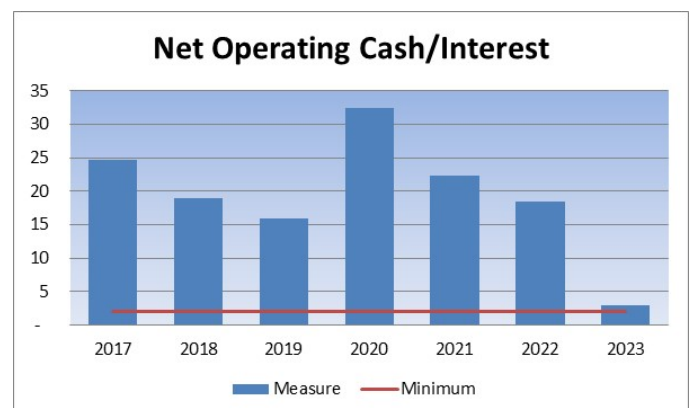
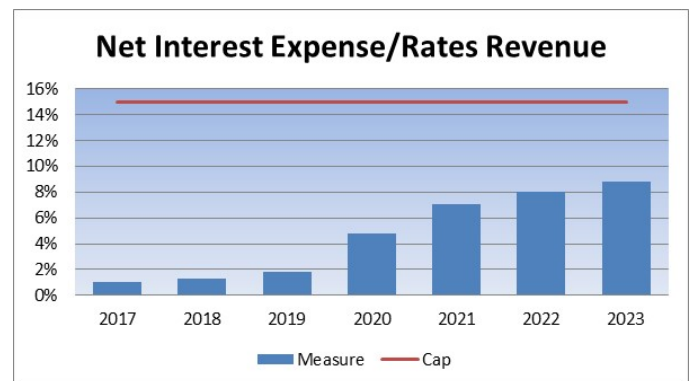
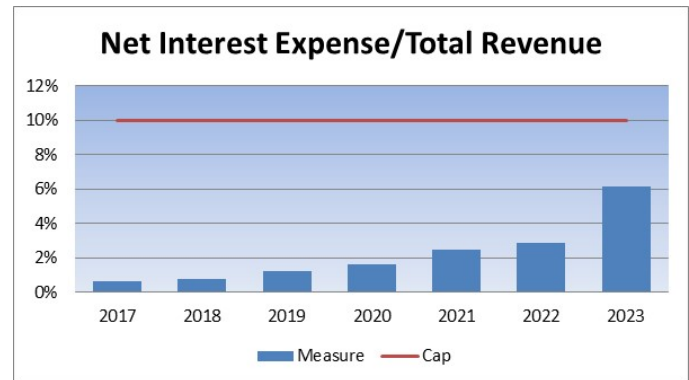


Debt servicing

Council intends to increase borrowing over the life of the 2018-2028 LTP, mainly for the two strategic projects previously discussed, the Ōpōtiki Harbour Development Project and Ōpōtiki Township wastewater reticulation renewal, but also to fund a response to growth. Council has been reducing debt over time to have the capacity to invest in growth opportunities when they arise. The planning assumptions section of our LTP points to a range of growth opportunities that will come about over the next decade and that the community must be ready for.

Borrowing is a useful mechanism to finance construction of long-term assets. By financing long-term assets through debt, Council seeks to provide a balance between funding from current and future ratepayers, matching the cost to those who receive the benefits, thereby establishing inter-generational equity.

Council recognises the need to manage its finances in a sustainable and affordable manner and therefore has established some borrowing parameters to ensure that investment priorities are carefully considered and are within the financial reach of the community. These limits are derived from Council's existing liability management policy.





Funding Impact Statement

The Local Government (Rating) Act 2002 and the Local Government Act 2002 requires each Council to prepare a funding impact statement disclosing the revenue and financing mechanisms it intends and has intended to use. This statement is prepared in a different format to most of the other financial statements and essentially sets out, in a single statement, the sources of the operating and capital funding for everything that Council does.

The format of this statement has been prescribed in the legislation and does not have to meet the accounting requirements. This format is intended to provide a more understandable picture of what Council is spending money on and how those expenditures are funded, namely:

- The sources of funding to be used
- The amounts of funds expected to be produced from each source
- How the funds are to be applied.

This information can give a quick overview of trends in rates that are used to fund different activities.

Although it appears that the Council is making a considerable surplus in each year, this report does not show depreciation expenditure, which is the level of renewal expenditure that is funded from rates. The bottom line indicates that the surplus shown below is actually spent on the funding of capital expenditure, and a combination of repayment of debt and movement in reserves.

Funding Impact Statement	Actual 2017 000's	Actual 2018 000's	LTP 2019 000's	Annual Plan 2020 000's	LTP 2021 000's	LTP 2022 000's	LTP 2023 000's
Sources of Operating Funding							
General rates, uniform annual general charges, rates penalties	7,948	8,005	8,122	8,483	8,813	9,177	9,639
Targeted rates (other than targeted rates for water supply)	2,259	2,570	2,485	2,786	3,026	3,148	3,200
Subsidies and grants for operating purposes	1,737	1,429	1,709	1,749	1,787	1,858	1,925
Fees and charges (and targeted rates for water supply)	1,032	1,158	1,295	1,335	1,389	2,080	2,211
Interest and dividends from investments	120	101	100	102	104	107	109
Local authorities fuel tax, fines, infringement fees, and other	412	416	221	225	230	236	241
Total Operating Funding (A)	13,508	13,679	13,932	14,680	15,349	16,606	17,325
Applications of Operating Funding							
Payments to staff and suppliers	10,444	11,655	11,527	11,994	12,255	13,098	13,408
Finance Costs	222	229	297	646	945	1,101	1,238
Total applications of operating funding (B)	10,666	11,884	11,824	12,640	13,200	14,199	14,646
Surplus (deficit) of operating funding (A-B)	2,842	1,795	2,108	2,040	2,149	2,407	2,679
Sources of capital funding							
Subsidies and grants for capital expenditure	2,513	2,311	2,501	18,638	18,767	17,753	932
Development and financial contributions	3	5	-	-	-	-	-
increase (decrease) in debt	-	-	13,181	10,609	4,988	1,228	2,186
Total sources of capital funding (C)	2,436	2,316	15,682	29,247	23,755	18,981	3,118
Applications of capital funding							
- to meet additional demand	1,931	1,916	1,727	20,634	19,687	18,880	1,108
- to improve the level of service	781	766	8,048	3,900	4,434	631	2,604
- to replace existing assets	2,939	2,775	8,015	6,753	1,783	1,877	2,085
Increase (decrease) in reserves	(605)	(1,495)	-	-	-	-	-
Increase (decrease) of investments	232	149	-	-	-	-	-
Total applications of capital funding (D)	5,278	4,111	17,790	31,287	25,904	21,388	5,797
Surplus (deficit) of capital funding (C-D)	(2,842)	(1,795)	(2,108)	(2,040)	(2,149)	(2,407)	(2,679)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-



Summary Balance Sheet

Council remains in a conservative and strong financial position, with a very stable balance sheet. We expect to undertake a significant amount of capital works over the term of the next three years, with two of probably the largest projects ever to be undertaken by this Council being carried out. The Ōpōtiki wastewater reticulation replacement, and the harbour development. The combination of these projects will see debt rise to \$24 million in 2020. By far the largest component of this is the wastewater replacement project. We have undertaken significant investigation work and found cost effective

ways to solve issues. The projection is for the project to be completed ahead of schedule and under budget.

The harbour development will contribute towards \$5.4 million of Council's peak debt. This is planned to be repaid fairly quickly on completion of the harbour through user fees and charges. Taking this into account, we are now actively managing internal and external debt and investments separately through a treasury function that enables us to better utilise funding sources and available cash.

Statement of Financial Position	Actual 2017 000's	Actual 2018 000's	LTP 2019 000's	Annual Plan 2020 000's	LTP 2021 000's	LTP 2022 000's	LTP 2023 000's
ASSETS							
Current Assets							
Cash & Cash Equivalents	4,601	3,630	4,727	4,991	5,186	5,323	5,295
Debtors & Other Receivables	4,130	3,451	4,230	4,374	4,521	4,677	4,838
Prepayments	44	43	51	58	65	72	80
Total Current Assets	8,807	7,124	9,008	9,423	9,772	10,072	10,213
Non-Current Assets							
Investment Property	2,259	2,501	2,259	2,309	2,361	2,415	2,474
Investments in CCO's and Other Similar	159	170	201	211	222	234	247
Property Plant & Equipment	182,964	202,494	212,918	241,546	275,178	293,156	295,353
Intangible Assets	146	122	154	161	170	179	189
Total Non-Current Assets	185,528	205,287	215,532	244,227	277,931	295,984	298,263
TOTAL ASSETS	194,335	212,411	224,540	253,650	287,703	306,056	308,476
LIABILITIES							
Current Liabilities							
Trade & Other Payables	4,168	3,850	4,403	4,817	5,168	5,466	5,609
Borrowings	2,000	1,500	1,500	1,500	1,500	1,500	1,500
Employee Benefit Liabilities	306	367	315	326	337	350	363
Provisions	7	7	-	-	-	-	-
Total Current Liabilities	6,481	5,724	6,218	6,643	7,005	7,316	7,472
Non-Current Liabilities							
Borrowings	3,000	3,500	16,681	27,291	32,279	33,507	35,693
Provisions	134	134	148	155	163	172	181
Total Non-Current Liabilities	3,134	3,634	16,829	27,446	32,442	33,679	35,874
TOTAL LIABILITIES	9,615	9,358	23,047	34,089	39,447	40,995	43,346
NET ASSETS (assets minus liabilities)	184,720	203,053	201,493	219,561	248,256	265,061	265,130
EQUITY							
Retained Earnings	131,185	132,122	134,275	152,903	171,427	188,286	188,356
Asset Revaluation Reserves	50,043	66,451	65,988	65,988	76,699	76,699	76,699
Council Created Reserves	3,492	4,480	1,230	670	130	76	75
TOTAL EQUITY	184,720	203,053	201,493	219,561	248,256	265,061	265,130

Key dates

for the 2019 Local Government Elections



Friday 19 July 2019

Nominations open

Electoral roll is open for inspection



Friday 16 August 2019

Nominations close (12 noon)

Electoral roll is closed



Friday 20 September - Wednesday 25 September 2019

Delivery of voting documents



Saturday 12 October 2019

Election day

Voting closes 12 noon



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