

Annual Plan 2017-18

CENTRAL HAWKE'S BAY DISTRICT COUNCIL



Introduction

Once every three years, Central Hawkes Bay District Council (CHBDC) adopts a 10 year Long Term Plan (LTP) and in the intervening years, we prepare and adopt an Annual Plan (AP) based on that year's budget from the Long Term Plan.

This Year's Annual Plan Process

In 2015, the Long Term Plan was developed out to 2025. The first 2 years of this LTP has been completed and we have another 12 months before our long term goals and activities are reviewed again.

This Annual Plan (AP) is the second to be produced under the amended Local Government Act (LGA) 2002. As a result of the amendments, Council now consult by producing a Consultation Document and Supporting Information only if there are significant or material amendments to that year's budget from the LTP.

For 2017/18, there are no significant changes to what we put forward to you, as part of the LTP 2015-25 process. As a result, we did not hold a formal consultation process. However, we are still interested in your feedback on current issues, as well as ideas or projects that should be considered as part of the next Long Term Plan.

The Annual Plan does not go into detail about everything Council will be doing in the 2017-18 year. For this information, please refer to Year 3 of the 2015-25 LTP on the website.

The Annual Plan is intended to read in conjunction with the Long Term Plan 2015-2025.

The Long Term Plan 2015-25 is available on the website – www.chbdc.govt.nz, and at council office and libraries.

Front Cover Photo: Tim Whittaker

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From the Council and Chief Executive

Our Annual Plan 2017/18 (AP) provides the basis for decision making for our District for the next year, and holds the Council accountable to its ratepayers for its implementation.

Although this year's Annual Plan budget has had no significant changes when it comes to services, infrastructure projects and rates, it is far from business-as-usual when we look at how the business operates.

Your new council has employed a new Chief Executive; we have put accelerated expectations on delivery of the revised District Plan; we are expecting improved communication and responsiveness to the community; and we have put a large emphasis on using Project Thrive to engage with the whole community, and create a united vision for building our new LTP in 2018.

The continuation of projects at Russell Park and the cycle ways are important components for helping our community thrive - outdoor lifestyles, family-friendly, tourism potential and pride in our district. The northern gateway into Waipukurau is now full of life, colour and activity - the challenge in the next LTP will be how to expand this to other parts of the district.

In our world of ever-increasing expectations for water quality and managing environmental impact, the treatment of wastewater from our urban areas continues to be a major focus and major challenge for council. Upgrades in Otane, and new consents in Takapau, as well as continuing refinement in Waipukurau and Waipawa are key projects. Our

new Environmental and Regulatory Committee are well positioned to understand and drive expectations on your behalf.

We are very aware that rates must remain within affordable levels for our community.

This Annual Plan therefore has –

- Maintained existing levels of Council services.
- Continued with the capital projects required to deliver the agreed levels of service.

We continue to look at practicable ways of keeping the rates affordable for the community. Where there are opportunities, we will continue to investigate how these opportunities enable us to deliver the agreed levels of service in a more cost effective and efficient way.

The Ruataniwha Water Storage Scheme (RWSS) is being built by the Hawke's Bay Regional Investment Company (HBRIC) and the CHBDC is fully supportive of the RWSS. We are still looking at taking water from the dam as part of our long term strategy around water supply for our urban communities. The Council is currently talking with HBRIC and will consult with the community when the full details of the plan to take water for these communities are known. The consultation to commit to taking water will take place prior to Council reaching a final agreement with HBRIC.

We also would like to thank all those who have contributed to the production of the Annual Plan and may 2017/18 be a productive year.



Back Row - Cr Tim Aitken, Cr Gerard Minehan, Cr Brent Muggeridge, Cr David Tennent, Cr Tim Chote, Roger Maaka, Maori Consultative Representative.
Front Row – Cr Kelly Annand, Cr Ian Sharp, Mayor Alex Walker, Cr Shelley Burne-Field



Monique Davidson
Chief Executive

Keeping you up to date

Project Thrive

Our community conversation

February 2017 saw the launch of an extensive community-based project to build a long-term view for the district – a project nicknamed “Project Thrive”.

Mayor Walker said that the decision reflects that elected members are pursuing a change of culture in the Council organisation and in the way they interact with the community. For the next 12 months the focus will be on doing more within current frameworks. “Instead of spreading resources into new projects, with the risk that they are not executed well, the business is in a consolidation phase with the focus being on planning for success. Then we can put the parts together so that when our new Long Term Plan is put in place in 2018 staff, community and councillors will all be ready to “hit the ground running”.

Over three hundred people took the opportunity to join the conversation and either attended Thrive meetings throughout the district or gave individual feedback, sharing their thoughts and ideas for a thriving Central Hawke’s Bay. The public meetings facilitated by Consultant Kobus Mentz provided a good platform for members of the public to express their opinion and assist with building a long term vision for the district.

Information from the meetings, as well as feedback forms, have been collated by Kobus Mentz in preparation for a draft vision for the district which was presented to Council in a report and available to the public.

The results of the project will help to develop the initiatives that will be reviewed as part of the LTP and also have input into the review of the District Plan.

Ruataniwha Water Storage Scheme

The Ruataniwha Water Storage Scheme (RWSS) is a long-term water storage solution located in Central Hawke’s Bay and will consist of a 96 million m³ storage reservoir located in the upper Makaroro River, storing water during periods of high flow and over winter.

The RWSS is being built by the Hawke’s Bay Regional Investment Company (HBRIC) and the CHBDC is fully supportive of the RWSS.

We see the potential growth from the scheme as a key factor in enhancing our environment, working together with our own catchment specific regional plan change, and economy of the Central Hawke’s Bay District and the wider Hawke’s Bay Region.

- Improved summer flows in the Tukituki River
- Improved river health and habitat
- There is a predicted increase of between 1.9-5.5% in current GDP (between \$130 to \$380 million a year by full water uptake)
- The potential to create between 1,130 and 3,580 jobs across Hawkes Bay through increased farming activity and its flow-on impacts

Council are still looking at taking water from the dam as part of our long term strategy around water supply for our urban communities. The Council is currently talking with HBRIC and will consult with the community when the full details of the plan to take water for these communities are known. The consultation to commit to taking water will take place prior to Council reaching a final agreement with HBRIC.

If RWSS is given the go-head, the 2018-28 LTP will be updated for the increased costs and capital requirements to meet the increase in demand for services.

Rates Increase

This plan includes an overall rates increase of 2.47% which is an increase on the 2.38% forecast for 2017-18 year in the 2015-25 LTP.

The 0.09% increase, which equates to \$7,713 is the combination of:

- Minor changes in operational contracts and expenditure
- A small reduction in the expected Local Government Cost Index from Year 3 in the LTP.

Annual Plan versus LTP budgets 2017-18

	LTP Budget 2017-18 \$'000	Annual Plan Budget 2017-18 \$'000
Operational Summary		
Rates	19,003	18,995
Other Operating Revenue	9,631	9,197
Total Operating Revenue	28,634	28,192
Operating Expenditure	28,782	28,625
Operating Surplus/(Deficit)	(148)	(433)
Rates Increase	2.38%	2.47%
Debt Balance as at 30 June 2017	9,225	5,318



Waipukurau Wastewater

Addition of an Anaerobic Pond and Storm Water Pond

Since the new wastewater treatment plant at Waipukurau was built, it became apparent that the volume and high strength of wastewater that is received from town means some nitrates are leaving the pond before they have time to be fully processed. This makes it difficult to achieve satisfactorily treated wastewater, the treatment system may generate smells, and we have had to turn down requests from some industries to deliver more wastewater for treatment.

The standard ways to address this problem include building more oxidation ponds to allow extra time for the wastewater to be treated or add an anaerobic pond at the beginning of the treatment process. An anaerobic pond works by producing an environment for organisms that work in the absence of oxygen to digest the raw sewage to assist breaking it down before the wastewater enters the oxidation ponds. This allows the bugs that work with oxygen to process the waste water quickly and allows the bugs that process the nitrates time to work before the wastewater leaves the ponds.

We agreed as part of the Annual Plan last year to build an anaerobic pond at the Waipukurau Wastewater ponds which will significantly improve the level of treatment of the wastewater, thus allowing us to produce higher quality treated wastewater, reduce the risk of smells, and allow industries in Waipukurau to increase their capacity and employ more people.

Following on from the Annual Plan, Council agreed to build a Storm water pond. During heavy rain events, the levels in the pond can rise very quickly due to storm water infiltration into the waste water system. This can lead to overflows of partially treated wastewater to the river. This results in a mixed outflow. A mixed result will usually result in one or more of the resource consent parameters being exceeded.

Storm water enters the sewage reticulation as inflow (from direct connection of down pipes from roofs, and storm water pipes directly connected to

sewage reticulation) and infiltration (ground water entering the sewage reticulation through broken and damaged pipes, damaged pipe joints, and leaking manholes). All sewage reticulations have this problem to varying degrees. A long term programme to reduce these problems has been in operation for many years in Central Hawke's Bay. If the previous inflow and infiltration reduction methods were continued, we would have expected to see a reduced effect on the treatment process in 10 years. An alternative solution producing immediate results was to use some of this budgeted money to build a storm water balancing pond at the treatment plant, where excess storm water would be stored and then fully treated over time before being discharged to the river. This would ensure that non-conforming consent results would be minimised.

The constructions of both ponds have now been completed and have been operational since May 2017. The Storm Water pond is operational immediately. The Anaerobic Pond however takes time for the biology of the pond to settle down and we expect to see a decrease in smells coming from the ponds over the coming months. We will continue to work on this issue as a priority for the coming year and are working hard on your behalf to have this resolved.

One Network Road Classification

Since 2013 the New Zealand Land Transport Agency, along with other agencies, has been developing the One Network Road Classification (ONRC) system. ONRC involves categorising roads based on the functions they perform as part of an integrated national network. The classification will help local government and the New Zealand Transport Agency (NZTA) to plan, invest in, maintain and operate the road network in a more strategic, consistent and affordable way throughout the country. This system sets the 'minimum' levels of service for each road based on its classification which is determined by traffic volumes and the purpose of the road.

NZTA requires Councils to work through the requirements of the new classifications for it to be fully implemented by the National Land Transport 2018-21 programme.

Although the impacts are not completely understood at this time, there are likely to be changes to the levels of service provided on the network that NZTA are prepared to subsidise. As examples:

- There may be more safety improvements such as sight distance improvements and signage at various locations.
- The roads may be rougher than they are currently
- The quality of the District's roads may be lowered as part of the classification
- The minimum levels of service are what the NZTA subsidise and if the service levels on our roads are lowered by the classification, then our communities will be required to fund the difference if you want the same or higher quality of road



As work continues on the impacts of the ONRC on CHBDC budgets, there has not been an adjustment to the Land Transport budgets for 2017-18 Annual Plan. It may be that there will be an adjustment to the 2017-18 Annual Plan from the LTP.

Rural Fire Authority

The Minister of Internal Affairs announced on 13 November 2015 that Central Government had agreed to bring urban and rural fire services together into one unified fire service organisation.

Following this announcement, there was full consultation with the public and the Rural Fire Authorities during the development of the legislation.

The Fire and Emergency Act 2017 received royal assent on 11 May 2017 and will take full effect as of 1 July 2017 and sees that all rural and urban fire services on New Zealand become part of Fire and Emergency New Zealand (FENZ). The new organisation will be a merger of the 52 rural fire authorities, and the National Rural Fire Authority, and the New Zealand Fire Service (which are both part of the New Zealand Fire Service Commission). The Government will ensure the strengths of both rural and urban fire services are retained and enhanced.

As part of the transition to move the responsibilities previously undertaken by Council as a Rural Fire Authority, all vehicles and equipment will be transferred to Fire and Emergency New Zealand as prescribed under Schedule 1 of the new Act. The land and buildings owned by Council will remain in the Council ownership with FENZ receiving a licence of use.

FENZ is going to be funded by an insurance levy, however during the transition, Council have included the costs of the Rural Fire Authority in the Annual Plan as aspects of the funding are still worked through.

The Annual Plan does not go into detail about everything Council will be doing in the 2017/18 year. For this information, please refer to Year 3 of the 2015-25 LTP on the website.

The Annual Plan is intended to read in conjunction with the Long Term Plan 2015-2025.

Groups of Activities

The Central Hawke's Bay District Council's activities fall into the following eight groups which cover twenty separate activities:

Community Leadership Group

1. Leadership, Governance and Consultation
2. Economic and Social Development

Planning and Regulatory Group

3. District Planning
4. Land Use and Subdivision Consents
5. Building Control
6. Public Health
7. Animal Control
8. Emergency Management and Bylaws

Land Transport Group

9. Land Transport

Solid Waste Group

10. Solid Waste

Water Supplies Group

11. Water Supplies

Wastewater (Sewerage) Group

12. Wastewater (Sewerage)

Stormwater Group

13. Stormwater

Recreation and Community Facilities Group

14. Parks, Reserves and Swimming Pools
15. Public Toilets
16. Retirement Housing
17. Libraries
18. Theatre, Halls and Museums
19. Cemeteries
20. Property and Buildings

The details of the activities including the levels of service can be found in the Long Term Plan 2015-25.

The Long Term Plan 2015-25 is available on the council website – www.chbdc.govt.nz, council office and libraries.

Funding Impact Statements for the Groups of Activities for 2017/18 follow.

Central Hawke's Bay District Council: Funding impact statement for 2017/18 (Community Leadership)

	Annual Plan	Long Term Plan	Annual Plan
	2017	2018	2018
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	832	781	888
Targeted rates	26	27	26
Subsidies and grants for operating purposes	35	25	25
Fees, charges	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	893	833	939
Applications of operating funding			
Payments to staff and suppliers	671	578	703
Finance costs	0	0	0
Other operating funding applications	247	255	252
Total applications of operating funding	918	833	955
Surplus (deficit) of operating funding	(25)	0	(15)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(25)	0	(15)
Increase (decrease) of investments	0	0	0
Total application of capital funding	(25)	0	(15)
Surplus (deficit) of capital funding	25	0	15
Funding balance	0	0	0

Central Hawke's Bay District Council: Funding impact statement for 2017/18 (Planning and Regulatory)

	Annual Plan 2017 \$000	Long Term Plan 2018 \$000	Annual Plan 2018 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	1,162	1,061	1,171
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges	697	715	695
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	10	10	10
Total operating funding	1,869	1,786	1,877
Applications of operating funding			
Payments to staff and suppliers	1,489	1,393	1,488
Finance costs	0	0	0
Other operating funding applications	370	383	378
Total applications of operating funding	1,859	1,776	1,866
Surplus (deficit) of operating funding	10	10	11
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	10	10	11
Increase (decrease) in reserves	0	0	0
Increase (decrease) of investments	0	0	0
Total application of capital funding	10	10	11
Surplus (deficit) of capital funding	(10)	(10)	(11)
Funding balance	0	0	0

Central Hawke's Bay District Council: Funding impact statement for 2017/18 (Land Transport)

	Annual Plan	Long Term Plan	Annual Plan
	2017	2018	2018
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	625	6,250	6,231
Targeted rates	49	59	50
Subsidies and grants for operating purposes	1,969	1,969	1,968
Fees, charges	14	14	14
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	138	142	142
Total operating funding	8,420	8,434	8,405
Applications of operating funding			
Payments to staff and suppliers	3,725	3,735	3,729
Finance costs	7	5	3
Other operating funding applications	952	985	972
Total applications of operating funding	4,684	4,725	4,704
Surplus (deficit) of operating funding	3,736	3,709	3,701
Sources of capital funding			
Subsidies and grants for capital expenditure	4,502	4,501	4,501
Development and financial contributions	0	0	3
Increase (decrease) in debt	(42)	(54)	(47)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	4,460	4,447	4,457
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	299	299	299
- to replace existing assets	7,752	7,657	7,657
Increase (decrease) in reserves	145	200	203
Increase (decrease) of investments	0	0	0
Total application of capital funding	8,196	8,156	8,159
Surplus (deficit) of capital funding	(3,736)	(3,709)	(3,701)
Funding balance	0	0	0

Central Hawke's Bay District Council: Funding impact statement for 2017/18 (Solid Waste)

	Annual Plan	Long Term Plan	Annual Plan
	2017	2018	2018
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	1,263	1,331	1,312
Targeted rates	235	237	239
Subsidies and grants for operating purposes	43	43	43
Fees, charges	922	944	948
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	2,463	2,555	2,542
Applications of operating funding			
Payments to staff and suppliers	1,852	1,904	1,878
Finance costs	101	134	95
Other operating funding applications	283	293	289
Total applications of operating funding	2,236	2,331	2,262
Surplus (deficit) of operating funding	227	224	280
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(82)	(84)	(97)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	(82)	(84)	(97)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	93	89	96
Increase (decrease) in reserves	51	51	87
Increase (decrease) of investments	0	0	0
Total application of capital funding	144	140	183
Surplus (deficit) of capital funding	(227)	(224)	(280)
Funding balance	0	0	0

Central Hawke's Bay District Council: Funding impact statement for 2017/18 (Water Services)

	Annual Plan	Long Term Plan	Annual Plan
	2017	2018	2018
	\$000	\$000	\$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	2,570	2,725	2,656
Subsidies and grants for operating purposes	0	0	0
Fees, charges	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	2,570	2,725	2,656
Applications of operating funding			
Payments to staff and suppliers	1,133	1,141	1,180
Finance costs	131	194	113
Other operating funding applications	577	596	589
Total applications of operating funding	1,842	1,931	1,882
Surplus (deficit) of operating funding	728	794	774
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	25	25	5
Increase (decrease) in debt	696	(253)	(234)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	721	(228)	(229)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	1,474	591	590
Increase (decrease) in reserves	(25)	(25)	(45)
Increase (decrease) of investments	0	0	0
Total application of capital funding	1,449	566	545
Surplus (deficit) of capital funding	(728)	(794)	(774)
Funding balance	0	0	0

Central Hawke's Bay District Council: Funding impact statement for 2017/18 (Wastewater)

	Annual Plan 2017 \$000	Long Term Plan 2018 \$000	Annual Plan 2018 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates			
penalties	0	0	0
Targeted rates	2,808	2,979	2,944
Subsidies and grants for operating purposes	0	0	0
Fees, charges	154	157	157
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	2,962	3,136	3,101
Applications of operating funding			
Payments to staff and suppliers	1,092	1,060	1,116
Finance costs	465	616	560
Other operating funding applications	478	494	488
Total applications of operating funding	2,035	2,170	2,164
Surplus (deficit) of operating funding	927	966	937
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	76	76	10
Increase (decrease) in debt	182	423	348
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	258	499	358
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	736	736
- to replace existing assets	1,109	653	549
Increase (decrease) in reserves	76	76	10
Increase (decrease) of investments	0	0	0
Total application of capital funding	1,185	1,465	1,295
Surplus (deficit) of capital funding	(927)	(966)	(937)
Funding balance	0	0	0

Wastewater (Sewerage) Group

VARIATIONS BETWEEN YEAR 3 OF THE 2015-25 LTP AND 2017-18 ANNUAL PLAN				
Project	Year 3 of 2015-25 LTP	2017-18 Annual Plan	Difference	Explanation
District Renewals	442,749	338,128	104,621	District Renewals reduced by the loan repayment for the Storm Water and Anaerobic Pond at the Waipukurau Waste Water Scheme

Central Hawke's Bay District Council: Funding impact statement for 2017/18 (Stormwater)

	Annual Plan 2017 \$000	Long Term Plan 2018 \$000	Annual Plan 2018 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates			
penalties	0	0	0
Targeted rates	469	494	488
Subsidies and grants for operating purposes	0	0	0
Fees, charges	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	469	494	488
Applications of operating funding			
Payments to staff and suppliers	153	157	163
Finance costs	3	12	3
Other operating funding applications	102	105	104
Total applications of operating funding	258	274	270
Surplus (deficit) of operating funding	211	220	218
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	6	6	0
Increase (decrease) in debt	(6)	(9)	(8)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	0	(4)	(8)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	205	210	210
Increase (decrease) in reserves	6	6	0
Increase (decrease) of investments	0	0	0
Total application of capital funding	211	216	210
Surplus (deficit) of capital funding	(211)	(220)	(218)
Funding balance	0	0	0

Central Hawke's Bay District Council: Funding impact statement for 2017/18
(Recreation and Community Facilities)

	Annual Plan 2017 \$000	Long Term Plan 2018 \$000	Annual Plan 2018 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	2,768	2,958	2,926
Targeted rates	0	0	0
Subsidies and grants for operating purposes	15	16	16
Fees, charges	441	449	438
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	5	5	5
Total operating funding	3,229	3,428	3,385
Applications of operating funding			
Payments to staff and suppliers	2,032	2,058	2,069
Finance costs	97	183	129
Other operating funding applications	445	460	454
Total applications of operating funding	2,573	2,701	2,652
Surplus (deficit) of operating funding	656	726	733
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	4	4	4
Increase (decrease) in debt	297	111	104
Gross proceeds from sale of assets	4	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	301	115	108
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	225	225
- to replace existing assets	924	589	572
Increase (decrease) in reserves	33	28	44
Increase (decrease) of investments	0	0	0
Total application of capital funding	957	841	841
Surplus (deficit) of capital funding	(656)	(726)	(733)
Funding balance	0	0	0

Recreation and Community Facilities Group

VARIATIONS BETWEEN YEAR 3 OF THE 2015-25 LTP AND 2017-18 ANNUAL PLAN				
Project	Year 3 of 2015-25 LTP	2017-18 Annual Plan	Difference	Explanation
District Cemetery Renewals	44,169	27,785	16,384	Reduction in renewals for the year to cover operational increases

Forecast Financial Statements

Prospective Statement of Comprehensive Income

	Annual Report 2016 \$000	Annual Plan 2017 \$000	Long Term Plan 2018 \$000	Annual Plan 2018 \$000
Revenue				
Rates revenue	18,210	18,531	19,003	18,995
Subsidies and grants	6,827	6,563	6,554	6,554
Interest and dividends	278	225	479	162
Fees and charges	2,344	2,228	2,281	2,254
Development contributions	20	111	111	22
Other revenue	239	176	206	205
Total revenue	27,918	27,833	28,634	28,192
Expenditure				
Personnel costs	3,781	3,902	3,893	4,037
Depreciation and amortisation	12,230	12,107	12,699	12,522
Finance costs	265	261	673	433
Other operating expenses	12,692	11,558	11,517	11,633
Total operating expenditure	28,968	27,828	28,782	28,625
Net Operating surplus/(deficit)	(1,050)	5	(148)	(433)
Other (Gains)/Losses				
Infracon Liquidation Proceeds	(304)	0	0	0
(Gains)/Losses on Public Debt	(41)	0	0	0
(Gains)/Losses on Investments	5	0	0	0
Heritage Assets Recognition	(280)	0	0	0
Impairment Solid Waste Assets	249	0	0	0
Total Other (Gains)/Losses	(371)	0	0	0
Net Surplus/(Deficit)	(679)	5	(148)	(433)
Income tax expense	0	0	0	0
Net surplus/(deficit) after tax	(679)	5	(148)	(433)
Other comprehensive income				
Gains on the revaluation of property, plant and equipment	(13,624)	14,707	14,325	13,793
Total other comprehensive Income	(13,624)	14,707	14,325	13,793
Total comprehensive income for the year	(14,303)	14,712	14,177	13,360

Prospective Balance Sheet

	Annual Report	Annual Plan	Long Term Plan	Annual Plan
	2016	2017	2018	2018
	\$000	\$000	\$000	\$000
Assets				
Current assets				
Cash and cash equivalents	2,896	2,387	2,647	2,896
Trade and other receivables	2,460	2,835	3,161	2,460
Prepayments	264	164	317	264
Stock on Hand	48	2	2	48
Total current assets	5,668	5,388	6,127	5,668
Non-current assets				
Investments	2,855	6,095	10,022	3,996
Property, plant and equipment	748,195	785,846	788,609	776,267
Total non-current assets	751,050	791,941	798,631	780,263
Total assets	756,718	797,329	804,758	785,931
Liabilities				
Current liabilities				
Trade and other payables	4,813	5,217	4,997	4,813
Employee entitlements	295	313	297	295
Current public debt	688	2,000	684	705
Total current liabilities	5,796	7,530	5,978	5,813
Non-current liabilities				
Non current public debt	2,839	4,809	8,928	5,024
Provisions for Landfill Closure	2,230	2,376	1,994	2,284
Total non-current liabilities	5,069	7,185	10,922	7,307
Total liabilities	10,865	14,715	16,900	13,120
Equity				
Special and other funds	5,647	5,719	5,402	6,476
Trust funds	185	195	195	185
Revaluation reserve of assets	493,836	529,645	536,429	535,732
Ratepayers' equity	246,185	247,055	245,832	230,419
Total equity	745,853	782,614	787,858	772,811
Total Liabilities and Equity	756,718	797,329	804,758	785,931
* 1 July 2017 Opening Balance Sheet has been reforecast for the 2017/18 Annual Plan based on 30 June 2016 Actuals and expected performance for 2016/17.				

Prospective Statement of Changes in Equity

	Annual Report 2016 \$000	Annual Plan 2017 \$000	Long Term Plan 2018 \$000	Annual Plan 2018 \$000
Opening Equity Balance	759,990	767,901	773,680	759,451
Total comprehensive income for the year	(14,303)	14,712	14,178	13,360
Recognition of funds as a liability	(8)	0	0	0
Prior year Solid Waste Impairment	174	0	0	0
Closing Equity Balance	745,853	782,613	787,858	772,811
Components of Equity				
Ratepayers Equity at the beginning of the Year	247,426	247,454	246,290	230,852
Net Surplus/(Deficit) for the Year	(679)	(399)	(458)	(433)
Transfers to (from) other Reserves	(562)	0	0	0
Ratepayers Equity at end of Year	246,185	247,055	245,832	230,419
Special Funds at the beginning of the Year	5,062	5,313	5,002	6,142
Transfers to (from) Special Funds	585	406	400	334
Recognition of funds as a liability	0	0	0	0
Special Funds at the end of the Year	5,647	5,719	5,402	6,476
Trust Funds at the beginning of the Year	197	195	195	185
Transfers to (from) Trust Funds	(4)	0	0	0
Recognition of Funds as a Liability	(8)	0	0	0
Trust Funds at the end of the Year	185	195	195	185
Revaluation Reserves at the beginning of the Year	507,305	514,937	522,193	521,939
Transfers to (from) Revaluation Reserves	(13,643)	14,707	14,236	13,793
Prior year Solid Waste Impairment	174	0	0	0
Revaluation Reserves at the end of the Year	493,836	529,644	536,429	535,732
Total Equity at end of Year	745,853	782,613	787,858	772,811
* 1 July 2017 Opening Balance Sheet has been reforecast for the 2017/18 Annual Plan based on 30 June 2016 Actuals and expected performance for 2016/17.				

Prospective Statement of Cash Flows

	Annual Report 2016 \$000	Annual Report 2017 \$000	Long Term Plan 2018 \$000	Annual Report 2018 \$000
Cash flows from operating activities				
Cash was provided from:				
Receipts from rates revenue	18,388	18,531	19,003	18,995
Subsidies and grants received	6,721	6,563	6,554	6,554
Fees and charges received	2,528	2,228	2,281	2,254
Interest received	278	225	479	162
Receipts from other revenue	239	154	206	158
Development contributions	20	111	111	22
Cash was disbursed to:				
Payments to suppliers of goods and services	(12,441)	(11,558)	(11,517)	(11,633)
Payments to employees	(3,781)	(3,902)	(3,893)	(4,037)
Interest paid	(259)	(261)	(673)	(406)
Net cash from operating activities	11,693	12,091	12,551	12,069
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment	6	22	48	48
Proceeds from investments	2,405	0	0	391
Cash was disbursed to:				
Purchase of investment	(1,142)	(996)	(1,481)	(1,325)
Purchase of intangible assets	0	0	0	0
Purchase of property, plant and equipment	(11,381)	(12,217)	(11,322)	(11,249)
Net cash from investing activities	(10,112)	(13,191)	(12,755)	(12,135)
Cash flows from financing activities				
Cash was provided from:				
Proceeds from borrowing	0	1,711	2,133	2,066
Cash was disbursed to:				
Repayment of borrowings	(1,160)	(667)	(2,000)	(2,000)
Net cash from financing activities	(1,160)	1,044	133	66
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	421	(56)	(71)	(0)
Cash, cash equivalents and bank overdrafts at the beginning of the year	2,475	2,443	2,718	2,896
Cash, cash equivalents and bank overdrafts at the end of the year	2,896	2,387	2,647	2,896
* 1 July 2017 Opening Balance Sheet has been reforecast for the 2017/18 Annual Plan based on 30 June 2016 Actuals and expected performance for 2016/17.				

Reserve Funds

	Annual Report 2016 \$000	Annual Plan 2017 \$000	Long Term Plan 2018 \$000	Annual Plan 2018 \$000
Reserves held for Emergency Purposes				
Opening Balance	2529	2,837	2,837	3,133
Transfers to Reserves	407	256	335	104
Transfer From Reserves	(47)	0	0	0
Closing Balance	2,889	3,093	3,172	3,237
Reserves held for Future Asset Purchases				
Opening Balance	2134	1,888	1,888	2,343
Transfers to Reserves	222	343	85	153
Transfer From Reserves	(205)	0	(27)	0
Closing Balance	2,151	2,231	1,944	2,496
Reserves held for Future Operational Costs				
Opening Balance	364	277	277	623
Transfers to Reserves	212	411	9	78
Transfer From Reserves	(11)	0	0	0
Closing Balance	565	688	286	701
Other Reserves held				
Opening Balance	35	35	42	42
Transfers to Reserves	7	0	0	0
Transfer From Reserves	0	0	0	0
Closing Balance	42	35	42	42
Total Reserve Funds	5,647	6,047	5,444	6,476
* 1 July 2017 Opening Balance Sheet has been reforecast for the 2017/18 Annual Plan based on 30 June 2016 Actuals and expected performance for 2016/17.				

Emergency Funds include	Catastrophic Events Fund and the Adverse Events Fund, to fund Council's share of any natural disaster or costs of an unforeseen natural event. Mayors Relief Fund.
Reserves held toward future asset purchases includes	Proceeds from the sale of Council owned infrastructure and land and buildings, are held in the Capital Projects Fund and may be used for the cost of purchasing or constructing new recreational, cultural or infrastructural assets. Three former Ward funds are held to allow for the maintenance of recreational, cultural or infrastructural assets. A further reserve is for the purchase of Esplanade Reserve land or esplanade strips, when these become available. District Retirement Housing Fund is maintained for the management and maintenance of the Council retirement housing and is self-funded from rents. Rural Fire Reserve is held to fund any non-recoverable costs incurred by Council in fighting rural fires
Reserves held to meet future operational costs	<p>These reserves include:</p> <ul style="list-style-type: none"> • Elections and By elections – to cover the expense of triennial elections or any by election required. • Landfill Aftercare Depreciation Reserve – to fund the aftercare when the current landfill is closed. • Landfill External Sales Reserve – holds income received in excess of budget and held in reserve should future budgeted revenue not be achieved. • Roading Reserves – is used to match income and expenditure over the three year tranche of NZTA funding
Reserves held for repayment of maturing debt	Funds were transferred to this fund in order to repay maturing debt. This is now managed as part of the Council Treasury function.

Funding Impact Statement

The purpose of the funding impact statement is to provide information about the income and funding streams we will use and is an indication of the amount of funding we will generate from each stream.

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

Capital expenditure for new works will be funded from loans and development contributions, with capital renewals being funded by rates and reserves set aside for this purpose.

At various points in this funding impact statement the Council has included an indicative level of rate or charge. These indicative figures support the calculations in the rates sample models and are included to provide you with an indication of the level of rates we are likely to assess on your rating unit in the coming year. So long as we set the rates in accordance with the system described in this statement, the amounts may change.

The following rating mechanisms are intended to be used in 2017-2018

Central Hawke's Bay District Council: Funding impact statement for 2017/2018 (whole of council)

	Annual Plan 2017 \$000	Long Term Plan 2018 \$000	Annual Plan 2018 \$000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	12,374	12,482	12,592
Targeted rates	6,156	6,521	6,404
Subsidies and grants for operating purposes	2,062	2,053	2,052
Fees, charges	2,228	2,281	2,254
Interest and dividends from investments	225	479	162
Local authorities fuel tax, fines, infringement fees and other receipts	154	158	158
Total operating funding	23,199	23,974	23,621
Applications of operating funding			
Payments to staff and suppliers	15,460	15,410	15,670
Finance costs	261	673	406
Other operating funding applications	0	0	0
Total applications of operating funding	15,721	16,083	16,076
Surplus (deficit) of operating funding	7,478	7,891	7,546
Sources of capital funding			
Subsidies and grants for capital expenditure	4,501	4,501	4,501
Development and financial contributions	111	111	22
Increase (decrease) in debt	1,044	133	66
Gross proceeds from sale of assets	22	48	48
Lump sum contributions	0	0	0
Total sources of capital funding	5,178	4,793	4,637
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	299	1,260	1,260
- to replace existing assets	11,918	10,061	9,989
Increase (decrease) in reserves	417	1,363	0
Increase (decrease) of investments	523	0	933
Total application of capital funding	13,157	12,684	12,182
Surplus (deficit) of capital funding	(7,478)	(7,891)	(7,546)
Funding balance	0	0	0

2017/18 Rates Factors

The table below lists the rate factors for the 2017/18 year (1 July 2017 to 30 June 2018) that are proposed to be set by the Central Hawke's Bay District Council under the Local Government (Rating) Act 2002.

Description	Land Liable	Differential	Factor of Liability	Rate Value **	Amount Sought including GST \$
District Wide Rates					
General	All rateable property	Uniform	Capital Value	0.12	\$5,149,537
Uniform Annual General Charge	All rateable property	Uniform	Fixed Amount per SUIP*	\$329.81	\$2,092,147
District Land Transport	All rateable property	Uniform	Land Value	0.27	\$7,165,590
Targeted Rates					
Economic Development	Commerical/Industrial	Uniform	Fixed Amount per SUIP*	\$110.49	\$30,494
Ruataniwha Ward Rate for Mainstreet Upgrades	Ruataniwha Urban Ward	Uniform	Fixed Amount per rating unit	\$20.02	\$57,230
Refuse Collection	Service Available	Uniform	Fixed Amount per SUIP *	\$17.99	\$71,423
Kerbside Recycling Collection	Service Available	Uniform	Fixed Amount per SUIP *	\$69.05	\$203,892
Water Supply	Service Available/Connected	Service Available/Connected	Fixed Amount per SUIP *	\$316.96 / \$633.91	\$2,611,710
Sewerage	Service Available/Connected	Service Available/Connected/Use	Fixed Amount per SUIP *, per Pan	\$427.84 / \$855.67	\$3,385,477
Stormwater	Catchment Area	Uniform	Capital Value	0.09	\$527,962
Drainage	Te Aute	Classifications	Fixed Amount per point	\$0.44	\$32,250
Water by Meter	Extraordinary users	Uniform	Fixed Amount per cubic metre	\$2.39	\$442,694
Total Sought					\$21,770,405

* Separately used or inhabited part

** Where no \$ sign shows, amounts are in cents per dollar, rounded

Rates Samples

PROPERTY DESCRIPTION			2015 VALUES					Increase (Decrease) \$	Increase (Decrease) %
Type	District	Value	Land Value	Capital Value	Actual '2015/16	2016/17	2017/18		
Residential town	Waipukurau	Low	18,000	73,000	2058	2,070	2131	61	3.0
Residential town	Waipukurau	Medium	77,000	200,000	2507	2,489	2562	73	2.9
Residential town	Waipukurau	High	77,000	260,000	2634	2,611	2691	79	3.0
Residential town	Waipawa	Low	35,000	150,000	2263	2,334	2406	72	3.1
Residential town	Waipawa	Medium	35,000	170,000	2305	2,314	2384	71	3.1
Residential town	Waipawa	High	27,000	255,000	2491	2,465	2544	79	3.2
Residential town	Otane		54,000	205,000	2196	2,173	2239	66	3.0
Residential town	Porangahau	Low	27,000	59,000	1975	1,928	1984	57	2.9
Residential town	Porangahau	High	27,000	175,000	2119	2,064	2129	64	3.1
Residential town	Takapau		20,000	110,000	1966	1,969	2029	60	3.1
Residential town	Takapau	Lifestyle	265,000	425,000	2251	2,189	2230	41	1.9
Residential town	Tikokino		48,000	170,000	693	672	690	18	2.7
Beach	Blackhead		230,000	420,000	1573	1,462	1495	33	2.3
Beach	Kairakau		175,000	435,000	2017	1,956	1999	43	2.2
Beach	Mangakuri		360,000	800,000	2354	2,264	2321	58	2.6
Beach	Te Paerahi	Low	175,000	245,000	2648	2,550	2618	68	2.7
Beach	Te Paerahi	Medium	270,000	495,000	3276	3,103	3187	84	2.7
Rural	-	Lower	300,000	310,000	1471	1,505	1530	25	1.7
Rural	-	Lower	235,000	500,000	1594	1,552	1590	39	2.5
Rural	-	Medium	980,000	1,080,000	4100	4,264	4335	72	1.7
Rural	-	Medium	1,240,000	1,990,000	4773	6,043	6174	131	2.2
Rural	Aramoana	High	3,140,000	3,670,000	13236	13,195	13425	229	1.7
Rural	Ruataniwha	High	3,420,000	4,220,000	14113	14,605	14870	264	1.8
Rural	Ruahine	High	10,200,000	10,850,000	28536	40,873	41532	659	1.6
Rural	Ruahine	High	1,770,000	2,310,000	7608	7,863	8012	148	1.9
Commercial	Waipukurau		165,000	520,000	6603	6,653	6883	230	3.5
Commercial	Waipawa		58,000	87,000	2295	2,315	2380	65	2.8
Industrial	Waipukurau		150,000	360,000	3957	3,939	4068	129	3.3
Council average									2.47%

Rates

The following rates are proposed to be set and assessed on all property within the District for the 2017/18 year:

District Wide Rates

1. General Rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 for the purposes of providing all or some of the cost of:

- All regulatory activities, including district planning, land use and subdivision consent costs, building control, public health, animal control, emergency management and bylaws.
- Solid waste
- Parks and reserves, public toilets, theatres and halls, cemeteries, and miscellaneous property costs

For the 2017/18 year this rate will be 0.124 cents per dollar (including GST) based on the rateable capital value of all rateable land within the District.

2. Uniform Annual General Charge

A rate set under section 15 of the Local Government (Rating) Act 2002 on each separately used or inhabited part of a rating unit within the District. See definition below. This rate is for the purpose of providing:

- Community leadership, including administration, cost of democracy, community voluntary support grants, and economic and social development
- A portion of the cost of solid waste
- Libraries and swimming facilities

For the 2017/18 year this rate will be \$329.81 (including GST).

3. District Land Transport Rate

A rate for the Council's land transport facilities set under section 16 of the Local Government (Rating) Act 2002. This rate is set for the purpose of funding the operation and maintenance of the land transport system.

For the 2017/18 year this rate will be 0.271 cents per dollar (including GST) based on the land value of all rateable land in the district.

Targeted Rates

Definitions:

"Non Residential" is defined by reference to land use codes in the valuation database, being every code other than "residential" or "lifestyle".

"Non Rural" is defined by reference to land use codes in the valuation database, being every code other than 'farming'.

Separately Used or Inhabited Parts of a Rating Unit

Definition – for the purposes of the Uniform Annual General Charge and the targeted rates above, a separately used or inhabited part of a rating unit is defined as –

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

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

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

These examples are not considered inclusive of all situations.

4. Water Supply Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit. The purpose of this rate is to fund water supplies for Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau and Te Paerahi.

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

The rate is subject to differentials as follows:

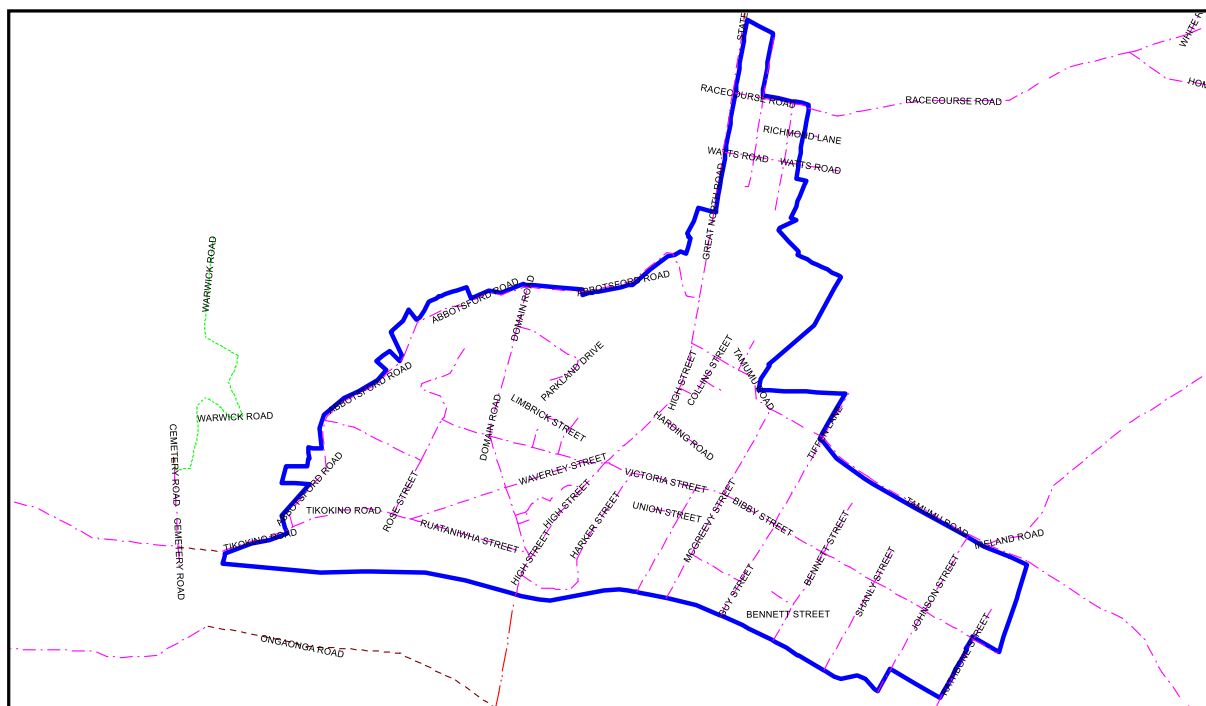
- a charge of per separately used or inhabited part of a rating unit connected in the Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau, and Te Paerahi Beach communities.
- a half charge per separately used or inhabited part of a rating unit which is serviceable for the above locations.

For this rate:

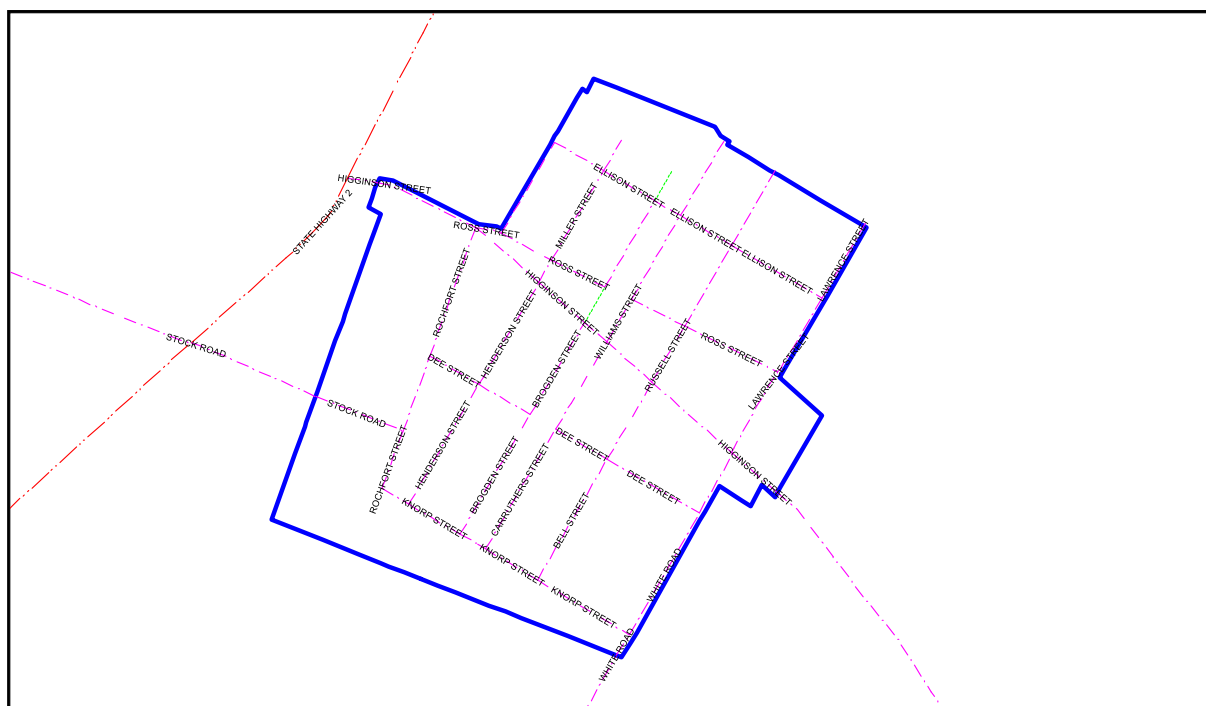
- "Connected" means a rating unit to which water is supplied.
- "Serviceable" means a rating unit to which water is not being supplied, but the property it is situated within 100 metres of the water supply.

For the 2017/18 year these rates will be:

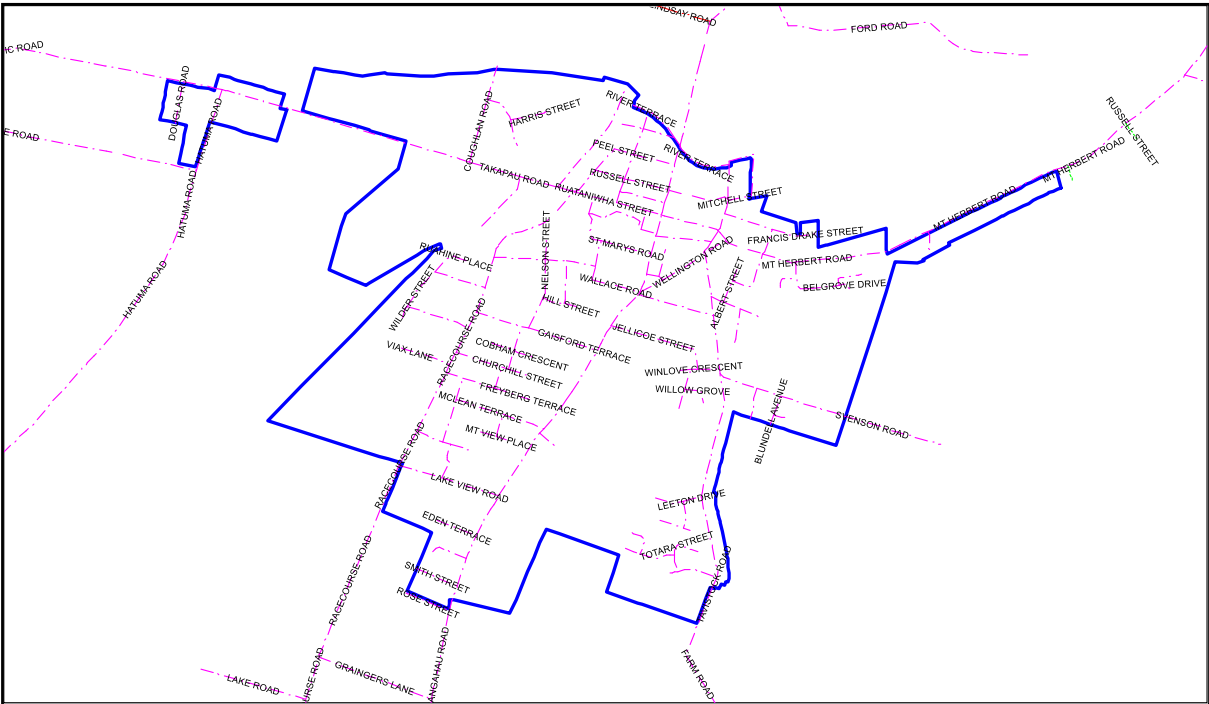
	Charge	Water Rate (incl GST)
a	Connected	\$633.91
b	Serviceable, not connected	\$316.96



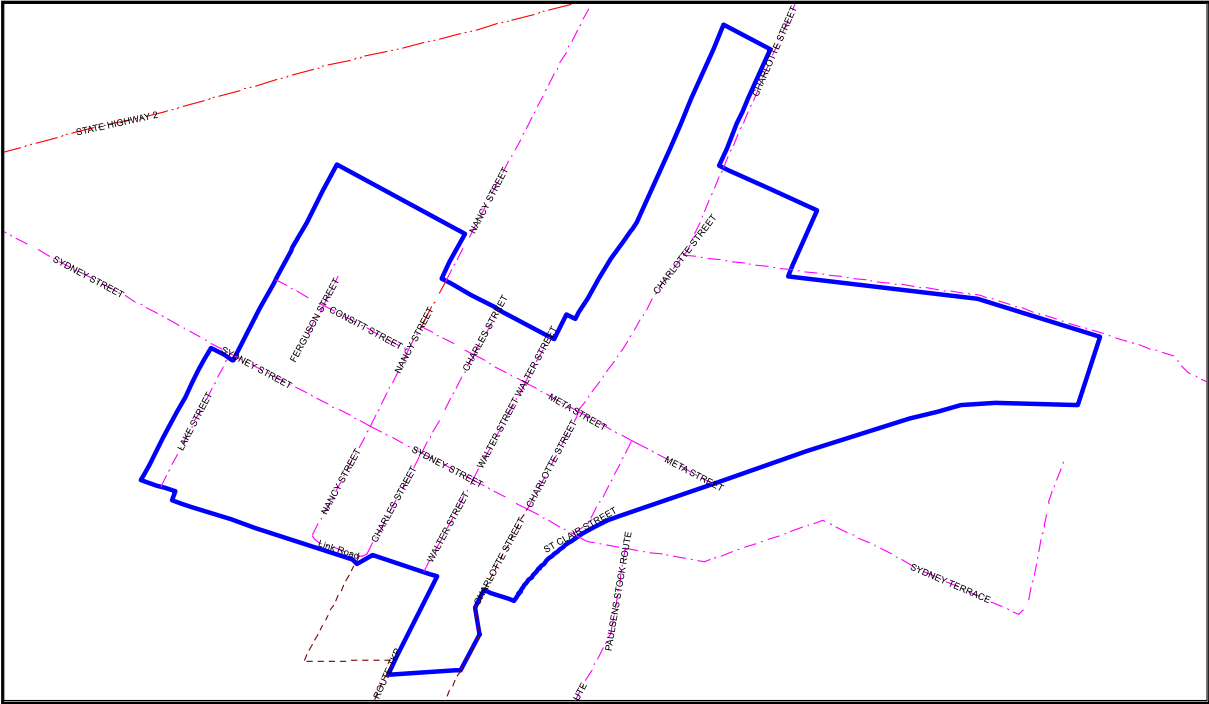
Waipawa water supply zone



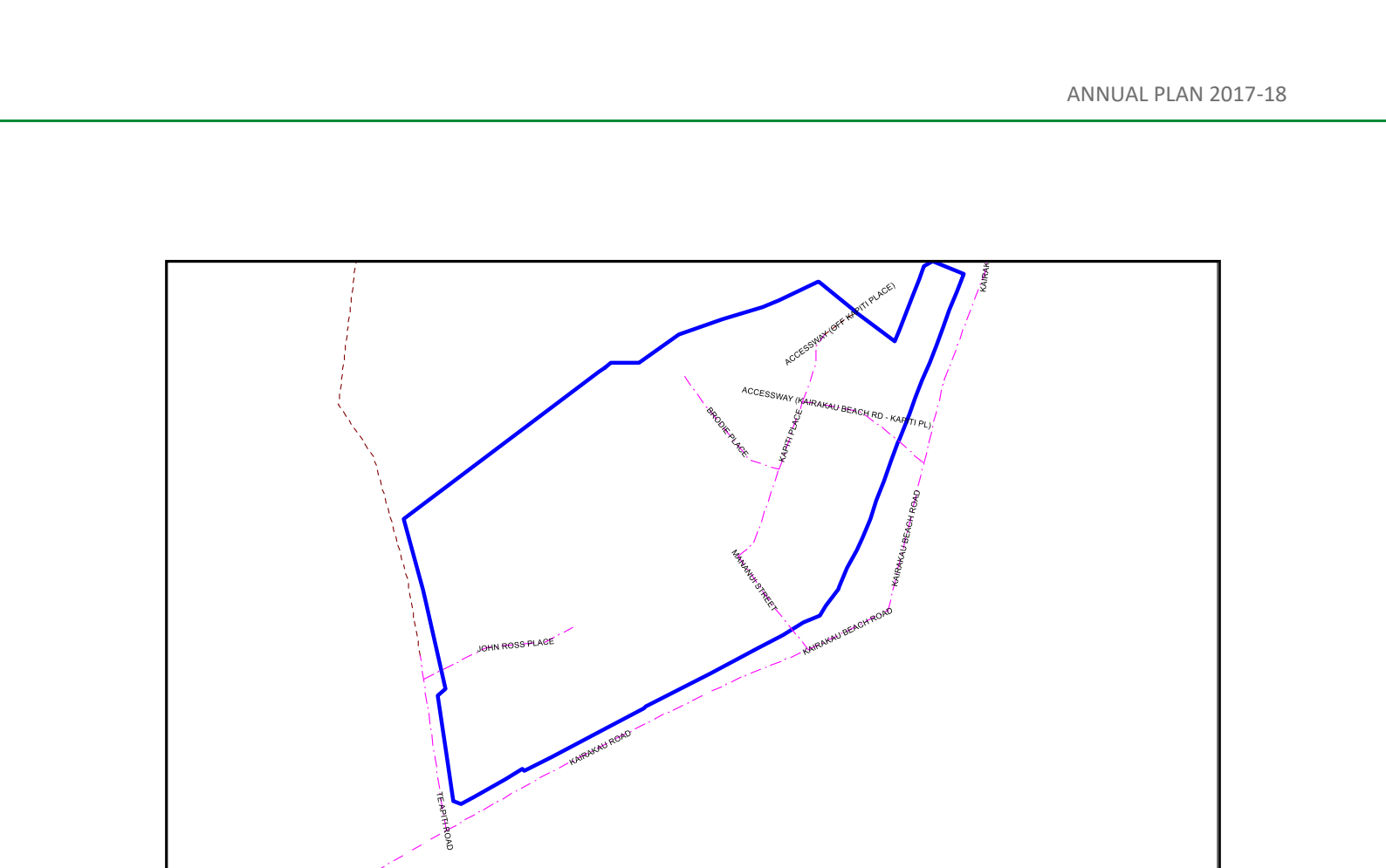
Otane water supply zone



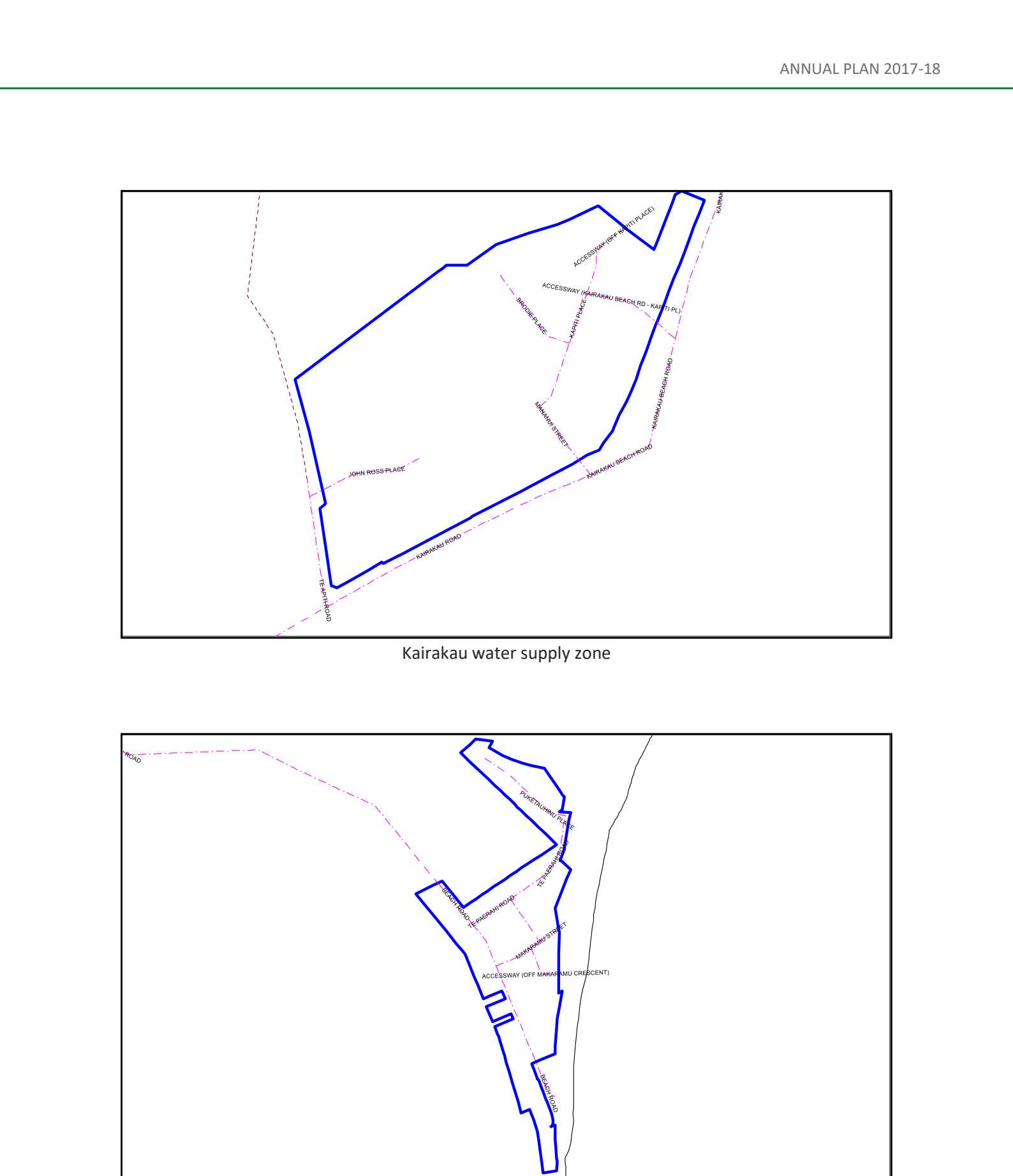
Waipukurau water supply zone

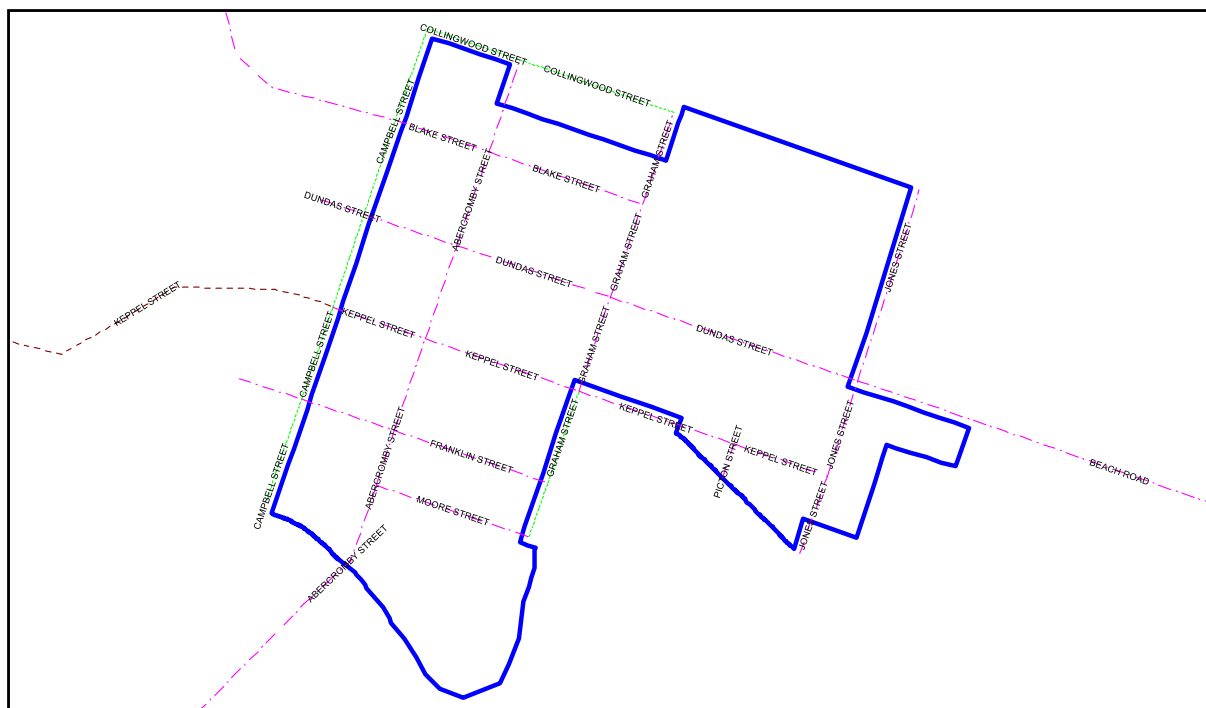


Takapau water supply zone



The map displays the Kairakau water supply zone, outlined by a solid blue line. The zone is irregularly shaped, covering a large area in the center of the map. Surrounding the zone are several roads and accessways, indicated by dashed pink lines and labels: KAIRAKAU ROAD (bottom), KAIRAKAU BEACH ROAD (right), ACCESSWAY (KAIRAKAU BEACH RD - KAITI PL.) (top right), ACCESSWAY (OFF KAITI PLACE) (top), BRODIE PLACE (top left), KAITI PLACE (top left), KAIRAKAU BEACH ROAD (top left), JOHN ROSS PLACE (left), and TEAPITI ROAD (bottom left). The map is set against a white background with a black border.

[illegible]



Porangahau water supply zone

5. Metered Water Rate

A targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by cubic metre, over 300 cubic metres per year. This is applied to water users deemed 'Extraordinary' where payment of the Water Supply rate above entitles extraordinary users to the first 300 cubic metres of water without additional charge.

For the 2017/18 year this rate will be \$2.39 per cubic metre (including GST).

6 Sewerage Rates

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

- (a) a charge per rating unit connected.
- (b) a charge per pan within the rating unit, after the first one.
- (c) a charge per rating unit which is serviceable.

The rate is subject to differentials as follows:

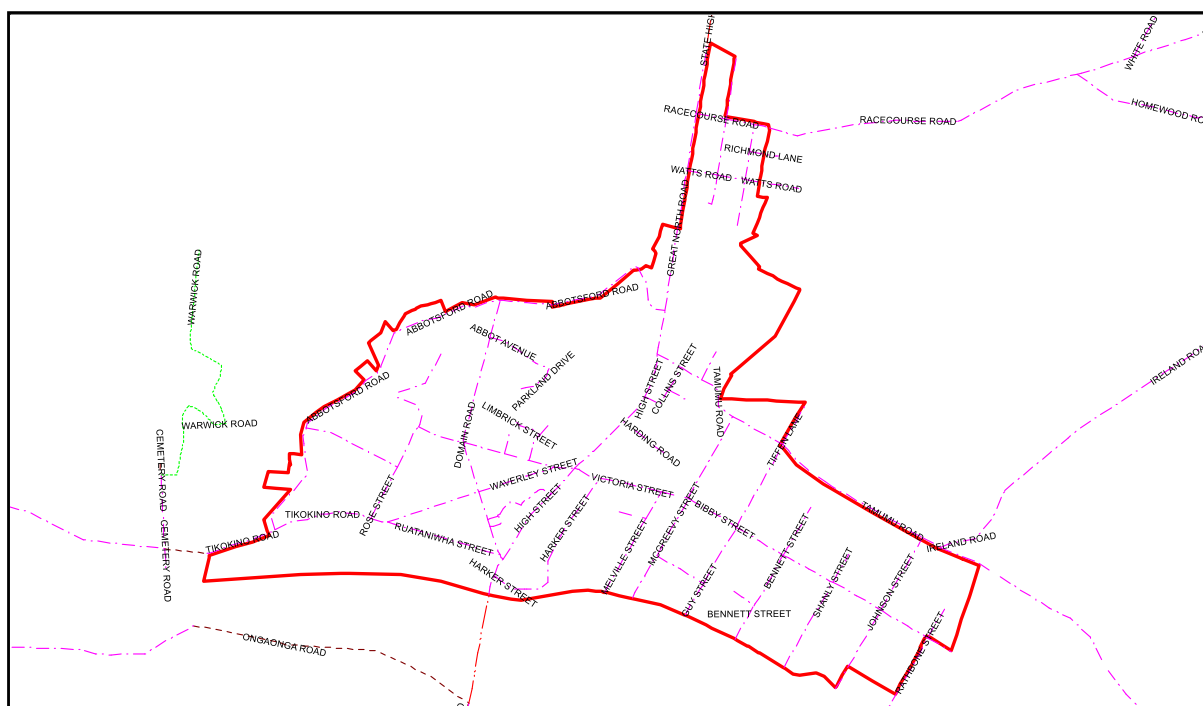
- "Connected" means the rating unit is connected to a public sewerage system.
- "Serviceable" means the rating unit is not connected to a public sewerage drain but is within 30 metres of such a drain.
- A rating unit used primarily as a residence for one household is treated as not having more than one pan.

- For commercial accommodation providers, each subsequent pan will be rated at 50% of the charge.
- For those Clubs who qualify for a rebate of their General Rates under Council's Club Rebate Remission Policy, and who are connected to the sewerage network, each subsequent pan will be rated at 50% of the Sewerage Operations and Loan Charge.

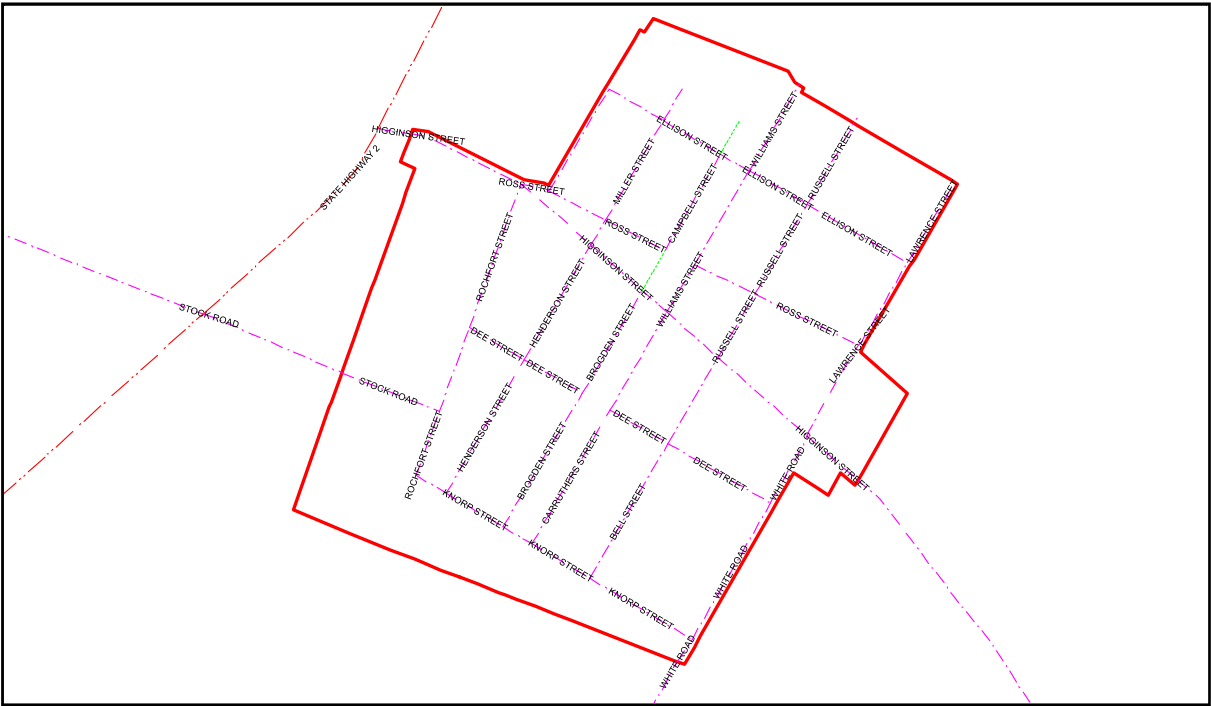
The purpose of this rate is to fund the maintenance, operation and capital upgrades of sewerage collection, treatment and disposal systems in those parts of the District where these systems are provided.

For the 2017/18 year these rates will be:

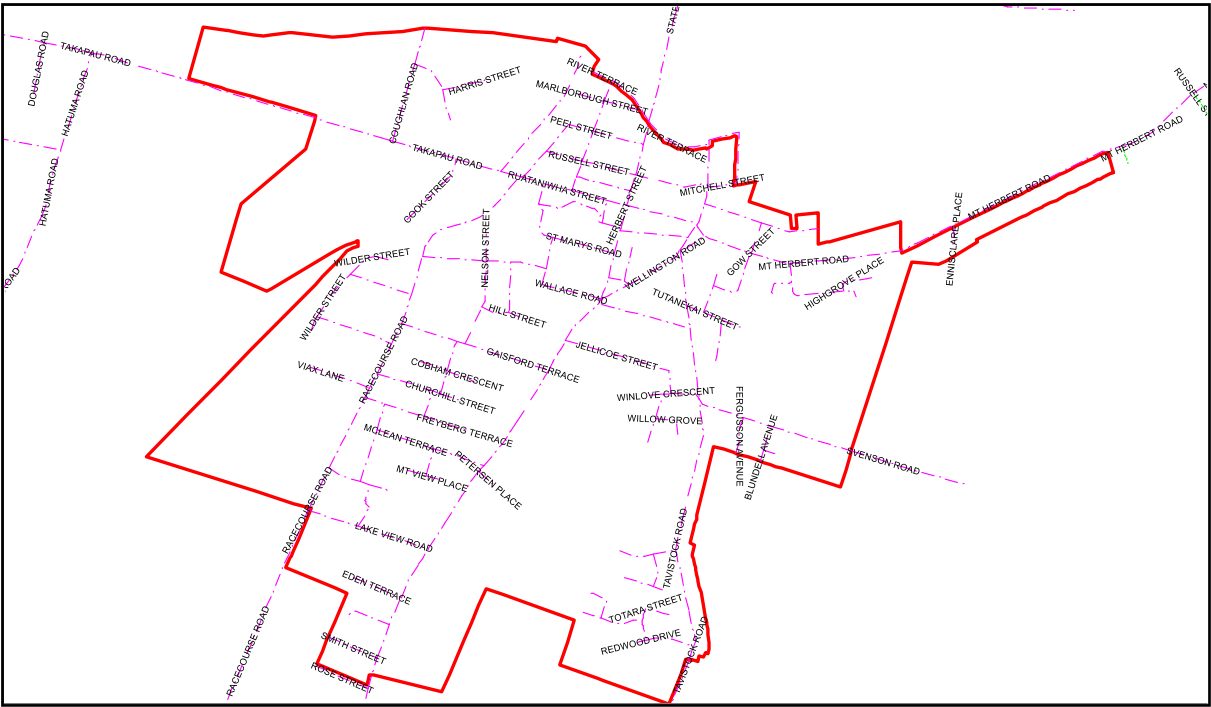
	Charge	Sewerage Rate (incl GST)
a	First charge per separately used or inhabited part of a rating unit connected	\$855.67
b	Additional charge per pan after the first	\$855.67
c	Serviceable, not connected, per separately used or inhabited part of a rating unit	\$427.84
d	Additional charge per pan after the first – commercial accommodation provider, qualifying club	\$427.84



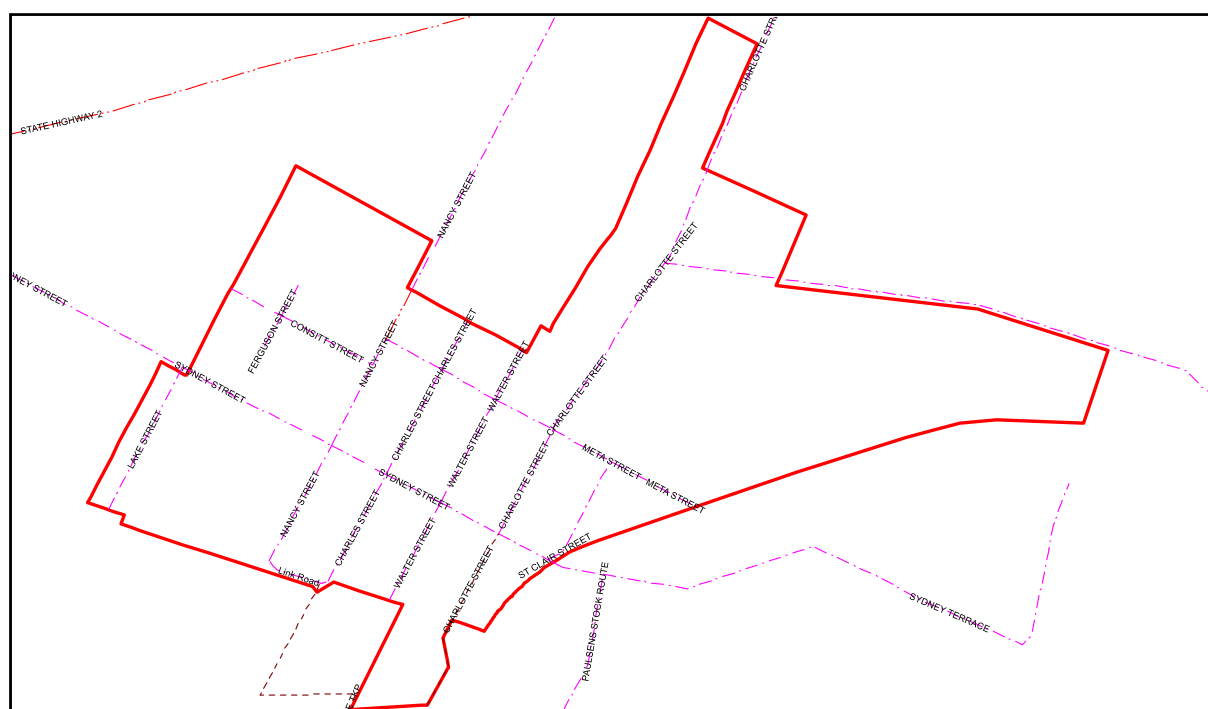
Waipawa sewer operation zone



Otane sewer operation zone



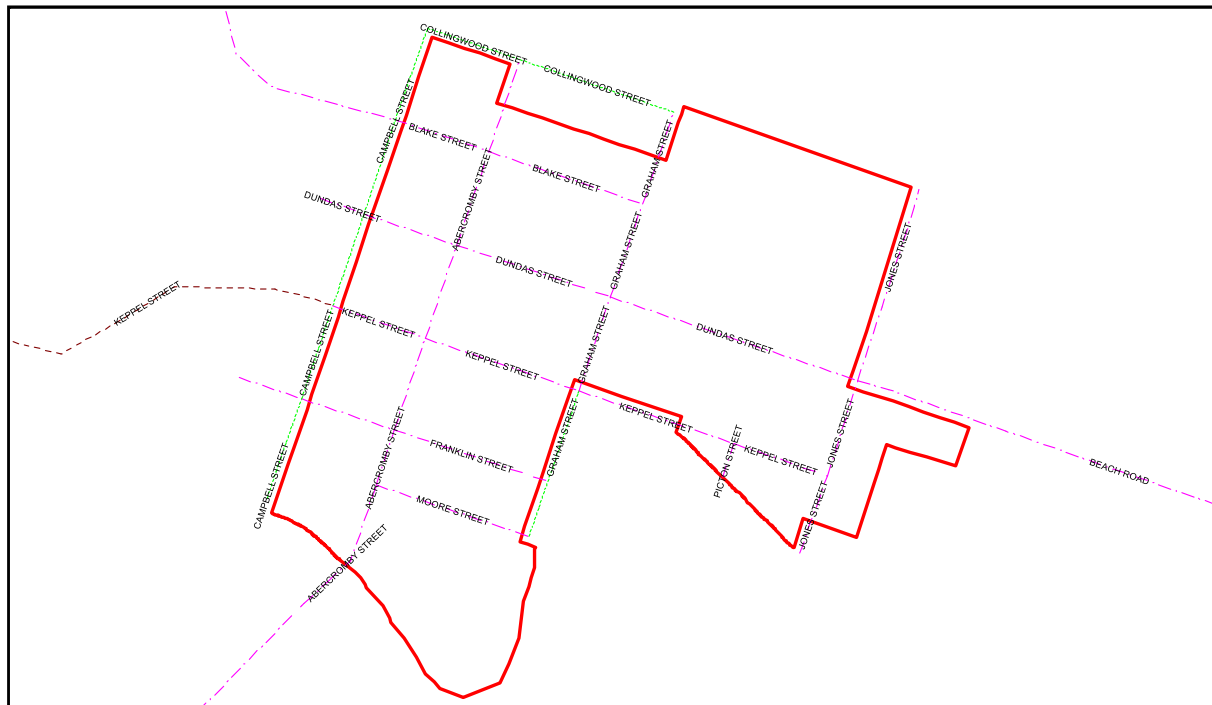
Waipukurau sewer operation zone



Takapau sewer operation zone



Te Paerahi sewer operation zone



Porangahau sewer operation zone

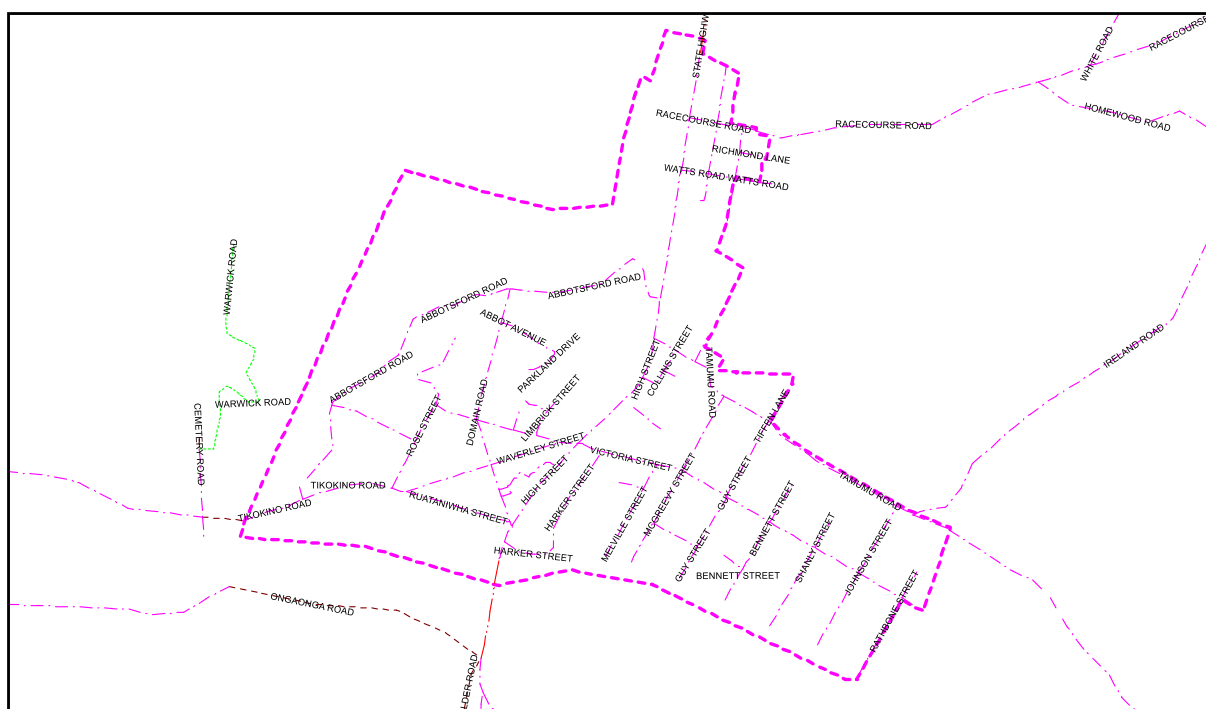
7. Stormwater Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the purpose of funding operations and maintenance, plus improvements and loan charges on the stormwater drainage network as follows:

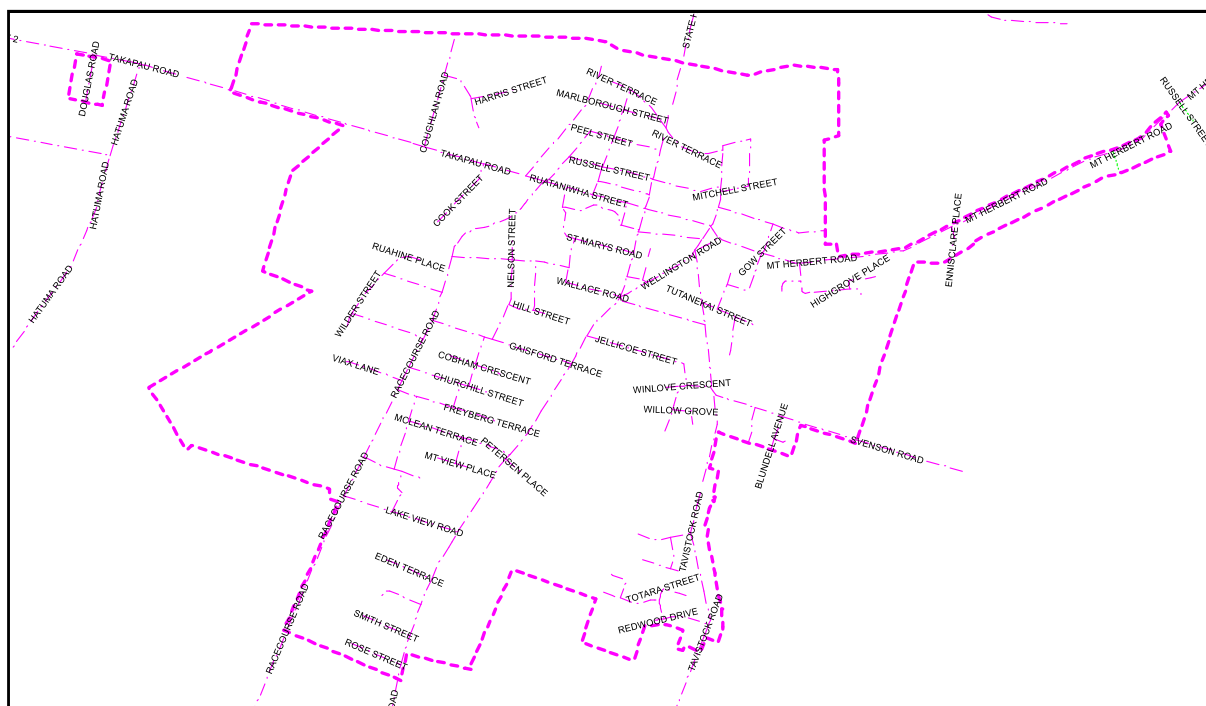
A uniform targeted rate on the capital value of all rateable land in the Waipukurau and Waipawa Stormwater Catchment Areas.

For the 2017/18 year this rate will be 0.0889 cents per dollar (including GST).

The Waipukurau and Waipawa Stormwater Catchment Areas are defined by reference to stormwater catchment boundary plans held.



Waipawa stormwater operation zone

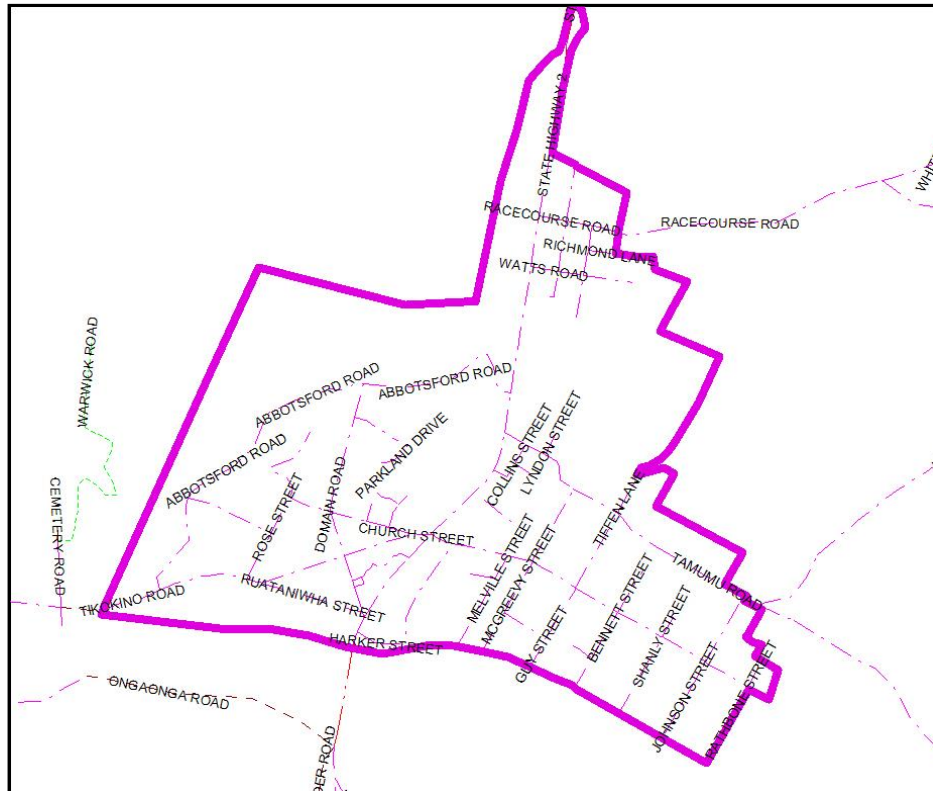


Waipukurau stormwater operation zone

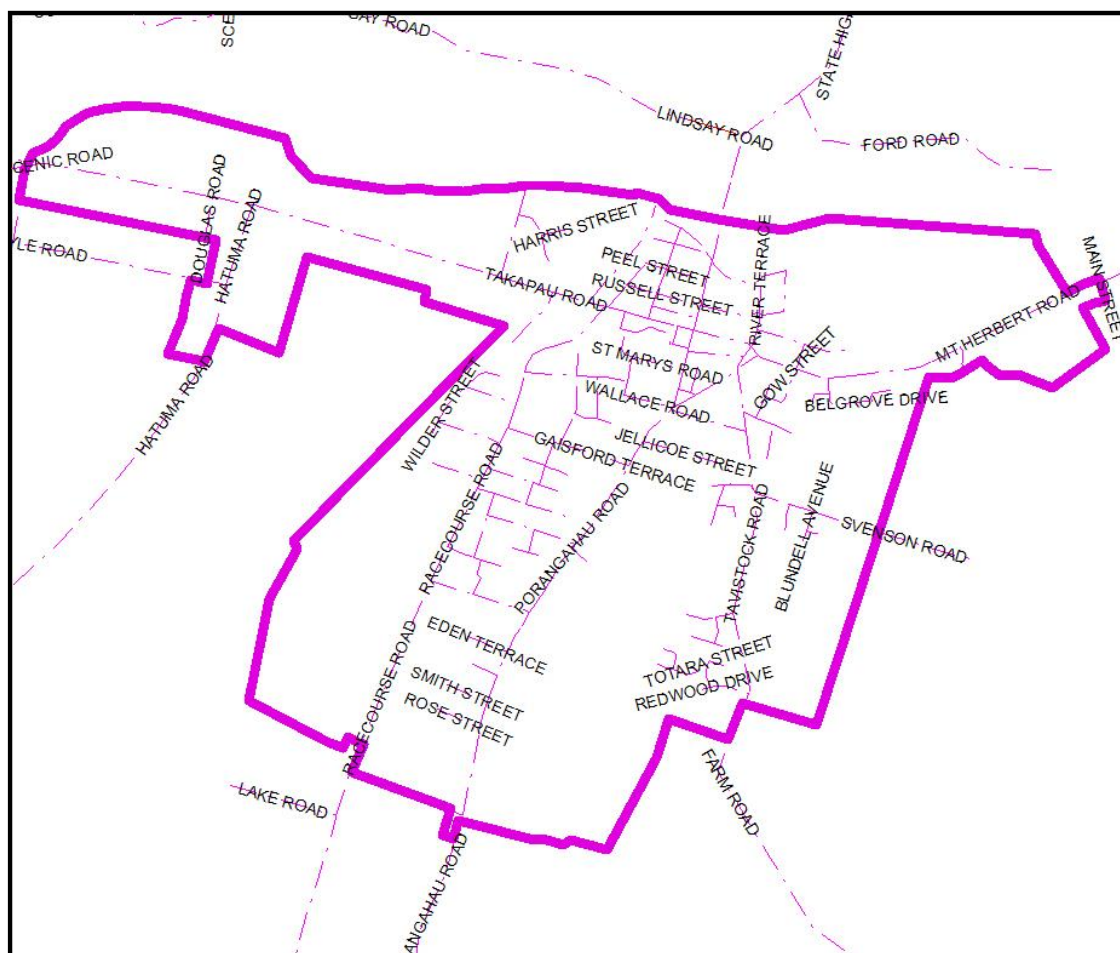
8. Kerbside Recycling Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's collection of household recyclables for Waipukurau and Waipawa on each separately used or inhabited part of a rating unit to which the Council provides the service.

For the 2017/18 year this rate will be \$69.05 (including GST).



Waipawa kerbside recycling collection zone

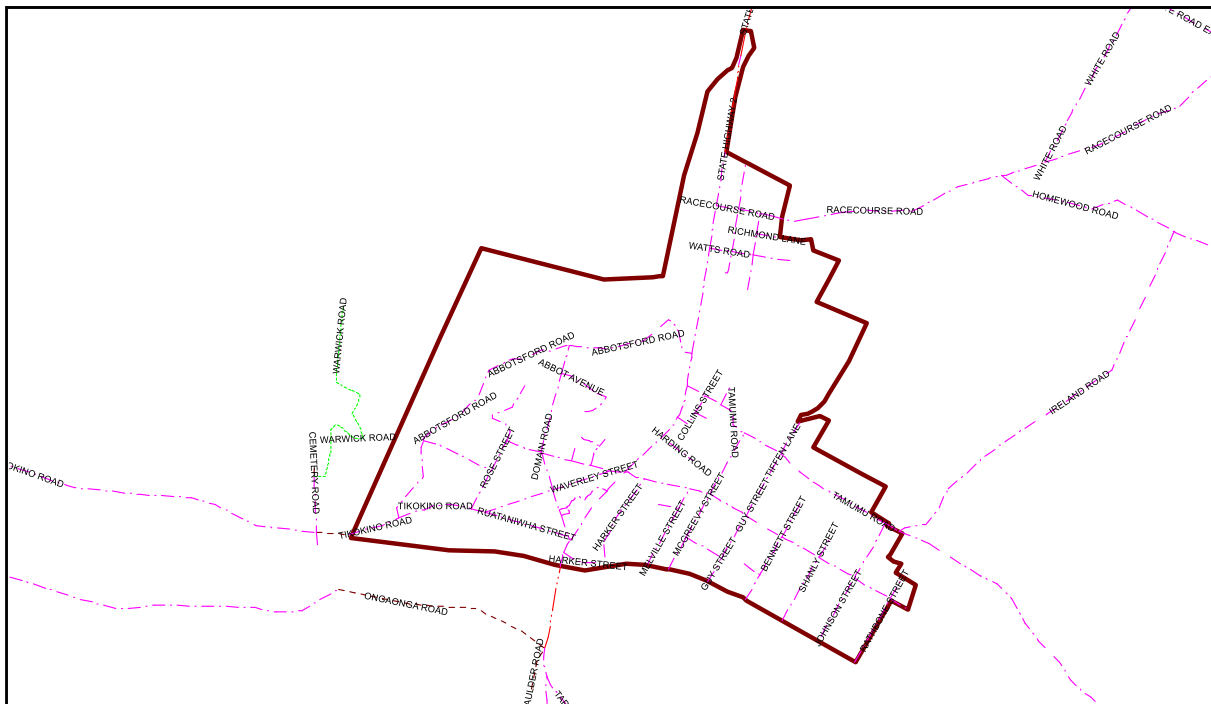


Waipukurau kerbside recycling collection zone

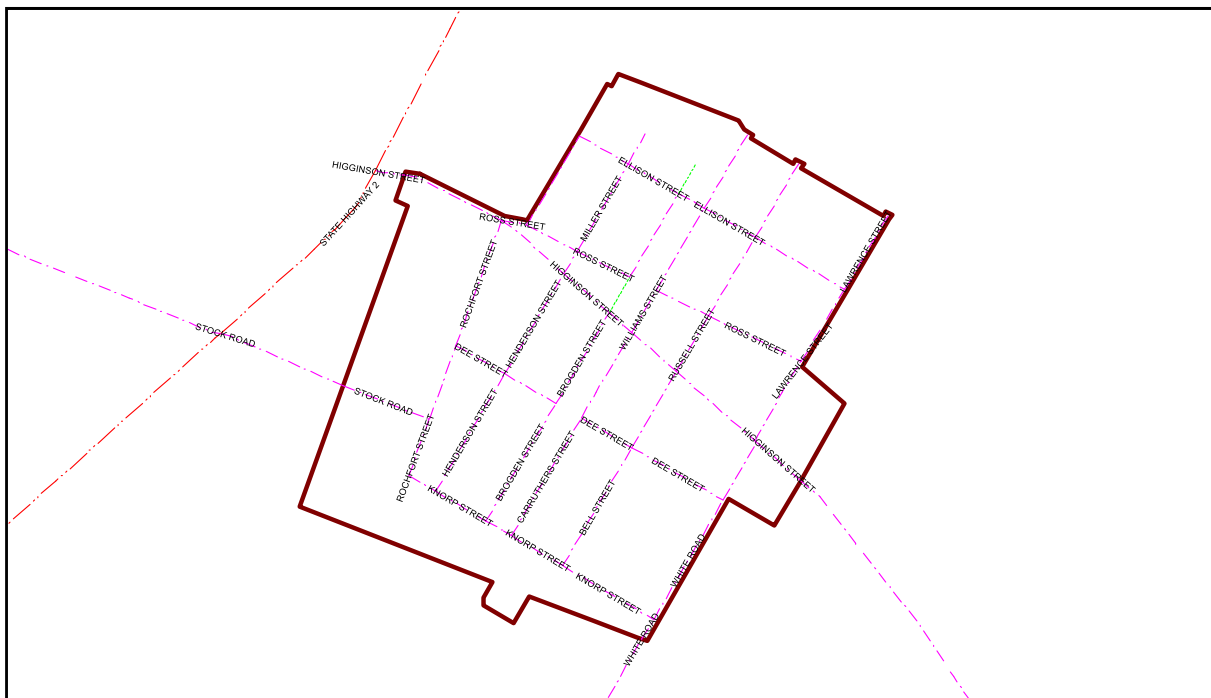
9. Refuse Collection Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the collection of household and commercial refuse for Otane, Onga Onga, Takapau, Tikokino, Waipukurau, Waipawa, Porangahau, Te Paerahi, Blackhead Beach, Kairakau, Mangakuri, Aramoana and Porerere Beach on each separately used or inhabited part of a rating unit to which the Council provides the service.

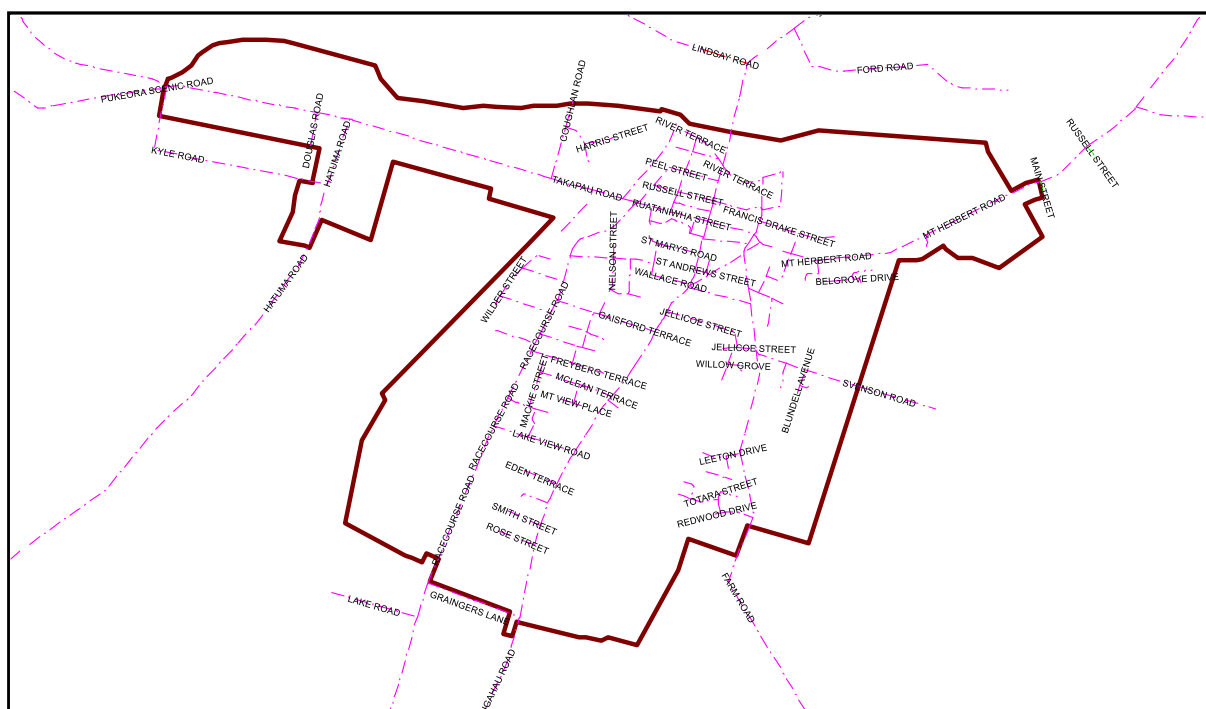
For the 2017/18 year this rate will be \$17.99 (including GST).



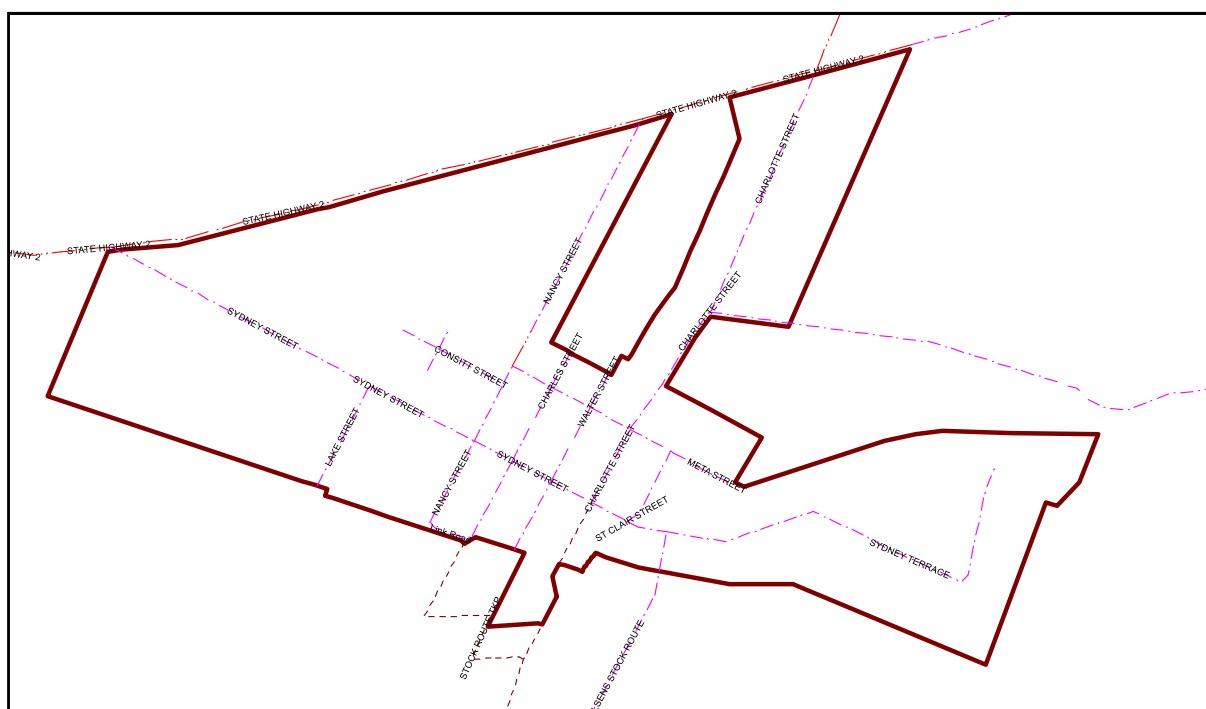
Waipawa refuse collection zone



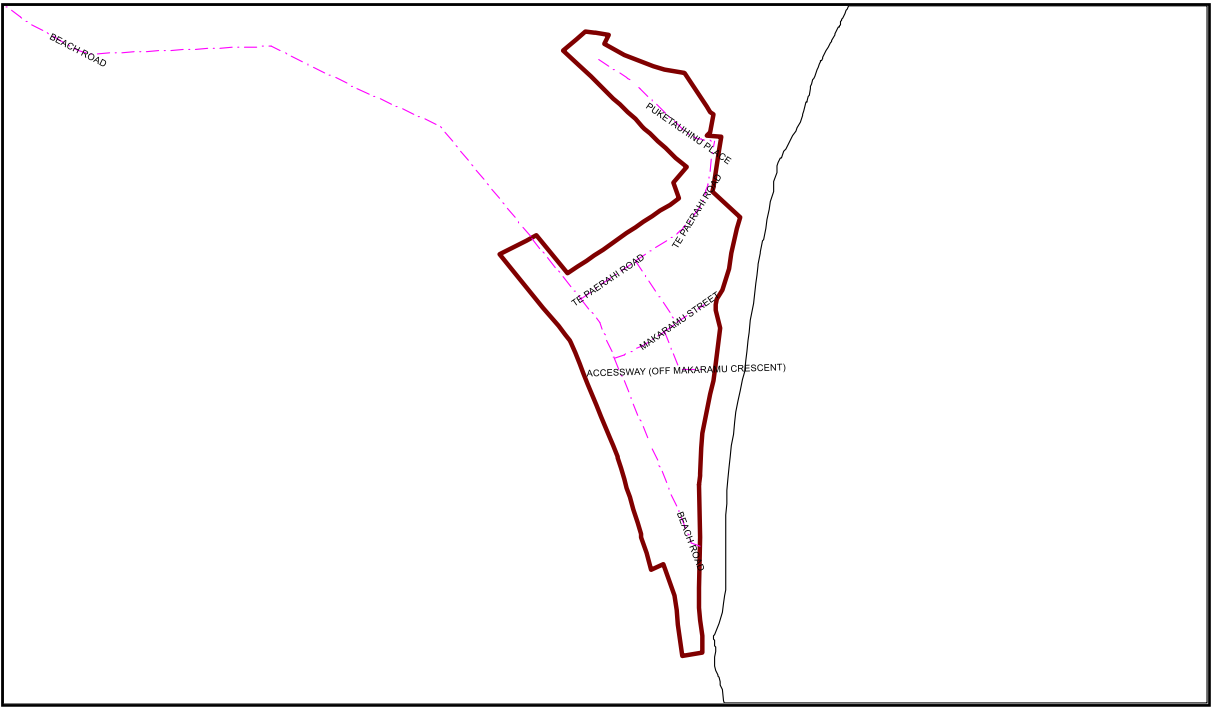
Otane refuse collection zone



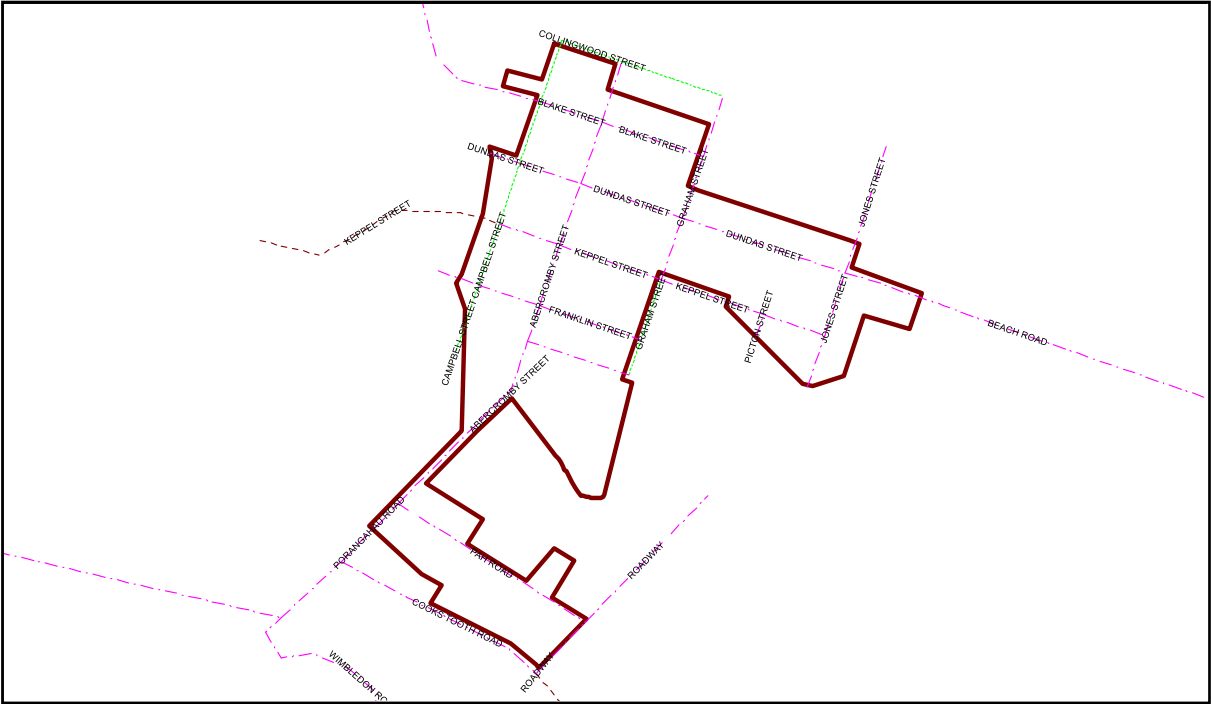
Waipukurau refuse collection zone



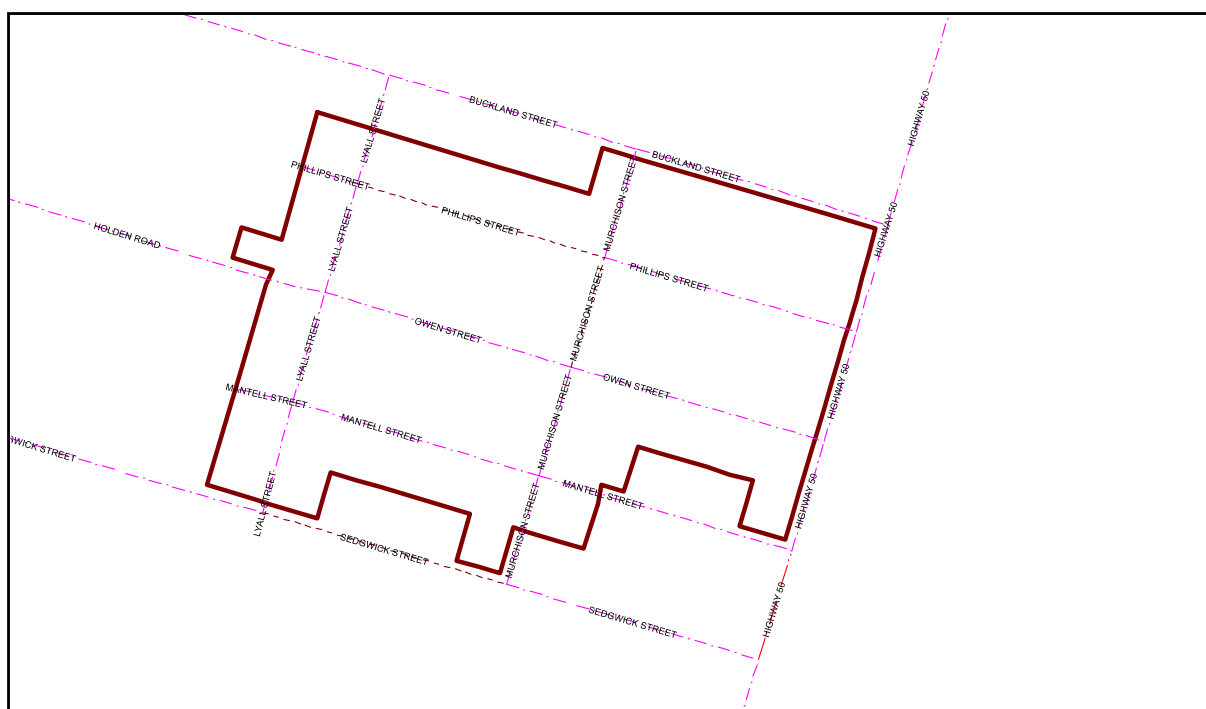
Takapau refuse collection zone



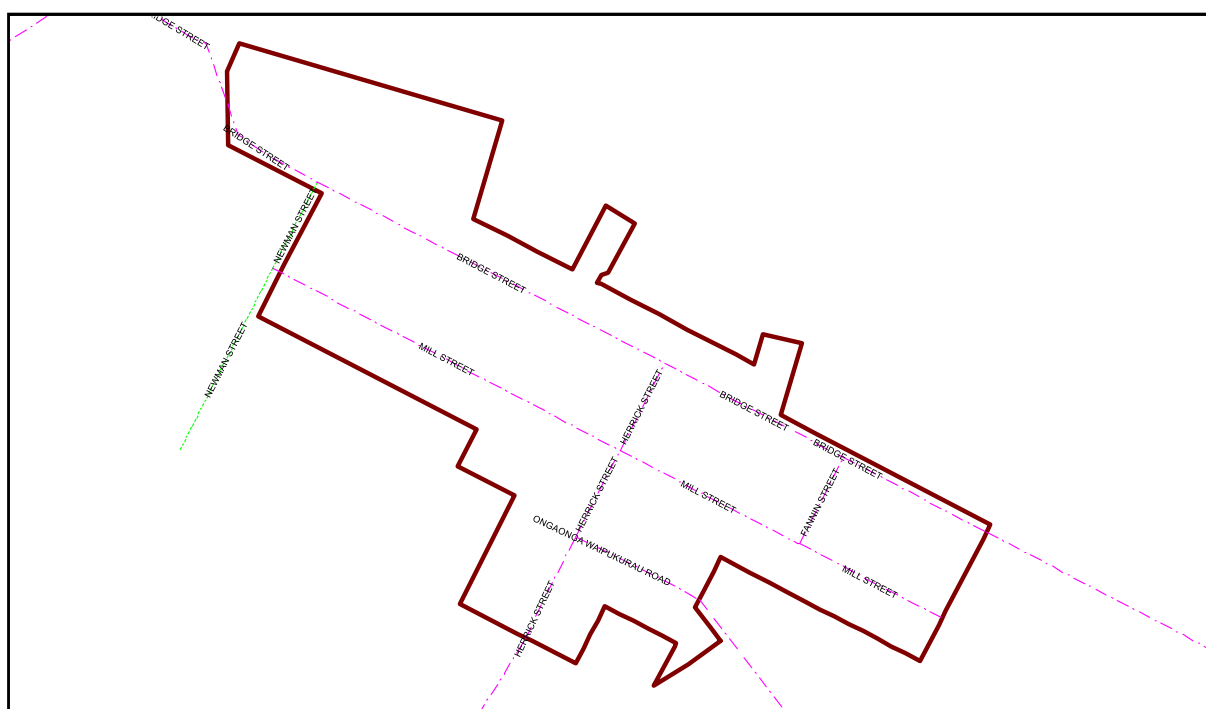
Te Paerahi refuse collection zone



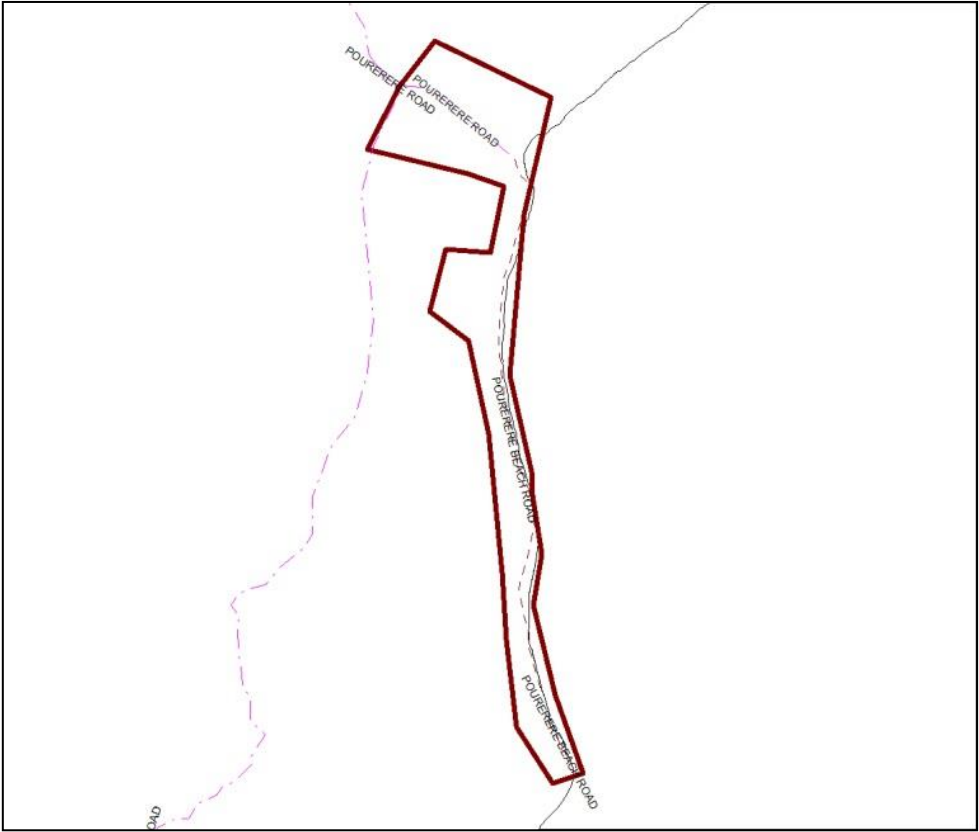
Porangahau refuse collection zone



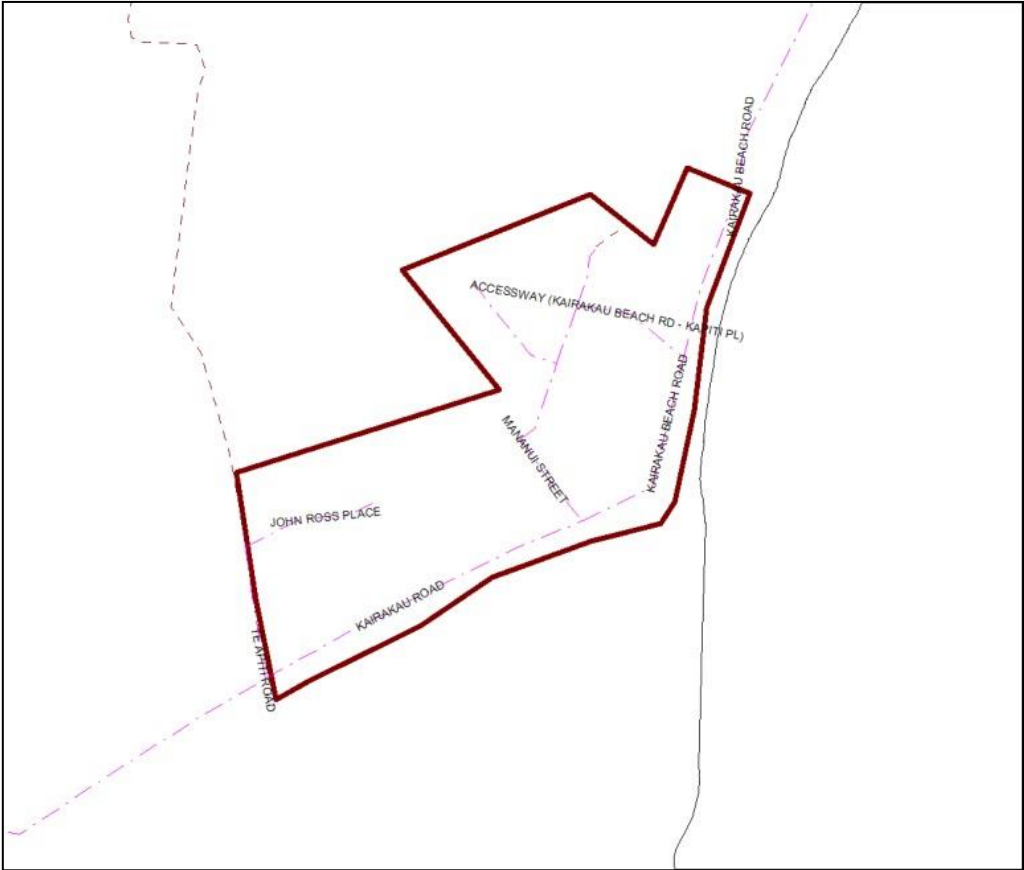
Tikokino refuse collection zone



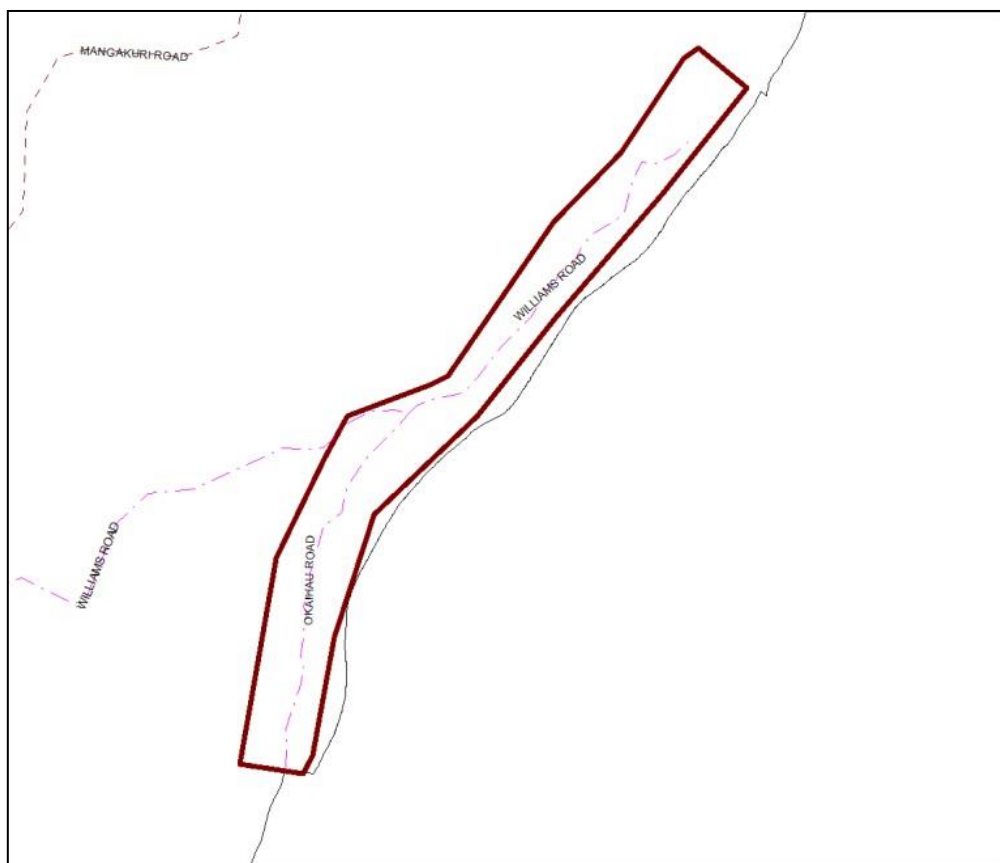
Onga Onga refuse collection zone



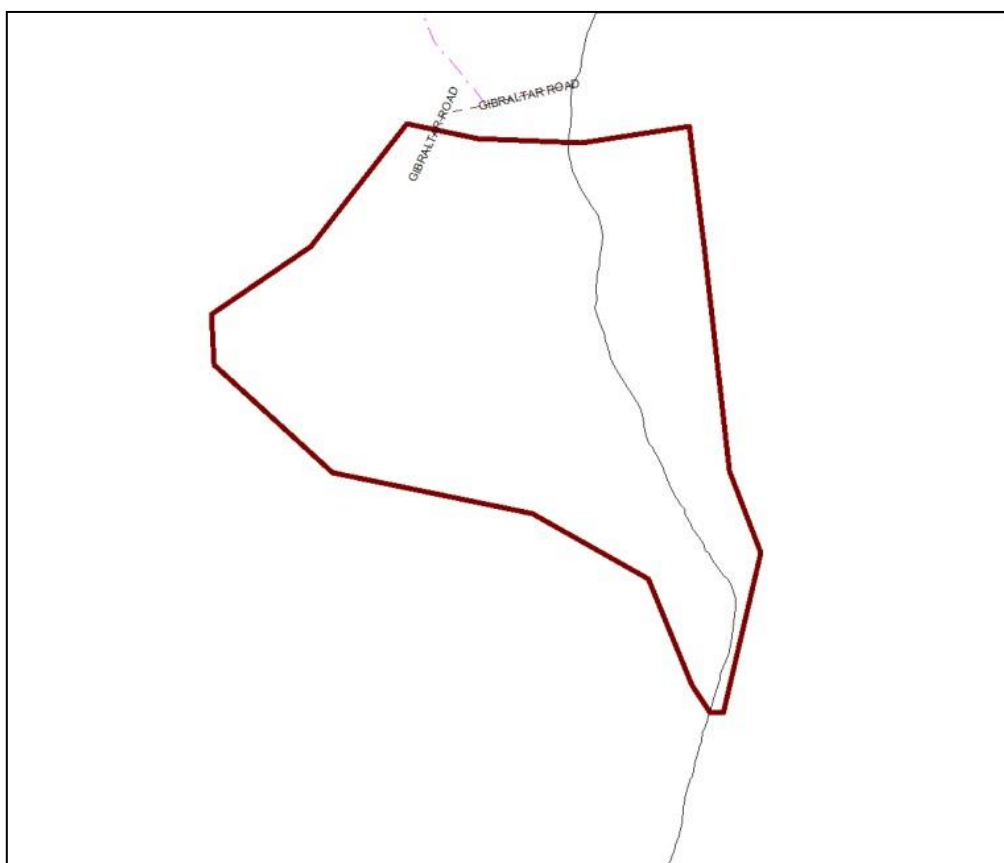
Pourerere Beach refuse collection zone



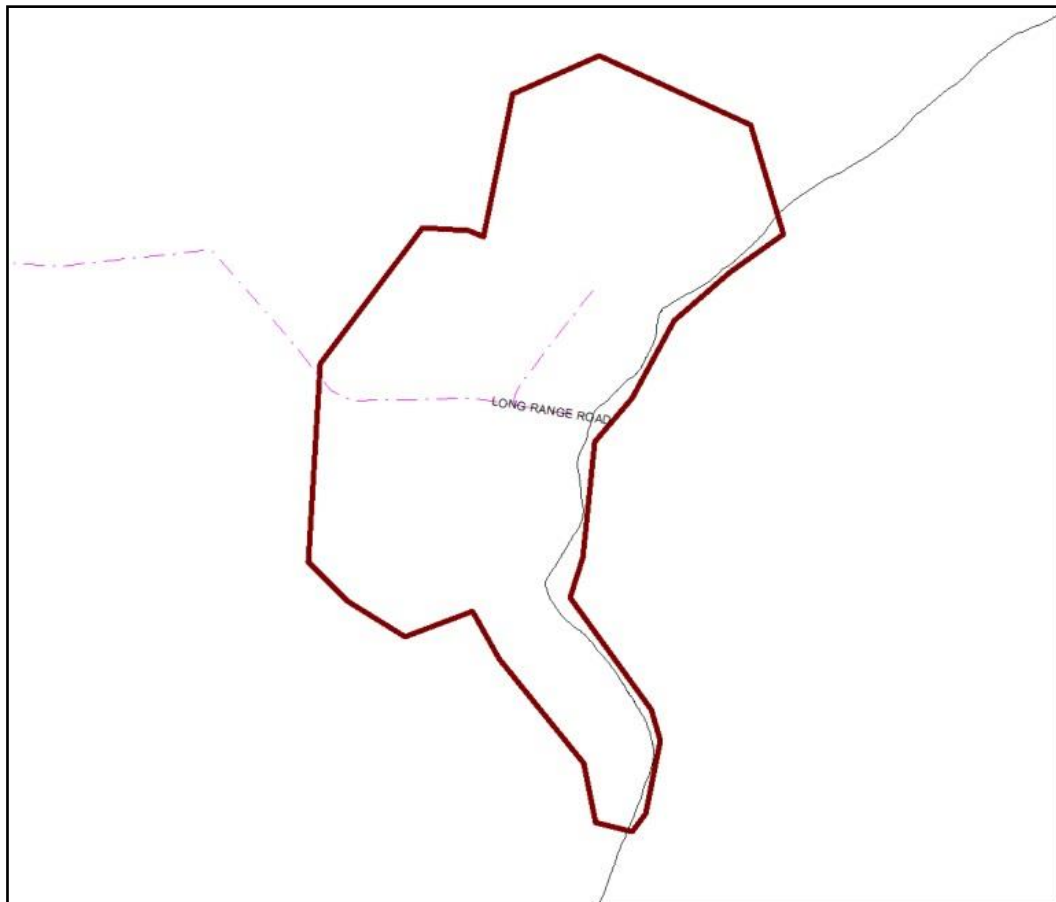
Kairakau Beach refuse collection zone



Mangakuri Beach refuse collection zone



Aramoana Beach refuse collection zone



Blackhead Beach refuse collection zone

10. Economic Development Rate

A uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002 to assist in the funding of Economic Development Activities within the district on each separately used or inhabited part of a rating unit that is Non Residential and Non Rural.

For the 2017/18 year this rate will be \$110.49 (including GST).

11. Ruataniwha Ward Rate for Mainstreet Upgrades

A uniform targeted rate on all rateable land in the Ruataniwha Ward Urban set under section 16 of the Local Government (Rating) Act 2002 for the purposes of funding the Main Street Waipukurau and Waipawa improvements undertaken between 2001 and 2005.

For the 2017/18 year this rate will be \$20.02 (including GST) per rating unit.

12. Te Aute Drainage Rate

Te Aute Drainage rates are set on all rateable area of rateable property within the designated area subject to a graduated scale for the purpose of funding the operations, loan charges and the repayment of loans for the Te Aute Drainage Scheme area.

The amount required and the classification is set by the Te Aute Drainage Committee.

Each hectare of land in each property is classified according to the susceptibility of that hectare to flooding as follows:

A (100 points), B (80 points), C (15 points), F (3 points), and G (0 points).

The total number of points is 73614. The total amount of funding required each year determines how much each of these points are worth. In this way, the total amount required is apportioned on a pro rata basis using the weightings on each hectare.

The total amount of funding required for 2017/18 is \$32,200

The amount per point is 43.7 cents including GST.

The Te Aute drainage scheme area is defined by reference to the classification list establishing the graduated scale.

Valuation Number	Hectares in each classification				Total Points	Amount
	A (100pts)	B (80pts)	C (15pts)	F (3pts)		
1092000300	0	11.3	8.15	31.63	1,121	\$490.34
1092000800	0	32.83	74.69	23.42	3,817	\$1,669.62
1092001001	77.96	39.78	50.27	51.27	11,886	\$5,199.14
1092001100	78.22	0	15.28	39.73	8,171	\$3,573.99
1092001107	0	0	10.00	61.44	334	\$146.24
1092001400	0	0	0	14.16	42	\$18.37
1092001600	0	0	0	10.12	30	\$13.12
1092001700	38.74	51.06	36.24	45.12	8,638	\$3,778.41
1092002100	188.81	0	0	23.93	18,953	\$8,290.36
1092002300	125.04	9.34	21.59	29.25	13,663	\$5,976.34
1092002900	0	0	0	0.81	2	\$0.87
1092003400	0	0	8.02	6.6	140	\$61.24
1092005800	0	18.63	0	4.93	1,505	\$658.31
1092006100	0	65.81	0	15.84	5,312	\$2,323.56
Total	508.77	228.75	224.24	358.25	73,614	\$32,200.00

Approach to Rating

Rates are set and assessed under the Local Government (Rating) Act 2002 on all rateable rating units on the value of the land and improvements as supplied by Quotable Value New Zealand Limited. The last revaluation was carried out effective from 1 July 2016.

The objectives of the council's rating policy is to:

- (i) spread the incidence of rates as fairly as possible
- (ii) be consistent in charging rates
- (iii) ensure all ratepayers pay their fair share for council services
- (iv) provide the income needed to meet the council's goals.

The Central Hawke's Bay District Council rating system provides for all user charges and other income to be taken into account first, with the rates providing the balance needed to meet the council's objectives.

Rating Base

The rating base will be the database determined by the contracted rating service provider. Because this database is constantly changing due to change of ownership, subdivision, regular revaluations, change of status from rateable to non-rateable (and reverse), the rating base is not described in detail in this policy.

Rating Information Database and Rates Records

Council's rating information database and rates records are available for public inspection at the Council offices in Waipukurau and Waipawa during normal office hours -

- Waipukurau (Hours Monday – Friday 9am to 5.00pm)
- Waipawa (Hours Monday – Friday 8am to 5.00pm)

Due Dates for Rate Payments

Pursuant to Section 24 of the Local Government (Rating) Act 2002 the following dates are proposed to apply for assessing the amount of each instalment of rates excluding metered water rates for the year 1 July 2017 to 30 June 2018. Each instalment will be assessed in four equal amounts, rounded.

Instalment number	Instalment Start Date	Last day of payment without additional charge	Penalty date
1	1 July 2017	20 August 2017	21 August 2017
2	1 October 2017	20 November 2017	21 November 2017
3	1 January 2018	20 February 2018	21 February 2018
4	1 April 2018	20 May 2018	21 May 2018

Due Dates for Metered Water Rates

Pursuant to Section 24 of the Local Government (Rating) Act 2002 the following dates are proposed to apply for assessing the amount of metered water rates for the year 1 July 2017 to 30 June 2018. The assessment is applied to water users after the first 300 cubic metres of water without additional charge has been used as part of the Water Supply Rate.

Area/Users	Water Meters read during	Last day of payment
High Users	Monthly	20th month following
Waipukurau Takapau	Sep-17	20-Oct-17
	Dec-17	20-Jan-18
	Mar-18	20-Apr-18
	Jun-18	20-Jul-18
Waipawa Otane Kairakau Porangahau/Te Paerahi	Aug-17	20-Sep-17
	Nov-17	20-Dec-17
	Feb-18	20-Mar-18
	May-18	20-Jun-18

Penalty Charges

(Additional Charges on Unpaid Rates)

Pursuant to Section 58(1)(a) of the Local Government (Rating) Act 2002, an additional charge of 10% will be added on the penalty date above, to all amounts remaining unpaid for each instalment excluding metered water rates.

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 10% will be added on 1 July 2018 to the amount of rates assessed in previous financial years and remaining unpaid as at 30 June 2017 (Section 58(1)(b)) excluding metered water rates.

Payment Options

Rate payments on instalments are to be received by Council no later than 5.00pm on the last day of payment detailed above. Payment options include:

- Online through Internet Banking.
- Direct Debit.
- Automatic Payments via your bank account, or Telephone Banking.
- Cheque sent by Post.
- At Council Offices in Waipukurau (Hours Monday – Friday 9am to 5.00pm) or Waipawa (Hours Monday – Friday 8am to 5.00pm). We accept Cash, Cheque and Eftpos.
- Online by Credit Card from our website.

Lump Sum Contributions

Council will not accept lump sum contributions in respect of any targeted rate.

Rating Base Information

For all the rating units in the district, estimated for 30/06/2017

Number of Rating Units	7389
Capital Value	4,151,027,800
Land Value	2,651,443,450

Annual Plan Disclosure Statement

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Description	Planned	Met
Rates affordability benchmark			
Income	LTP increase + 2% = 4.38%	2.57	Yes
Increases	LGCI + 2% = 3.90%	2.47	Yes
Debt affordability benchmark			
	Debt must not exceed 5% of total public equity and accumulated funds.	0.75	Yes
	Debt is less than \$2000 per head of population	413.95	Yes
Debt servicing benchmark			
	Debt servicing costs will not exceed 10% of total revenue.	1.44	Yes
Balanced budget benchmark			
	Revenue is equal or greater than operation expenses	98.41	No
Essential services benchmark			
	Capital Expenditure is equal or greater than depreciation	97.40	No

